



Notice is hereby given in terms of Section 29 of the Local Government: Municipal Structures Act, Act 117 of 1998, that a **COUNCIL MEETING** of the 2021/2026 term of the Garden Route District Municipality will be held at the CA Robertson Council Chambers and **via Zoom**, on **TUESDAY, 25 JANUARY 2022** at **11:00** to consider the items as set out in the agenda.

*Kennis geskied hiermee ingevolge Artikel 29 van die Wet op Plaaslike Regering: Munisipale Strukture, 1998, Wet 117 van 1998, dat 'n **RAADSVERGADERING** van die 2021/2026 termyn van die Garden Route Distriksmunisipaliteit gehou sal word in die CA Robertson Raadsaal en **via Zoom** op **DINSDAG, 25 JANUARIE 2022** om **11:00** ten einde oorweging aan die items soos in die agenda uiteengesit, te skenk.*

KuKhutshwe isaziso ngokwemiqathango yoMhlathi 29 woRhulumente Basekhaya: Umthetho Wezolawulo loMasipala, 1998, uMthetho 117 wango 1998, sokuba **INTLANGANISO** yexesha lika 2021/2026 loMasipala Wesithili se Garden Route izakubanjelwa kwiGumbi leBhunga i CA Robertson, naku **Zoom** **NGOLWESIBINI, 25 KWEYOMQUNGU 2022** ngentsimbi ye **11:00** ukuqwalasela imiba ebekwe kwi agenda.

ALD GR WOLMARANS
SPEAKER
SPEAKER
SOMLOMO

MG STRATU
Municipal Manager
Munisipale Bestuurder
Mphathi Masipala

Date: 17 January 2022

AGENDA

1. OPENING AND WELCOMING / OPENING EN VERWELKOMING / UVULO NOLWAMKELO
2. SILENT PRAYER / STILLE GEBED / UMTHANDAZO OTHULEYO
3. ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO
 - 3.1 COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG / OOCEBA ABAKHOYO
 - 3.2 COUNCILLORS WITH LEAVE / RAADSLEDE MET VERLOF / OOCEBA ABAKWIKHEFU
 - 3.3 COUNCILLORS WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OOCEBA ABANGEKHO KWIKHEFU
4. NOTING OF THE PROVISIONS OF SCHEDULE 7 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES AMENDMENT ACT, 2021 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING MUNISIPALE AANGEPASTE STRUKTURE WET, 2021 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) LOMTHETHO WENKQUBO ZORHULUMENTE BASEKHAYA, 2021
5. DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KOMDLA NGOOCEBA KUNYE NAMAGOSA

6	COMMUNICATIONS BY THE EXECUTIVE MAYOR / MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER / UNXIBELELWANO LUKA SODOLOPHU	
7	COMMUNICATIONS BY THE SPEAKER / MEDEDELINGS DEUR DIE SPEAKER / UNXIBELELWANO LUKASOMLOMO	
8	COMMUNICATIONS BY THE MUNICIPAL MANAGER / MEDEDELINGS DEUR DIE MUNISIPALE BESTUURDER / UNXIBELELWANO LOMPHATHI MASIPALA	
9	APPROVAL OF MINUTES OF COUNCIL MEETING / GOEDKEURING VAN NOTULES VAN RAADSVERGADERING / UKWAMKELWA KWEMIZUZU YENTLANGANISO ZEBHUNGA	
9.1	Special Council meeting dated 10 December 2021 / Spesiale Raadsvergadering gedateer 10 Desember 2021 / Imizuzu yentlanganiso Ekhethekileyo yeBhunga yangomhla 10 KweyoMnga 2021	8 – 37

9.2	Special Council meeting dated 12 January 2022 / Spesiale Raadsvergadering gedateer 12 Januarie 2021 / Imizuzu yentlanganiso Ekhethekileyo yeBhunga yangomhla 12 KweyoMqungu 2022	38 – 57
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H.1	2021 GARDEN ROUTE DISTRICT MUNICIPAL ECONOMIC REVIEW OUTLOOK REPORT (MERO) / 2021 GARDEN ROUTE DISTRIKSMUNISIPALITEIT MUNISIPALE EKONOMIESE OORSIGVERSLAG / INGXELO YOQWALASELO BANZI LOBUME BEZOQOQOSHO KUMASIPALA WESITHILI SE GARDEN ROUTE 2021 <i>Refer: Report dated 17 January 2022 from the Executive Manager: Economic Development and Planning (L Menze)</i>	327-564
SECTION I		
NOTICE OF URGENT MOTIONS / KENNISGEWING VAN DRIGENDE MOSIES / ISAZISO SEZIPHAKAMISO		
I.1	None / Geen / Asikho	
SECTION J		
NOTICES OF MOTIONS / KENNISGEWING VAN MOSIES / ISAZISO SEZIPHAKAMISO		
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K.1	None / Geen / Asikho	
	CLOSURE / SLUITING / UQUKUNJELO	

Ald M Booyesen
Ald GR Wolmarans
Ald G van Niekerk
Ald P Terblanche
Ald S De Vries
Cllr / Rdl / Ceba CN Lichaba
Cllr / Rdl / Ceba NV Gungubele
Cllr / Rdl / Ceba J Hoogbaard
Cllr / Rdl / Ceba JG Meiring
Cllr / Rdl / Ceba CA Swart
Cllr / Rdl / Ceba K Malooi
Cllr / Rdl / Ceba C Scheepers
Cllr / Rdl / Ceba B van Noordwyk
Cllr / Rdl / Ceba CP Taute
Cllr / Rdl / Ceba M Draghoender
Cllr / Rdl / Ceba D Acker
Cllr / Rdl / Ceba JC Lambaatjeen
Cllr / Rdl / Ceba LSS van Rooyen
Cllr / Rdl / Ceba JR Canary
Cllr / Rdl / Ceba RJ Hector
Cllr / Rdl / Ceba SM Toto
Ald V Gericke
Ald IC Kritzinger
Cllr / Rdl / Ceba DL Cronje
Cllr / Rdl / Ceba HRT Stroebel
Cllr / Rdl / Ceba TC Matika
Cllr / Rdl / Ceba NT Seti
Cllr / Rdl / Ceba N Ndayi
Cllr / Rdl / NA Tswenga
Ald RH Ruiters
Cllr / Rdl / Ceba M Kannemeyer
Cllr / Rdl / Ceba A Barker
Cllr / Rdl / Ceba MA Mkonto
Cllr / Rdl / Ceba HD Ruiters
Cllr / Rdl / Ceba JJ Cornelius



Minutes of a **Special Council meeting of**
the 2021/2026 term of
Garden Route District Council held at the **CA Robertson Council Chambers** and via
Zoom, on **10 December 2021** at **11:00**

*Notule van 'n **Spesiale Raadsvergadering** van
die 2021/2026 termyn
van Garden Route Distriksraad gehou in die **CA Robertson Raadsaal** en via **Zoom**
op **Vrydag, 10 Desember 2021** om **11:00***

Imizuzu **Intlanganiso Ekhethekileyo**
yexesha 2021/2026 yoMasipala Wesithili se Garden Route
nebibanjwe kwiGumbi **leBhunga CA Robertson**, kunye **nango Zoom**, ngo
NgoLwesihlanu, 10 kweyoMnga 2021 ngo **11:00**

1. **OPENING AND WELCOMING / OPENING EN VERWELKOMING / UVULO
NOLWAMKELO**

The Speaker, Ald GR Wolmarans welcomed everybody present and thanked them for their attendance.

2. **SILENT PRAYER / STILLE GEBED / UMTHANDAZO OTHULEYO**

Ms Mercy James opened the meeting with a prayer and read a passage from scripture.

3. **ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO**

3.1 **COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG /OOCEBA ABAKHOYO**

Ald M Booysen	DA
Ald GR Wolmarans	DA
Cllr / Rdl / Ceba J Hoogbaard	DA
Cllr / Rdl / Ceba K Malooi	DA
Cllr / Rdl / Ceba P Terblanche	DA
Cllr / Rdl / Ceba CA Swart	DA
Cllr / Rdl / Ceba JG Meiring	DA
Cllr / Rdl / Ceba CN Lichaba	ANC
Ald S De Vries	ANC
Cllr / Rdl / Ceba NV Gungubele	ANC
Cllr / Rdl / Ceba C Scheepers	GOOD
Cllr / Rdl / Ceba JJ Cornelius	ICOSA
Cllr / Rdl / Ceba M Draghoender	PBI
Cllr / Rdl / Ceba D Acker	VFP
Ald IC Krtizinger	George Municipality
Ald V Gericke	George Municipality
Cllr / Rdl / Ceba D L Cronje	George Municipality
Cllr / Rdl / Ceba GJ van Niekerk	George Municipality
Cllr / Rdl / Ceba RJ Hector	George Municipality
Cllr / Rdl / Ceba B van Noordwyk	Hessequa Municipality
Cllr / Rdl / Ceba CP Taute	Hessequa Municipality

Cllr / Rdl / Ceba HRT Stroebe	Knysna Municipality
Cllr / Rdl / Ceba NA Tswengwa	Knysna Municipality
Cllr / Rdl / Ceba TC Matika	Knysna Municipality
Cllr / Rdl / Ceba NT Seti	Bitou Municipality
Cllr / Rdl / Ceba N Ndayi	Bitou Municipality
Ald RH Ruiters	Mossel Bay Municipality
Cllr / Rdl / Ceba A Barker	Mossel Bay Municipality
Cllr / Rdl / Ceba M Kannemeyer	Mossel Bay Municipality
Cllr / Rdl / Ceba MA Mkonto	Mossel Bay Municipality
Cllr / Rdl / Ceba JC Lambaatje	Oudtshoorn Municipality
Cllr / Rdl / Ceba S van Rooyen	Oudtshoorn Municipality
Cllr / Rdl / Ceba J Canary	Oudtshoorn Municipality
Cllr / Rdl / Ceba HD Ruiters	Kannaland Municipality (via Zoom)

OFFICIALS / AMPTENARE / AMAGOSA

Mr / Mnr / Mnu MG Stratu	Municipal Manager
Ms / Me / Nkzn B Holtzhausen	Executive Manager Corporate Services
Mr / Mnr / Mnu J-W de Jager	Executive Manager Financial Services
Mr / Mnr / Mnu L Menze	Executive Manager Economic Development and Planning
Mr / Mnr / Mnu J Compion	Acting Executive Manager: Community Services
Mr JG Daniels	Executive Manager Roads and Transport Services
Mr / Mnr / Mnu S Maqekeni	Manager: Integrated Support Services & Legal Compliance
Mr / Mnr / Mnu T Loliwe	Strategic Manager in the Office of the Municipal Manager
Ms / Me / Nkzn N Davids	Manager: Legal Service
Mr / Mnr / Mnu G Otto	Manager Disaster Management
Ms / Me / Nksnz L Hoek	Manager BTO
Mr / Mnr / Mnu T Mpuru	Manager SCM, Stores & Data
Ms / Me / Nksnz N Klaas	Manager Human Resources
Ms / Me / Nkzn I Saaiman	Manager Performance Management

Ms / Me / Nkzn M James	District IDP Manager
Ms / Me / Nksnz L Hoek	Manager BTO, AFS & Assets
Mr / Mnr / Mnu J Stander	Manager Income, Bank, Expenditure & Renumeration
Mr / Mnr / Mnu D Stoffels	Acting Fire Chief
Mr / Mnr / Mnu H Pieters	Snr Communications Officer
Ms / Me / Nksnz R Matthews	Head: Committee Services
Ms / Me / Nkszn C Van Wyngardt	Committee Officer
Dr A Potgieter	Chairperson of APAC
Ms A Prins	Former member of Parliament

4.2 **COUNCILLORS WITH LEAVE / RAADSLEDE MET VERLOF / OCEBA**

ABAKWIKHEFU

Cllr / Rdl / Ceba SM Toto George Municipality

OFFICIALS

Mr / Mnr / Mnu C Africa Executive Manager: Community Services

4.3 **COUNCILLORS WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OCEBA ABANGEKHO**

None / Geen / Azikho

NB: REPORT C.3 ON THE ADDENDUM WAS DEALT WITH FIRST

C.3. **INAUGURATION OF COUNCILLOR / INSWEER VAN RAADSLID / UKUNGENISWA EZIKHUNDLELO KOOCEBA**

Refer: Report dated 09 December 2021 from the Municipal Manager (MG Strat) (pg 3-7)

RESOLVED

- 5.1 That cognisance be taken of the notice from the IEC, Dated 6 December 2021
- 5.2 That Cllr. Jan Johannes Cornelius be inaugurated as a Councillor of the Garden Route District Council with effect from 06 December 2021.

- 5.3 That Cllr. Jan Johannes Cornelius be requested to take the Oath of Office, as required in terms the Municipal Structures Act, 1998.

BESLUIITE

- 5.1 *Dat kennis geneem word van die kennisgewing van die OVK, gedateer 06 Desember 2021.*
- 5.2 *Dat Rdl. Jan Johannes Cornelius, met ingang van 06 Desember 2021 as Raadslid van die Gardenroute Distriksmunisipaliteit ingehuldig word.*
- 5.2 *Dat Rdl Jan Johannes Cornelius versoek word om 'n eed van die kantoor te neem, soos vereis ingevolge die Wet op Munisipale Strukture, 1998.*

ISIGQIBO

- 5.1 Sesokuba kuthathelwe ingqalelo isaziso se IEC, sangomhla 06 KweyoMnga 2021.
- 5.2 Sesokuba uCeba. Jan Johannes Cornelius, angeniswe kwisi khundla sokuba nguCeba weBhunga loMasipala Wesithili se Garden Route ukususela ngomhla wama 06 KweyeMnga 2021.
- 5.2 Sesokuba uCeba. Jan Johannes Cornelius, acewe ukuba athathe Isifungo se Ofisi njengoko kufunwa yi Municipal Structures Act, 1998.

4. NOTING OF THE PROVISIONS OF SCHEDULE 7(CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES ACT, 2000 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING MUNISIPALE STRUKTUREWET, 2000 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) UMTHEHO WEZOLAWULO LOMASIPALA WORHULUMENTE WASEKHAYA, 2000

The Code of conduct was noted.

5. **DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING
VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KOMDLA
NGOOCEBA KUNYE NAMAGOSA**

The Municipal Manager declared his interest regarding report B.4 from pages 514 – 522 on the agenda.

6. **COMMUNICATIONS BY THE EXECUTIVE MAYOR / MEDEDELINGS DEUR DIE
UITVOERENDE BURGEMEESTER / UNXIBELELWANO LUKA SODOLOPHU**

The Executive Mayor thanked Ms Mercy James for the befitting scripture. The scripture deals with how we should lead with wisdom and not be obsessed with power and positions. The Executive Mayor reported that in the previous week, the first District Coordination Forum took place and at the said meeting a theme was developed being “delivery” or “execution”. According to the Executive Mayor, a lot of effort has gone into doing the ground work where it comes to projects and these must be concluded during this term of Council. He also reported that a lot more projects will be started in the new term. The Executive Mayor congratulated everyone who contributed to the Clean Audit that the Garden Route District Municipality (GRDM) received. He also welcomed the newly elected Cllr JJ Cornelius and encouraged all the new Councillors to actively participate.

The Executive Mayor reminded Council that because the GRDM Council consists of more political parties, that the engagement with each other should be constructive. He also reminded Council that the Laws and the Rules of Order have been speak to how Councillors should act after the Speaker has made a ruling. If Councillors are not happy after the ruling of the Speaker, the Whips have a platform to take the issue up. The issue can come back as a motion, or it can be discussed at the Whips Forum, and that the meetings must not turn into “a tit for tat” The Executive Mayor informed the Speaker that as Councillors they all have respect for her but is hoping that there is some leniency in debates even after a ruling has been made.

With regards to the Council Chambers, the Executive Mayor noted that the Chambers is becoming too small and that part of the plans for the property that has just been purchased across the main building should include a Council Chamber.

The Executive Mayor expressed his condolences to families who lost loved ones due to Covid 19, road accidents and the floorings that occurred in the district.

The Executive Mayor reminded Council that there are municipalities that cannot recover from natural disasters due to the lack of resources and funding, and referred to the flood damage that recently happened in George. He mentioned that if GRDM becomes a Water Service Authority it gives the GRDM the opportunity to apply for funds from National Treasury and from international donors as well. The Executive Mayor reported that the GRDM is not competing with the Local Municipalities in seeking to be a Water Services Authority. He reminded Council that if the GRDM assists some of the municipalities when it has not budgeted for it, the Auditor General is going to raise issues about unauthorised expenditure, but if the GRDM had the Water Services Authority accreditation, the money would be there.

7. **COMMUNICATIONS BY THE SPEAKER / MEDEDELINGS DEUR DIE SPEAKER**
/ UNXIBELELWANO LUKASOMLOMO

The Speaker reported that a very fruitful meeting took place with all the Whips at the first Governance meeting that took place on 06 December 2021. At the said meeting a few issues were raised that will be resolved with Administration and the Speaker also communicated that she is certain that as a team, the Governance Committee will work well together. The Speaker congratulated the following Councillors with their birthdays: Cllr J Hoogbaard and Ald S de Vries.

The Speaker gave Mr Gerhard Otto an opportunity to provide feedback regarding Covid 19 figures and feedback regarding the floods that took place on 22 November 2021,

8. **COMMUNICATIONS BY THE MUNICIPAL MANAGER / MEDEDELINGS DEUR DIE MUNISIPALE BESTUURDER / UNXIBELELWANO LOMPHATHI MASIPALA**

The Municipal Manager reminded Council that today is the last meeting for the year, and thanked all the councillors and officials for the cooperation, support and teamwork throughout this difficult year, especially with the ongoing pandemic and elections that recently took place. The municipal manager reported that the report on the agenda from the Auditor General is indeed a proud moment for the GRDM, especially for him personally, being able to obtain a clean audit report. Obtaining a clean audit is not easy to accomplish, especially considering that in the previous year, the GRDM lost the opportunity to obtain a clean audit report, due to one controversial finding and there was no remedial action that GRDM could take.

The Municipal Manager reported that the upcoming term is going to be exciting, a lot of plans have been drawn up and only implementation needs to take place. The Municipal Manager wished all Councillors, staff members and all other stakeholders a blessed festive season and a prosperous new year, that they must travel safely, and still adhere to all Covid protocols.

9. **APPROVAL OF MINUTES OF COUNCIL MEETING / GOEDKEURING VAN NOTULES VAN RAADSVERGADERING / UKWAMKELWA KWEMIZUZU YENTLANGANISO ZEBHUNGA**

9.1 **COUNCIL MEETING DATED 25 NOVEMBER 2021 / RAADSVERGADERING GEDATEER 25 NOVEMBER 2021 / INTLANGANISO YEBHUNGA NGOMHLA 25 KWEYENKANGA 2021**

RESOLVED

That the minutes of the Council meeting dated 25 November 2021, be approved with the following correction:

That report No 21 on page 31, recommendation change from: "That Council adopts the predecessors IDP, with amendments - to read as follow: That Council adopts the predecessors IDP".

That the IsiXhosa wording under point nine (9) the Code of Conduct for Councillors be corrected to read the same as stated in Afrikaans and English.

BESLUIT

Dat die notule van die Raadsvergadering gedateer 25 November 2021, goedgekeur word, met die volgende korreksie:

Dat verslag No 21 op bladsy 31, aanbeveling 1 as volg verander word: :Dat die Raad die vorige Raad se GOP met wysigings, aanvaar, moet lees as volg: Dat die Raad die vorige Raad se GOP, aanvaar.

Dat die IsiXhosa gedeelte onder punt no nege (9), die Gedragskode vir Raadslede gekorigeer word om presies dieselfde te lees soos by die Afrikaans en Engelse gedeelte.

ISIGQIBO

That the minutes of the Council meeting dated 25 November 2021, be approved with the following correction: Sesokuba imizuzu yentlanganiso yeBhunga yangomhla 25 kweyeNkanga 2021, iphunyezwe ngezi zilungiso zolandelayo:

Okokuba ingxelo No 21 kwiphepha 31, izindululo zitshintshe ukuba " Okokuba iBhunga lamkele I IDP yabandulelo, ngezilungiso-ifundeke ngoluhlobo: Okokuba iBhunga lamkele I IDP yabanduleli".

Okokuba amazwe esiXhosa phantsi kwenqaku lethoba(9) Indlela Yokuziphatha Koceba alungiswe afundeke ngokufanayo ne Afrikaans kunye ne English.

10. **STANDING ITEMS / STAANDE ITEMS / IMIBA EMISIWEYO**

10.1 None / Geen / Azikho

A. REPORTS FROM THE SPEAKER / VERSLAE VANAF DIE SPEAKER / IMIBA EVELA KU SOMLOMO

A.1 None / Geen/ Azikho.

B. REPORTS FROM THE EXECUTIVE MAYOR / VERSLAE VANAF DIE UITVOERENDE BURGEMEESTER / IMIBA EVELA KUSODOLOPHU

B.1. **ANNOUNCEMENT OF APPOINTMENT OF MEMBERS OF EXECUTIVE MAYORAL COMMITTEE BY THE EXECUTIVE MAYOR / AANKONDIGING DEUR DIE UITVOERENDE BURGEMEESTER RAKENDE DIE AANSTELLING VAN LEDE VIR DIE UITVOERENDE BURGEMEESTERKOMITEE / UKWAZISWA KWAMALUNGU ACHONGELWE IKOMITI KASODOLOPHU OBEKEKILEYO NGUSODOLOPHU**

RESOLVED

That it be noted that the following Councillors have been appointed as members of the Executive Mayoral Committee:

Ald P Terblanche – Roads and Transport Committee; Cllr A Barker – Financial Services Committee; Ald R Ruiters – Economic Development and Tourism Committee; Cllr N Ndayi – Community Services Committee; Cllr J Lambaatjeen – Strategic Service Committee; Ald I Kritzinger – Corporate Services Committee and Rdl J Hoogbaard Property Management and Development Committee.

BESLUIT

Dat kennis geneem word dat die die volgende Raadslede aangestel is as lede van die Uitvoerende Burgemeesterskomitee:

Ald P Terblanche –Paaie en Vervoerkomitee; Rdl A Barker – Finansiële Dienstekomitee Committee; Ald R Ruiters –Ekonomiese Ontwikkeling en Toerismekomitee; Rdl N Ndayi – Gemeenskapsdienstekomitee; Rdl J Lambaatjeen – Strategiese Dienstekomitee; Ald I Kritzinger – Korporatiewe Dienste Komitee en Rdl J Hoogbaard Eiendomsbestuur en Ontwikkelingskomitee

ISIGQIBO

Sesokuba kuthathelw eingqalelo ukuba abaCeba balandelayo bachongwe njengamalungu eKomit Kasodolophu Obekekileyo:

Ald P Terblanche – Komiti Yezendla Nothutho; Ceba A Barker – Komiti Yenkonzo Zezemali; Ald R Ruiters – Ikomiti Yezophuhliso loQoqosho kunye Nezokhenketho; Ceba N Ndayi – Ikomiti Yenkonzo Zoluntu; Ceba J Lambaatjeen – Ikomiti Yenkonzo Zobuchule; Ald I Kritzingen – Ikomiti Yenkonzo Zolawulo kunye no Ceba J Hoogbaard Ikomiti Yolawulo Lwemihlabha kunye Nophuhliso.

NB: REPORT B.3 WAS DEALT WITH SECOND**B.3. APAC ANNUAL REPORT/OPOK JAARVERSLAG/ INGXELO YONYAKA ye APAC**

Refer: Report dated 03 December 2021 from the Chairperson of the APAC (Dr A Potgieter)(pg 483-500)

RESOLVED

That Council takes note of the content of the report.

BESLUIT

Dat die Raad kennis neem van die inhoud van die verslag.

ISIGQIBO

Sesokuba iBhunga lithathele ingqalelo umongo wengxelo kwaye lenye ezinye izindululo.

B.2. ANNUAL REPORT FOR 2021/22 FINANCIAL YEAR /JAARVERSLAG VIR 2021/22 FINANSIËLE JAAR /INGXELO YOKUQIBELA YONYAKA KUNYAKA MALI KA 2021/22

Refer: Report dated 06 December 2021 from the Executive Mayor (Ald M Booysen)(pg 36-482)

RESOLVED

That Council approves the 2020/2021 Annual Report.

BESLUIT

Dat die Raad die 2020/21 Jaarverslag goedkeur.

ISIGQIBO

Sesokuba iBhunga liphumeze Ingxelo Yonyaka ka 2020/2021.

B.4. **OVERSIGHT REPORT ON THE ANNUAL REPORT FOR THE 2021/22 FINANCIAL YEAR /
VERSLAG RAKENDE DIE OORSIGVERSLAG VIR DIE 2021/22 FINANSIËLE JAAR /
INGXELO MALUNGE NENGXELO BANZI KUNYAKAMALI KA 2021/22**

Refer: Report dated 07 December 2021 from the Chairperson of the MPAC (Cllr CN Lichaba)(pg 501-513)

RESOLVED

1. That Council, after having fully considered the Annual Report of the municipality and representations thereon, adopts the oversight report and the 2020/21 Annual Report without reservations.
2. That the Accounting Officer, in accordance with Section 21 (a) of the Municipal Systems Act, make the oversight report public within seven days of its adoption.
3. That the Accounting Officer submits the Oversight Report to the Provincial Legislature within seven days.
4. That the Accounting Officer develops action plans to address issues raised in the Auditor General Report and monitor progress.
5. That the Audit Action Plan progress be presented to APAC and MPAC quarterly.
6. That Council refer Irregular Expenditure to MPAC for investigation.

7. That the Accounting Officer develops an action plan to address progress in the implementation of above recommendations and the bold proposed actions in the body of this report.

BESLUIITE

1. *Dat die Raad, na voldoende oorweging van die jaarverslag van die munisipaliteit en voorleggings hieroor, die Oorsigverslag aanvaar en die 2020/21 Jaarverslag goedkeur sonder voorbehoud.*
2. *Dat die rekenpligtige beampte, in gevolge die bepalings van artikel 21(a) van die Munisipale Stelselswet, die Oorsigverslag publiseer binne sewe dae na aanvaarding daarvan.*
3. *Dat die rekenpligtige beampte van die munisipaliteit die Oorsigverslag binne sewe dae aan die Provinsiale Wetgewer voorsien.*
4. *Dat die Rekenpligtige Beampte aksie-planne moet ontwerp om die aangeleenthede wat deur die Ouditeur-Generaal se verslag uitgewys is, te monitor.*
5. *Dat vordering met die Oudit Aksieplan kwartaaliks aan OPOK en MPKR voorgele word.*
6. *Dat die Raad die onreelmatige uitgawes na MPKR verwys vir verdere ondersoek.*
7. *Dat die Rekenpligtige Beampte aksieplanne moet ontwerp om vordering te adresseer in die implementering van bovermelde aanbevelings en soos voorgestel in die inhoud van die verslag.*

ISIGQIBO

1. Sesokuba iBhunga, emveni kokuqwalasela ngokupheleleyo iNgxelo Yonyaka yomasipala kunye nokunikezelwa kwayo, iyamkele ingxelo banzi kunye neNgxelo Yonyaka ka 2020/21 ngaphandle kokuxhomekeka.

2. Sesokuba iGosa Elinoxanduva, ngokuthobela uMhlathi 21(a) Womthetho Welawulo Lomasipala, ayazise eluntwini ingxelo banzi kwisithuba sentsuku ezisixhenxe yamkelwe.
3. Sesokuba iGosa Elinoxanduva linkezele Ingxelo Banzi Kwiqumrhu LowisoMthetho lePhondo kwisithuba sentsuku ezisixhenxe.
4. Sesokuba iGosa Elinoxanduva livelise isicwangciso sothabatho manyathelo ukujingana nemiba ethe yaphawulwa kwiNngxelo Yomphicothi Jikelele kwaye liqwalasele lomsebenzi.
5. Sesokuba umsebenzi osele wenziwe Wesicwangciso Samanyathelo eZophicotho unikezelwe rhoqo ngekota kwi APAC nakwi MPAC.
6. Sesokuba iBhunga ligqithisele Incitho Enxamnye Nomthetho kwi MPAC ukuze iphandcwe.
7. Sesokuba iGosa Elinoxanduva livelise isicwsangciso sothabatho nyathelo ukujongana nomsebenzi osele wenziwe ekumiselweni kwezindululo zingasentla kunye namanyathelo esiphakamiso akhaliphileyo kumongo wengxelo.

NB: Cllrs R Hector and C Scheepers left the meeting at 13:19.

- B.5. **APPOINTMENT PROCESS OF THE MUNICIPAL MANAGER/ AANSTELLINGSPROSES VAN MUNISIPALE BESTUURDER / INKQUBO YOKUQASHWA KOMPHATHI MASIPALA**
Refer: Report dated December 2021 from the Executive Mayor (Ald M Booysen)(pg 514-522)

RESOLVED

1. That it be noted that the position of Municipal Manager has been budgeted for.
2. That approval be granted to commence with the process of filling the position of the Municipal Manager, which will be vacant on 1 March 2022.

3. That the position be advertised Nationally in accordance with the Regulations on appointment and conditions of service of Senior Managers and be advertised within fourteen (14) days of this Resolution.
4. That the Executive Manager: Corporate Services be mandated to administer the Selection process including the appointment of a Service Provider.
5. That a Service Provider be appointed to facilitate the Selection process.
6. That a Selection Panel be appointed as follows:
 - i. The Executive Mayor as Chairperson of the Selection Panel
 - ii. Alderman De Vries
 - iii. Mr Allen Paulse from George Municipality
 - iv. Appointed Service Provider to assist in the appointment process
 - v. The Executive Manager: Corporate Services and Manager: Human Resources to serve in an advisory capacity, but not to form part of the Selection Panel.
7. That the appointment process will be done in accordance with the Regulations.
8. That the attached process plan for the appointment of the Municipal Manager and the advertisement be approved with the following changes:
 - That the following changes be implemented: On Page 519 on the process plan, that the words items to Council as mentioned under no7 be removed;
 - on page 522 that the contact person change from Ms Amanda Booysen to Mr Thembani Loliwe at contact number: 044 803 1403 or 067 038 7668 and;
 - that the name MG Stratu also on page 522 change to Executive Mayor, Ald M Booysen.
9. That the panel be appointed strictly according to the Regulations without any Councillors attending as observes.

BESLUIE

1. *Dat kennis geneem word dat daar vir die pos van Munisipale Bestuurder begroot is.*
2. *Dat die Raad goedkeuring verleen om te begin met vulling van die pos van die Munisipale Bestuurder, wat op 1 Maart 2022 vakant sal wees.*
3. *Dat die pos in ooreenstemming met die Regulasies rakende aanstellings en diensvoorwaardes van Senior Bestuurders Nasionaal geadverteer word en binne veertien (14) dae vanaf hierdie Besluit, geadverteer word.*
4. *Dat die Uitvoerende Bestuurder: Korporatiewe Dienste 'n mandaat kry om die Keuringsproses te administreer, insluitend die aanstelling van 'n Diensverskaffer.*
5. *Dat 'n Diensverskaffer aangestel word om die Keuringsproses te fasiliteer.*
6. *Dat 'n Keurpaneel soos volg aangestel word:*
 - i. *Die Uitvoerende Burgemeester as Voorsitter van die Keurpaneel*
 - ii. *Alderman S de Vries*
 - iii. *Mnr Allen Paulse van George Munisipaliteit*
 - iv. *Aangestelde Diensverskaffer om te assisteer met die aanstellingsproses*
 - v. *Die Uitvoerende Bestuurder: Korporatiewe Dienste en Bestuurder: Menslike Hulpbronne om in 'n adviserende hoedanigheid te dien, maar nie om deel te vorm van die Keurpaneel nie.*
7. *Dat die aanstellingsproses in ooreenstemming met die Regulasies gedoen sal word.*
8. *Dat die aangehegte prosespla vir die aanstelling van die Munisipale Bestuurder en die advertensie goedgekeur word met die volgende veranderinge:*

- *Dat op bladsy 519 op die prosesplan die volgende woorde "aan die Raad" onder nommer 7 verwyder word ,*
- *dat op bladsy 522 die kontakpersoon verander word vanaf Me Amanda Booysen na Mnr Thembanani Loliwe by kontak nommer: 044 803 1403 of 067 038 7668 en ;*
- *dan die naam MG Stratu ook op bladsy 522 verander word na Uitvoerende Burgemeester. Ald M Booysen.*

9. *Dat die panel aangestel word streng volgens die Regulasies sonder dat enige Raadslid dit bywoon as waarnemers.*

IZIGQIBO

1. Sesokuba kuthathele ingqalelo ukuba isikhundla soMphathi Masipala siphantsi kolwabiwo-mali.
2. Sesokuba kuphunyezwe inkqubo yokuqhubeka ngokuvala isikhundla sika Mphathi masipala, nesizakuvuleka ngomhla 01 kweyoKwindla 2022.
3. Sesokuba esi sikhundla sipapashwe Kuzwelonke ngokulandelwa kwemiThetho yokuqeshwa kunye nezimo zenkonzo Yabaphathi Abaphezulu kwaye sibhengezwe kwintsuku ezilishumi elinesine(14) emveni kwesiSiggibo.
4. Sesokuba uMphathi Oyintloko: Inkonzo Zolawulo anikwe umyalelo wokujongana nenkqubo Yezokuchonga kuquka kokuqashwa Komnikezelo Nkonzo.
5. Sesokuba uMnikezeli Nkonzo achongwe ukuze ajongane nenkqubo Yokuchonga.
6. Sesokuba iqela labachongwa limiselwe ngokulandelayo:
 - i. uSodolophu obekekileyo njengoSihlalo weqela labachongi
 - ii. Alderman De Vries
 - iii. uMnu Allen Paulse woMasipala wase George
 - iv. Kuchongwe uMnikezelo Nkonzo ukuncedisana nenkqubo zokuqesha
 - v. uMphathi Oyintloko; Inkonzo Zolawulo kunye noMphathi: Imicimbi Yezengqesho ukuba babengabacebisi, kodwa bengeyonxalenye yeqela labachongi.

7. Sesokuba inkqubo yokuqesha izakwenziwa ngokulandelelwa kweMimiselo.
8. Sesokuba inkqubo yesivwangciso edityanisiweyo ngokuqesha koMphathi Masipala kunye nentengiso ziphunyezwe ngezinguqu zilandelayo:
 - Sesokuba ezinguqu zilandelayo zimiselwe: Kwiphepha 519 kwisicwangciso senkqubo, amazwi kumba weBhunga ngokuphawulwe phantsi kwe No7 kususwe;
 - kwiphepha 522 okokuba umntu ekufuneka kuqhagamshenelwe nayo atshintshwe ingabi ngo Nkszn Amanda Booysen koko ibengu Mnu Thembani Loliwe aqhagamshelwane kwezinombolo: 044 803 1403 okanye 067 038 7668 kunye;
 - nokuba igama MG Stratu nalo elikwi phepha 522 litshintshwe kufakwe igama lika Sodolophu Obekekileyo, u Ald M Booysen.
9. Sesokuba iqela labachongi lichongwe ngqongqo ngokulandelelwa kweMimiselo kungabikho Ceba ozimasa njengomqwalaseli.

C. REPORTS FROM THE OFFICE OF THE MUNICIPAL MANAGER / ITEMS VANAF DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER / IMIBA EVELA KWI OFISI YOMPHATHI MASIPALA

C.1 INAUGURATION OF NEW COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL: HD RUITERS / INHULDIGING VAN NUWE RAADSLID: RDLE HD RUITERS / UKUNGENISWA KOCEBA ESIKHUNDLENI: IBHUNGA LESITHILI SE GARDEN ROUTE: UCEBA HD RUITERS

Refer: Report dated 05 October 2021 from the Municipal Manager (MG Stratu)

RESOLVED

- 5.1 That Cllr. Hyrin David Ruiters be inaugurated as a Councillor of the Garden Route District Council with effect from 25 November 2021.
- 5.2 That Cllr Hyrin David Ruiters be requested to take the Oath of Office, as required in terms the Municipal Structures Act, 1998.

BESLUIITE

- 5.1 *Dat Rdl. Hyrin David Ruiters, met ingang van 25 November 2021 as Raadslid van die Gardenroute Distriksmunisipaliteit ingehuldig word.*
- 5.2 *Dat Rdl Hyrin David Ruiters versoek word om 'n eed van die kantoor te neem, soos vereis ingevolge die Wet op Munisipale Strukture, 1998.*

ISIGQIBO

- 5.1 Sesokuba uCeba. Hyrin David Ruiters, angeniswe kwisi khundla sokuba nguCeba weBhunga loMasipala Wesithili se Garden Route ukususela ngomhla wama 25 KweyeNkanga 2021.
- 5.2 Sesokuba uCeba. Hyrin David Ruiters, acewe ukuba athathe Isifungo se Ofisi njengoko kufunwa yi Municipal Structures Act, 1998.

NB: Ald M Booysen, Cllr Lichaba congratulated the newly inaugurated Cllr HD Ruiters.

NB: The meeting paused at 13:30 and resumed at 14:15.

NB: Cllrs R Hector and C Scheepers rejoined the meeting at 14:17.

**C.2. DELEGATIONS AND AUTHORIZATIONS DURING COUNCIL'S RECESS PERIOD /
DELEGASIES EN MAGTIGINGS GEDURENDE DIE RAAD SE RESESTYDPERK /
ABACHONGWA KUNYE NAMAGUNYA NGETHUBA OOCEBA BETHATHE IKHEFU**

Refer: Report dated 01 December 2021 from the Municipal Manager (MG Stratu) / Manager Legal Services (Adv N Davids)(pg 527-530)

RESOLVED

1. That Council will be in recess for the period 10 December 2021 until 10 January 2022.
2. That the Executive Mayor, Alderman M Booysen and the Municipal Manager, Mr MG Stratu, or his successor in title, be delegated and authorized to perform all official Council duties, responsibilities and

functions during the recess period 10 December 2021 until 10 January 2022 with the exception of those powers and functions as set out Section 160(2) of the Constitution namely:

- a) the passing of by-laws;
- b) the approval of budgets;
- c) the imposition of rates and other taxes, levies and duties; and
- d) the raising of loans;
- e) disposal of Council properties;
- f) appointment and dismissal of the Municipal Manager and section 56 managers in terms Section 56 of the Systems Act; all functions which are according to legislation reserved for Council only

BESLUIE

1. *Dat die Raad in reses sal wees vir die periode 10 Desember 2021 tot 10 Januarie 2022.*
2. *Dat die Uitvoerende Burgemeester, Rdl M Booysen en die Munisipale Bestuurder, Mnr MG Stratu, of sy opvolger in titel, gedelegeer en gemagtig word om die Raad se amptelike verpligtinge, verantwoordelikhede en funksies vir die reses periode van 10 Desember 2021 tot 10 Januarie 2022, uit te voer met die uitsondering van die ondergenoemdes soos in Artikel 160 (2) van die Grondwet vervat:*
 - a) *die aannname van verordeninge;*
 - b) *die goedkeuring van begrotings;*
 - c) *die oplegging van eiendomsbelasting en ander belastings, heffings en regte en*
 - d) *die verkryging van lenings.*
 - e) *vervreemding van raadseiendom*
 - f) *aanstelling en skorsing van die Munisipale Bestuurder en Artikel 56 bestuurders in terme van Artikel 56 van die Munisipale Stelselwet; alle funksies wat in terme van wetgewing slegs vir die Raad gereseveer is.*

ISIGQIBO

1. *Sesokuba iBhunga lizakuba kwikhefu kwixesha elisusela ngomhla 10 kweyoMnga 2021 ukuya kuhla 10 kweyoMqungu 2022.*
2. *Sesokuba uSodolophu Obekekileyo u Alderman M Booysen kunye noMphathi Masipala, uMnu MG Stratu, okanye lowo ulandelayena ngokesikhundla, banikezwe igunya lokuthabatha izigqibo zokwenza imisebenzi esemthethweni yeBhunga, uxanduva lomsebenzi kunye*

nemisebenzi kwixesha lekhefu kwixesha lomhla 10 kweyoMnga 2021 ukuya kumhla 10 kweyoMqungu 2021 ngaphandle kwamagunya kunye nemisebenzi nechazwe kuMhlathi 160(2) Womgaqosiseko neyile:

- a) ukuphunyezwa kwemithetho-lawulo;
- b) ukuphunyezwa kolwabiwo-mali;
- c) amaxabiso entlawulo zenkonzo kunye nerhafu, netlawulonkonzo, kunye nemisebenzi
- d) ukunyuswa kwemalimboleko;
- e) ukuthengiswa kwempahla zeBhunga;
- f) ukuqashwa kunye nokugxothwa koMphathi Masipala kunye nabaphathi bomhlathi 56 ngokwemithetho yoMhlathi 56 woMthatho Sezolawulo, yonke imisebenzi ngokomthetho ibekelwe iBhunga kuphela

D. REPORTS FROM THE FINANCIAL SERVICES DEPARTMENT / ITEMS VANAF DIE
FINANSIËLE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZEMALI

D.1 GARDEN ROUTE DISTRICT MUNICIPALITY LONG TERM FINANCIAL PLAN/ GARDEN
ROUTE DISTRIKSMUNISIPALITEIT LANGTERMYN FINANSIËLE PLAN /ISICWANGCISO
ZEZEMALI SEXESHA ELIDE SOMASIPALA WESITHILI SE GARDEN ROUTE

Refer: Report dated 06 December 2021 from the Executive Manager Financial Services (J-W de Jager) (pg 531 – 689)

RESOLVED

That the GRDM Long Term Financial Plan (LTFP) - specifically with regards to progress made on the recommendations contained in the LTFP that was tabled to Council in December 2020,- be noted.

BESLUIT

Dat die Raad kennis neem van die GRDM Langtermyn Finansiële Plan (LTFP) – met spesifieke verwysing na vordering gemaak op die aanbevelings in the LTFP wat in Desember 2020 voor die Raad gedien het.

ISIGQIBO

Sesokuba Isicwangciso Sezemali Sexesha Elide se GRDM(LTFP)-ingakumbi ngokumalunga nomsebenzi osele wenziwe kwizindululo eziqulathwe kwi LTFP nebiye yathiwa thaca kwiBhunga kwinyanga yoMnga 2020, kuthathelwe ingqalelo.

E. REPORTS FROM THE CORPORATE SERVICES DEPARTMENT / ITEMS VANAF DIE
KORPORATIEWE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLAWULO

E.1 ELECTION / APPOINTMENT OF MEMBERS TO COMMITTEES / VERKIESING /
AANSTELLING VAN LEDE NA KOMITEES / UKONYULWA/UKUCHONGWA
KWAMALUNGU EEKOMITI

Refer: Report dated 15 November 2021 from the Executive Manager: Corporate Services (B Holtzhausen)(pg 690 – 702)

RESOLVED

1. That Council appoints the for the following Councillors to the Governance Committee: Ald GR Wolmarans (Chairperson), Ald V Gericke, Cllr CN Lichaba, Cllr R Hector and Cllr B van Noordwyk.
2. That it be noted that the composition of the parties for the Section 80 Committees will be as follows: 8 members per committee, 4 from the multiparty coalition, 2 from the ANC composition and 1 representative from each of the other parties.
3. That Council appoints the following chairpersons: Cllr A Barker: Budget Steering Committee; Ald S de Vries: Education, Training and Development, Ald V Gericke: Occupational Health and Safety; Ald P Terblanche: Roads and Transport Committee; Cllr A Barker : Financial Services Committee; Ald R Ruiters:– Economic Development and Tourism Committee; Cllr N Ndayi: Community Services Committee; Cllr J Lambaatjeen: Strategic Service Committee; Ald I Kritzinger: Corporate Services Committee and Cllr J Hoogbaard: Property Management and Development Committee.
4. That it be noted that the Chairperson for the Local Labour Forum and Workplace and Restructuring will be appointed at the first meetings of these Committees in 2022.
5. That the names of the rest of the Committee members as decided by the different political parties be provided as soon as possible to the Office of the Speaker.

BESLUIITE

1. *Dat die Raad kennis neem van die komposisie van die Huiskomitee: Ald GR Wolmarans (Voorsitter), Cllr D Cronje; Ald V Gericke, Rdl CN Lichaba, Rdl R Hector and Rdl B van Noordwyk.*
2. *Dat kennis geneem word dat die komposisie vir die Artikel 80 Komitees van die partye soos volg wees: 8 lede per komitee, 4 van die kwoalisie party, 2 vanaf die ANC, en 1 verteenwoordiger van die ander partye.*
3. *Dat kennis geneem word van die volgende Voorsitters van die komitees: Rdl A Barker: Begrotingsloodskomitee; Ald S de Vries: Onderrig, Opleidings- en Ontwikkelingskomitee; Ald V Gericke: Beroepsgesondheid- en Veiligheidskomitee; Ald P Terblanche : Paaie en Vervoerkomitee; Rdl A :Barker : Finansiële Dienstekomitee Committee; Ald R Ruiters : Ekonomiese Ontwikkeling en Toerismekomitee; Rdl N Ndayi : Gemeenskapsdienstekomitee; Rdl J Lambaatjeen : Strategiese Dienstekomitee; Ald I Kritzinger : Korporatiewe Dienste Komitee en Rdl J Hoogbaard Eiendomsbestuur en Ontwikkelingskommitee*
4. *Dat kennis geneem word dat die Voorsitter vir die Plaaslike Arbeidsforum en Werksplek en Herstruktueringskomitee aan die Raad in Januarie 2022 voorsien sal word.*
5. *Dat die name van die res van die komiteeledede so gou moontlik aan die kantoor van die Speaker voorsien moet word.*

ISIGQIBO

1. *Sesokuba iBhunga lichonge abaceba balandelayo babengamalungu eKomiti Yezolawulo: Ald GR Wolmarans(usiHlalo), Ald V Gericke, Ceba N Lichaba, Ceba R Hector kunye noCeba B van Noordwyk.*

2. Sesokuba kuthathelwe ingqalelo ukuba ukumiselwa kwamaqela eKomiti zoMhlathi 80 azakulandela ngoluhlobo: Amalungu asi 8 kwikomiti, amalungu ayi 4 kumaqela olawulo endibaniselwano, ama 2 e ANC nelungu ngalince kumanye amaqela.
3. Sesokuba iBhunga lichonge abasihlalo balandelayo: Ceba A Barker: Ikomiti Yezolawulo Lolwabiwo-Mali, Als s de Vires: Imfundo, uQeqeso kunye Nophuhliso; Ald V Gericke: Ezempilo Kwindawo Yempangelo kunye Nokhuseleko; Ald p Terblanche: Indlela nezothutho, Ceba A Barker: Ikomiti Yenkonzo Zezemali; Ald R Ruiters: Uphuhliso Lwezoqoqosho kunye Nezokhenketho; Ceba N Ndayi: Ikomiti Yenkonzo Zoluntu; Ceba J Lambaatjeen: Ikomiti Yenkonzo Zobuchule kunye noCeba J Hoogbaard: Ikomiti Ylawulo Lwemihlaba kunye Nophuhliso.
4. Sesokuba kuthathelwe ingqalelo ukuba uSihlalo weButho Lezabasebenzi kunye Nolungelelwaniso Lwendawoyempangelo bazakuchongwa kwintlanganiso zokuqala zezikomiti ngo 2022.
5. Sesokuba amagama awo onke amalungu eKomiti njengoko kugqityiwe ngamaqela ezopolitiko ngokukhulu ukukhawuleza anikezelwe kwi Ofisi ka Somlomo.

E.2 PROPOSED CLOSURE OF OFFICES FOR THE PERIOD 15 DECEMBER 2021 TO 03 JANUARY 2022 / VOORGESTELDE SLUITING VAN KANTORE VIR DIE TYDPERK 15 DESEMBER 2021 TOT 03 JANUARIE 2022 / ISIPHAKAMISO SOKUVALWA KWE OFISI NGEXESHA LOMHLA 15 KWEYOMNGA 2019 UKUYA NGOMHLA 03 KWEYOMQUNQU 2022

Refer: Report dated 01 December 2021 from the Executive Manager: Corporate Services (B Holtzhausen)(pg 703 – 707)

RESOLVED

1. That Council goes on recess from 10 December 2021 and resume again on 10 January 2022.
2. That Garden Route District Municipality's offices (except for the Road Services Department) will close on Wednesday, 15 December 2021 and re-open on Monday, 03 January 2022 at 07:30.

3. That Garden Route District Municipality's Roads Services Department will be closed from Wednesday, 15 December 2021 and re-open on Tuesday, 11 January 2022 at 07:30.
4. That the relevant Departments make the necessary arrangements in respect of the rendering of essential and emergency services over the period mentioned above.
5. That the closure of Garden Route District Municipality's offices over the said period be advertised in the local media of the Garden Route District.

BESLUIT

1. *Dat die Raad vanaf 10 Desember 2021 met reses gaan en weer op 10 Januarie 2022, sal hervat.*
2. *Dat die Garden Route Distriksmunisipaliteit se kantore sal sluit op Woensdag, 15 Desember 2021 en sal heropen op Maandag, 03 Januarie 2022 om 07:30.*
3. *Dat die Garden Route Distriksmunisipaliteit se Paaie Dienste Departement sal sluit op Woensdag 15 Desember 2021 en her-open op Dinsdag 11 Januarie 2022, om 07:30.*
4. *Dat die betrokke Departemente geskikte reëlins in plek sal stel met betrekking tot die lewering van essensiële en noodsaaklike dienste oor genoemde tydperk genoem hierbo.*
5. *Dat die sluit van die Garden Route Distriksmunisipaliteit se kantore oor genoemde periode in die plaaslike media in die Garden Route Distrik area geadverteer word.*

ISIGQIBO

1. Sesokuba iBhunga lizakubakwikhefu ukususela ngomhla 10 kweyoMnga 2021 zelibuye kwikhefu kwakhona ngomhla 10 kweyoMqungu 2022.
2. Sesokuba iiofisi zoMasipala Wesithili se Garden Route (ngaphandle kwezeSebe Lenkonzo Zendlela) zizakuvalwa ngoLwesihlanu, 15 kweyoMnga 2021 zivulwe ngoMvulo, 03 kweyoMqungu 2022 ngo 07:30.
3. Sesokuba iSebe Lenkonzo Zezendlela loMasipala Wesithili se Garden Route lizakuvalwa ukususela ngoLwesine, 15 kweyoMnga 2021 zivulwe 11 ngoLwesibini, kweyoMqungu 2022 ngo 07:30.
4. Sesokuba amasebe afanelekileyo eBhunga enze amalungiselelo afanelekileyo ngokuphathelene nonikezelo lwenkonzo ezibalulekileyo nezingxamisekileyo ngelixesha lichazwe ngasentla.
5. Sesokuba ukuvalwa kwe-oofisi zoMasipala Wesithili se Garden Route ngelixesha lichazwe ngasentla lipapashwe kumaphephandaba eSithili se Garden Route.

E.3 **REPORT ON THE PAYMENT OF SALARIES FOR DECEMBER 2021 / VERSLAG RAKENDE DIE BETALING VAN SALARISSE VIR DESEMBER 2021 / INGXELO NGENTLAWULO ZEMIVUZO KWEYOMNGA 2021**

Refer: Report dated 01 December 2021 from the Executive Manager: Corporate Services (B Holtzhausen) (pg 708 – 710)

RESOLVED

1. That it be recommended to Council that the December 2021 salary payment shall be on 15 December 2021.
2. That the abovementioned arrangement shall be seen as an exception to Council's standing resolution in respect of the 25th of each month, being the official payment date.
3. That the exception shall only be in respect of December 2021.

BESLUIE

1. *Dat die Desember 2021 salaris betaaldag, 15 Desember 2021, sal wees.*
2. *Dat bogenoemde reëling as 'n uitsondering teenoor die Raad se staande besluit ten opsigte van die 25ste van elke maand as amptelike betaaldag, beskou word.*
3. *Dat hierdie uitsondering slegs ten opsigte van Desember 2021, sal wees.*

ISIGQIBO

1. Sesokuba kundululwe kwi Bhunga ukuba imivuzo yoMnga 2021 izakuhlulwa ngomhla 15 kweyoMnga 2021.
2. Sesokuba lamalungiselelo aphawulwe ngentla azakuthatyathwa njengakhethekileyo kwisigqibo esimileyo se Bhunga sokwamkela ngomhla 25 kwinyanga, njengomhla osemthethweni wokwamkela.
3. Sesokuba oku kuthetheka kuzakuqhubeka kweyoMnga 2021.

E.4 **REPORT ON THE AMENDMENTS ON THE CONTRACT APPOINTMENT POLICY /**
VERSLAG RAKENDE DIE WYSIGINGS AAN DIE KONTRAK AANSTELLINGSBELEID /
INGXELO NGEZILUNGISO KUMGAQO WOKUQESHA NGESIVUMELWANO

Refer: Report dated 01 December 2021 from the Executive Manager: Corporate Services (B Holtzhausen)(pg 711 – 733)

RESOLVED

1. That the Amendments to the Contract appointment policy be approved with the following changes:
 - 1.1 All references to the Mayoral Committee, be changed to the Executive Mayor and;
 - 1.2 In the case of positions in the Speaker and the Deputy Executive Mayor offices, these political office bearers will chair the meetings.
2. That the following amendments be made on the policy under 8.3: The word Mayco be replaced with Executive Mayor and Or Executive Deputy Mayor where applicable.

BESLUIE

1. *Dat die Raad die wysigings aan die Kontak Aanstellingsbeleid goedgekeur word.*
 - 1.1 *Dat alle verwysings na Uitvoerende Burgemeesterskomitee verander word na Uitvoerende Burgemeester en;*
 - 1.2 *In die geval van posisies in die kantoor van die Speaker en die Onder Uitvoerende Burgemeester, hierdie politieke ampsdraers die vergaderings sal lei.*
2. *Dat die volgende aanwysigings op die beleid onder 8.3 aangebring word: Dat die woord Mayco vervang word met Uitvoerende Burgemeester en of Onder Uitvoerende Burgemeester waar dit toepaslik is.*

ISIGQIBO

1. Sesokuba Iziungiso kumgaqo Wokuqeshwa Ngokwezivumelwano uphunyezwe ngezinguqu zilandelayo:
 - 1.1 All references to the Mayoral Committee, be changed to the Executive Mayor and; Zonke izingqino kwi Komiti Kasodolophu, itshintshwe ibebgu Sodolophu Obekekileyo kwaye;
 - 1.2 Ngokuphathelene nesikhundla sika Somlomo kunye Nosekela Sodolophu Obekekileyo, lamagosa ezopolitiko azakuba ngosihlalo bentlanganiso.
2. Sesokuba ulungiso olulandelayo olwenziwe kumgaqo phantsi ko 8.3: igama elithi Mayco lisuswe kufakelwe igama elithi uSodolophu oBekileyo kwaye okanye Isekela Sodolophu Obekekileyo apho kufaneleke khona.

F. REPORTS FROM THE COMMUNITY SERVICES DEPARTMENT / ITEMS VANAF DIE GEMEENSKAPSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLUNTU

- F.1 None / Geen / Azikho

**G. REPORTS FROM THE ROADS AND TRANSPORT PLANNING SERVICES DEPARTMENT /
ITEMS VANAF DIE PAAIE EN VERVOER BEPLANNINGSDIENSTE DEPARTEMENT /
IMIBA YESEBE LENKONZO ZENDLELA KUNYE NEZICWANGCISO KWEZOTHUTHO**

**G.1 REPORT REGARDING THE ROADS DEPARTMENT CURRENT FLEET REPORT FOR THE
FINANCIAL YEAR 2021-2022 / VERSLAG RAKENDE DIE PAAIE DEPARTMENT SE
HUIDIGE FLOOT VIR DIR 2021-2022 FINANSIËLE JAAR / INGXELO YESEBE
LEZENDLELA MALUNGA NENGXELO YAYO YONYAKA NGEZITHUTHI KUNYAKAMALI
KA 2021-2022**

Refer: Report dated 07 December 2021 from the Executive Manager: Road Services (JG Daniels) (pg 734 – 737)

RESOLVED

That Council takes note of the report.

BESLUIT

Dat die Raad kennis neem van die verslag.

ISIGQIBO

Sesokuba iBhunga lithathele ingqalelo ingxelo.

**H. REPORTS FROM THE PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT /
ITEMS VANAF DIE BEPLANNING EN EKONOMIESE DIENSTE DEPARTEMENT / IMIBA
YESEBE LEZOCWANGCISO KUNYE NOPHUHLISO LOQOQOSHO**

H.1 None / Geen / Azikho

**I. NOTICE OF URGENT MOTIONS / KENNISGEWING VAN DRIGENDE MOSIES / ISAZISO
SEZIPHAKAMISO**

I.1 None / Geen / Azikho

J. **NOTICES OF MOTIONS / KENNISGEWING VAN MOSIES / ISAZISO SEZIPHAKAMISO**

J.1 None / Geen / Azikho

K. **IN CLOSED SESSION / IN GESLOTE SESSIE / KWI-SASHONI YASEKHUSINI**

K.1 None / Geen / Azikho

CLOSURE / SLUITING / UQUKUNJELO

The meeting closed at 15:04 with 34 Councillors present / *Die vergadering sluit om 15:04 met 34 Raadslede teenwoordig* / Intlanganiso ivalwe ngo 15:04 iNooceba abayi 34.

.....

SPEAKER: ALD GR WOLMARANS

.....

DATE / DATUM / UMHLA

BACK TO AGENDA



Minutes of a **Special Council meeting of**
the 2021/2026 term of
Garden Route District Council held at the **CA Robertson Council Chambers** and via
Zoom, on **Wednesday, 12 January 2022** at **11:00**

*Notule van 'n **Spesiale Raadsvergadering** van*
die 2021/2026 termyn
*van Garden Route Distriksraad gehou in die **CA Robertson Raadsaal** en via **Zoom***
*op **Woensdag, 12 Januarie 2022** om **11:00***

Imizuzu **Intlanganiso Ekhethekileyo**
yexesha 2021/2026 yoMasipala Wesithili se Garden Route
nebibanjwe kwiGumbi **leBhunga CA Robertson**, kunye **nango Zoom**, ngo
NgoLwesithathu, 12 kweyoMqungu 2022 ngo 11:00

3. **OPENING AND WELCOMING / OPENING EN VERWELKOMING / UVULO
NOLWAMKELO**

The Speaker, Ald GR Wolmarans welcomed everybody present and thanked them for their attendance.

4. **SILENT PRAYER / STILLE GEBED / UMTHANDAZO OTHULEYO**

A moment of silence was observed.

3. **ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO**

3.1 **COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG / OOCCEBA ABAKHOYO**

Ald M Booysen	DA
Ald GR Wolmarans	DA
Cllr / Rdl / Ceba J Hoogbaard	DA
Cllr / Rdl / Ceba K Malooi	DA
Ald P Terblanche	DA
Cllr / Rdl / Ceba CA Swart	DA
Cllr / Rdl / Ceba JG Meiring	DA
Cllr / Rdl / Ceba CN Lichaba	ANC
Ald S De Vries	ANC
Cllr / Rdl / Ceba NV Gungubele	ANC
Cllr / Rdl / Ceba C Scheepers	GOOD
Cllr / Rdl / Ceba JJ Cornelius	ICOSA
Ald M Draghoender	PBI
Cllr / Rdl / Ceba D Acker	VFP
Ald IC Krtizinger	George Municipality
Ald V Gericke	George Municipality
Cllr / Rdl / Ceba D L Cronje	George Municipality
Cllr / Rdl / Ceba GJ van Niekerk	George Municipality
Cllr / Rdl / Ceba SM Toto	George Municipality
Cllr / Rdl / Ceba RJ Hector	George Municipality
Cllr / Rdl / Ceba B van Noordwyk	Hessequa Municipality
Cllr / Rdl / Ceba CP Taute	Hessequa Municipality

Cllr / Rdl / Ceba TC Matika	Knysna Municipality
Cllr / Rdl / Ceba NT Seti	Bitou Municipality
Cllr / Rdl / Ceba N Ndayi	Bitou Municipality
Ald RH Ruiters	Mossel Bay Municipality
Cllr / Rdl / Ceba A Barker	Mossel Bay Municipality
Cllr / Rdl / Ceba M Kannemeyer	Mossel Bay Municipality
Cllr / Rdl / Ceba MA Mkonto	Mossel Bay Municipality
Cllr / Rdl / Ceba JC Lambaatjeen	Oudtshoorn Municipality
Cllr / Rdl / Ceba S van Rooyen	Oudtshoorn Municipality
Cllr / Rdl / Ceba J Canary	Oudtshoorn Municipality
Cllr / Rdl / Ceba HD Ruiters	Kannaland Municipality

OFFICIALS / AMPTENARE / AMAGOSA

Ms / Me / Nkzn B Holtzhausen	Executive Manager Corporate Services
Mr / Mnr / Mnu J-W de Jager	Executive Manager Financial Services
Mr / Mnr / Mnu L Menze	Executive Manager Economic Development and Planning
Mr JG Daniels	Executive Manager Roads and Transport Services
Mr / Mnr / Mnu S Maqekeni	Manager Integrated Support Services & Legal Compliance
Mr / Mnr / Mnu T Loliwe	Strategic Manager in the Office of the Municipal Manager
Ms / Me / Nkzn N Davids	Manager Legal Service
Mr / Mnr / Mnu G Otto	Manager Disaster Management
Mr / Mnr / Mnu R Dyantyi	Manager EPWP
Mr / Mnr / Mnu D Stoffels	Acting Fire Chief
Mr / Mnr / Mnu H Pieters	Snr Communications Officer
Ms / Me / Nksnz R Matthews	Head: Committee Services
Mr / Mnr / Mnu B Desha	Snr Committee Officer / Translator / Interpreter
Mr / Mnr / Mnu S Dladla	Chief of Staff: Office of the Executive Mayor

3.2 **COUNCILLORS WITH LEAVE / RAADSLEDE MET VERLOF / OOCEBA**

ABAKWIKHEFU

Cllr / Rdl / Ceba HRT Stroebel

Knysna Municipality

Cllr / Rdl / Ceba NA Tswengwa

Knysna Municipality

OFFICIALS WITH LEAVE

Mr / Mnr / Mnu MG Stratu

Municipal Manager

3.3 **COUNCILLORS WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OCEBA ABANGEKHO**

None / Geen / Azikho

4. **NOTING OF THE PROVISIONS OF SCHEDULE 7 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES AMENDMENT ACT, 2021 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING MUNISIPALE AANGEPASTE STRUKTURE WET, 2021 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) LOMTHETHO WENKQUBO ZORHULUMENTE BASEKHAYA, 2021**

The Code of conduct was noted.

5. **DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KOMDLA NGOOCEBA KUNYE NAMAGOSA**

None / Geen / Azikho

6. **COMMUNICATIONS BY THE EXECUTIVE MAYOR / MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER / UNXIBELELWANO LUKA SODOLOPHU**

The Executive Mayor wished all the Councillors a prosperous new year and expressed hope that the beginning of the year will be a start of what will be a good year. The Executive Mayor informed Council that Mr M Stratu has lost his mother in law and requested that Council keep him and his family in his prayers.

7. **COMMUNICATIONS BY THE SPEAKER / MEDEDELINGS DEUR DIE SPEAKER**
/ UNXIBELELWANO LUKASOMLOMO

The Speaker wished all the Councillors a prosperous new year. Speaker informed Council that for this meeting, Mr L Menze is the Acting Municipal Manager in the absence of Mr M Stratu. The Speaker informed Councillors that Mr G Otto circulated a power point presentation that indicates the latest COVID – 19 updates and figures in our area.

8. **COMMUNICATIONS BY THE MUNICIPAL MANAGER / MEDEDELINGS DEUR DIE**
MUNISIPALE BESTUURDER / UNXIBELELWANO LOMPHATHI MASIPALA

The Acting Municipal Manager, Mr L Menze wished all the Councillors and officials a prosperous new year. Mr L Menze reported that over the festive season the GRDM had 6 active COVID 19 cases, but can report that at the moment the figure is zero. Mr L Menze reported that the GRDM had one staff member who passed away over the holidays, Mr April who worked in the Financial Services department at the Oudtshoorn office. The Prayer session took for the departed colleague took place yesterday, and is awaiting communication from the family members of Mr April, in order to host the memorial services.

9. **APPROVAL OF MINUTES OF COUNCIL MEETING / GOEDKEURING VAN NOTULES**
VAN RAADSVERGADERING / UKWAMKELWA KWEMIZUZU YENTLANGANISO
ZEBHUNGA

9.1 None / Geen / Azikho

10. **STANDING ITEMS / STAANDE ITEMS / IMIBA EMISIWEYO**

10.2 None / Geen / Azikho

A. **REPORTS FROM THE SPEAKER / VERSLAE VANAF DIE SPEAKER / IMIBA EVELA KU**
SOMLOMO

A.1 None / Geen / Azikho

B. REPORTS FROM THE EXECUTIVE MAYOR / VERSLAE VANAF DIE UITVOERENDE BURGEMEESTER / IMIBA EVELA KUSODOLOPHU

B.1 None / Geen / Azikho

C. REPORTS FROM THE OFFICE OF THE MUNICIPAL MANAGER / ITEMS VANAF DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER / IMIBA EVELA KWI OFISI YOMPHATHI MASIPALA

C.1 None / Geen / Azikho

D. REPORTS FROM THE FINANCIAL SERVICES DEPARTMENT / ITEMS VANAF DIE FINANSIËLE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZEMALI

D.1 None / Geen / Azikho

E. REPORTS FROM THE CORPORATE SERVICES DEPARTMENT / ITEMS VANAF DIE KORPORATIEWE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLAWULO

E.1 NOTICE RECEIVED FROM SALGA WESTERN CAPE PROVINCIAL REGARDING A CONFERENCE TO BE HELD FROM 18 – 19 JANUARY 2022 IN GEORGE / KENNISGEWING ONTVANG VANAF SALGA WES-KAAP PROVINSIALE RAKENDE 'N KONFERENSIE WAT GAAN PLAASVIND VANAF 18-19 JANUARIE 2022 / ISAZISO ESIVELA KU SALGA WEPHONDO LENTSHONA KOLONI MALUNGA NENKOMFA EZAKUBANJWA UKUSUSELA NGOMHLA 18-19 KWEYOMQUNGU 2022

Refer: Report dated 111 January 2022 from the Executive Manager: Corporate Services (B Holtzhausen)(pg 6-10)

RESOLVED

1. That cognizance be taken of the Circular from SALGA.
2. That Council nominates the Executive Mayor, Speaker and Municipal Manager to be delegates at the SALGA Provincial Conference on 18 – 19 January 2022.
3. That it be noted that the Executive Mayor, Ald M Booysen, has been identified as the voting delegate for GRDM.

4. That Council request permission from SALGA to nominate a forth member, to attend the SALGA Provincial Conference, namely Cllr CN Lichaba.

BESLUIE

1. *Dat kennis geneem word van die Omsendskrywe van SALGA.*
2. *Dat die Raad die Uitvoerende Burgemeester; Speaker en Munisipale Bestuurder nomineer om die SALGA Provinsiale Konferensie op 18 – 19 Januarie 2022, by te woon.*
3. *Dat kennis geneem word dat die Uitvoerende Burgemeester, Ald M Booysen, geïdentifiseer is as die stem geregtigde afgevaardigde vir GRDM.*
4. *Dat die Raad toestemming versoek vanaf SALGA om 'n vierde lid te nomineer, om die SALGA Provinsiale Konferensie by te woon, naamlik Rdl CN Lichaba.*

ISIGQIBO

1. Sesokuba kuthathelwe ingqalelo iSazinge esivela ku SALGA.
2. Sesokuba iBhunga lichonwe uSodolophu Obekekileyo, uSomlomo kunye noMphathi Masipala njengeqela labathunywa kwiNkomfa Yephondo ka SALFA ngomhla 18-19 kweyoMqungu 2022.
3. Sesokuba kuthathelwe ingqalelo ukuba usodolophu Obekekileyo, uye waphawulwa njengomthunywa ozakuvota egameli loMasipala Wesithili se Garden Route.
4. Sesokuba iBhunga licele imvume ku SALGA ukuze luchonge ilungu lesine ukuzimala leNkomfa Yephondo kaSALGA, lungu elo elingu Ceba CN Lichaba.

E.2 APPOINTMENT OF MEMBERS TO COMMITTEES / AANSTELLING VAN LEDE VIR KOMITEES / UKUCHONGWA KWAMALUNGU EKOMITI

Refer: Report dated 11 January 2022 from the Executive Manager: Corporate Services (B Holtzhausen) (pg 11 -23)

RESOLVED

- 5.1 That the report regarding the appointment of members to Committees be noted;

- 5.2 That the following Committees be appointed as envisaged in Section 79 of the Local Government: Municipal Structures Act 117 of 1998:

Governance Committee

Chairperson: Ald G Wolmarans

Cllr CN Lichaba

Ald V Gericke

Cllr RJ Hector

Cllr D Acker

Cllr B van Noordwyk

1 x Vacant

Budget Steering Committee

Chairperson: **Cllr A Barker**

Cllr CP Taute

Cllr RJ Hector

Cllr.....

Cllr.....

Training and Development Committee

Chairperson: **Ald S de Vries**

Cllr C Scheepers

Ald M Draghoender

Cllr K Malooi

Ald RH Ruiters

Occupational Health and Safety Committee

Chairperson: **Ald V Gericke**

Cllr NA Tswenga

Cllr C Scheepers

Cllr C Swart

Cllr.....

Local Labour Forum

Chairperson: To be determined

Cllr SM Toto

Cllr R Hector

Cllr D Acker

Cllr JC Lambaatjeen

Workplace & Restructuring Committee

Chairperson: To be determined

Cllr MA Mkonto

Cllr R Hector

Cllr.....

Cllr.....

MPAC

Chairperson: Cllr CN Lichaba

Cllr CP Taute

Cllr R Hector

Ald M Draghoender

Cllr D Acker

Cllr A Barker

Cllr JC Lambaatjeen

Cllr D Cronje

Ald IC Kritzing

Roads and Transport Planning Services

Chairperson: Ald P Terblanche

Deputy Chairperson: Cllr J Hoogbaard

Cllr NV Gungubele

Cllr MA Mkonto

Cllr R Hector

Cllr D Acker

Cllr B van Noordwyk

Cllr M Kannemeyer

Financial Services Committee

Chairperson: Cllr A Barker

Deputy Chairperson: JC Lambaatjeen

Cllr K Malooi

Cllr D Cronje

Cllr CP Taute

Cllr NA Tswenga

Cllr C Scheepers

Cllr.....

Planning and Economic Development

Chairperson: Ald R Ruiters

Deputy Chairperson: NS Ndayi

Cllr J Meiring

Cllr C Swart

Ald S de Vries

Cllr LSS van Rooyen

Cllr R Hector

Ald M Draghoender

Community Services Community

Chairperson: Cllr N Ndayi

Deputy Chairperson: Ald RH Ruiters

Cllr D Acker

Cllr J Meiring

Cllr CN Lichaba

Cllr JR Canary

Cllr C Scheepers

Ald M Draghoender

Property/Asset Management Committee

Chairperson: Cllr J Hoogbaard

Deputy Chairperson: Ald P Terblanche

Cllr K Malooi

Cllr H Stroebel

Cllr TC Matika

Cllr NT Seti

Ald V Gericke

Corporate Services Committee

Chairperson: Ald I Kritzinger

Deputy Chairperson: Cllr A Barker

Cllr K Malooi

Cllr C Swart

Ald S de Vries

Cllr SM Toto

Cllr R Hector

Cllr.....

Strategic Services Committee

Chairperson: Cllr J Lambaatjeen

Deputy Chairperson: IC Kritzinger

Cllr H Stroebel

Cllr D Cronje

Cllr TM Matika

Cllr NV Gungubele

Cllr C Scheepers

Cllr.....

BESLUIT

- 5.1 *Dat kennis geneem word van die verslag rakende die aanstelling van lede vir komitees;*
- 5.2 *Dat die volgende Komitees aangestel word soos beoog in Artikel 79 en 80 van die Plaaslike Regering: Munisipale Strukture Wet 117 van 1998:*

Huiskomitee

Voorsitter: Ald G Wolmarans

Rdl CN Lichaba

Ald V Gericke

Rdl RJ Hector

Rdl D Acker

Ald B van Noordwyk

1 x Vakant

Begrotingsloodskomitee

Voorsitter: Rdl A Barker

Rdl CP Taute

Rdl R Hector

Cllr.....

Cllr.....

Onderrig-en Ontwikkelingskomitee

Voorsitter: Ald S de Vries

Rdl C Scheepers

Ald M Draghoender

Rdl K Malooi

Ald RH Ruiters

Beroepsgesondheid- en Veiligheidskomitee

Voorsitter: Ald V Gericke

Rdl NA Tswenga

Rdl C Scheepers

Rdl C Swart

Rdl.....

Plaaslike Arbeidsforum

Voorsitter: Moet bepaal word

Rdl SM Toto

Rdl R Hector

Rdl D Acker

Rdl JC Lambaatjeen

Werkspalek & Herstruktureringskomitee

Voorsitter: Moet bepaal word

Cllr MA Mkonto

Cllr R Hector

Rdl.....

Rdl.....

MPRK

Voorsitter: Rdl CN Lichaba

Rdl CP Taute

Rdl R Hector

Ald M Draghoender

Paaie en VervoerdiensteKomitee

Voorsitter: **Ald P Terblanche**

Onder Voorsitter: Rdl J Hoogbaard

Rdl NV Gungubele

Rdl MA Mkonto

Rdl R Hector

Rdl D Acker

Rdl B van Noordwyk

Rdl M Kannemeyer

Finansiële Dienste Komitee

Voorsitter: **Rdl A Barker**

Onder Voorsitter: Rdl JC Lambaatjeen

Rdl K Malooi

Rdl D Cronje

Rdl CP Taute

Rdl NA Tswenga

Cllr C Scheepers

Rdl.....

Beplanning en Ekonomiese Ontwikkeling

Voorsitter: **Ald R Ruiters**

Onder Voorsitter: NS Ndayi

Rdl J Meiring

Rdl C Swart

Ald S de Vries

Rdl LSS van Rooyen

Rdl R Hector

Ald M Draghoender

Gemeenskapsdienste Komitee

Voorsitter: Rdl N Ndayi

Onder Voorsitter: Ald RH Ruiters

Rdl D Acker

Rdl J Meiring

Rdl CN Lichaba

Rdl JR Canary

Rdl C Scheepers

Ald M Draghoender

Eiendomsbestuur / Batebestuurkomitee

Voorsitter: Rdl J Hoogbaard

Onder Voorsitter: Ald P Terblanche

Rdl K Malooi

Rdl H Stroebel

Rdl TC Matika

Rdl NT Seti

Ald V Gericke

Rdl

Korporatiewe Dienste Komitee**Voorsitter: Ald I Kritzinger****Onder Voorsitter: Cllr A Barker***Rdl K Malooi**Rdl C Swart**Ald S de Vries**Rdl SM Toto**Rdl R Hector**Rdl.....***Strategiese Dienste Komitee****Voorsitter: Rdl J Lambaatjeen****Onder Voorsitter: IC Kritzinger***Rdl H Stroebel**Rdl D Cronje**Rdl TM Matika**Rdl NV Gungubele**Rdl C Scheepers**Rdl.....***ISIGQIBO**

- 5.1 Sesokuba ingxelo malunga nokuchongwa kwamalungu eeKomiti ithathelwe ingqalelo;
- 5.2 Sesokuba ezikomiti zilandelayo zichongwe ngokwemincamango zoMhlathi 79 woRhulumente Basekhaya: Umthetho Mesimo Somasipala umthetho 117 wango 1998:

Ikomiti Yezolawulo*Sihlalo: Ald G Wolmarans**Ceba CN Lichaba**Ald V Gericke**Ceba RJ Hector**Ceba D Acker*

Ceba B van Noordwyk

1 x Vacant

Ikomiti Yolawulo Lolwabiwo-Mali

Sihlalo: **Ceba A Barker**

Ceba CP Taute

Ceba R Hector

Ceba.....

Ceba.....

Ikomiti Yezoqeqesho kunye Nophuhliso

Sihlalo: **Ald S de Vries**

Ceba C Scheepers

Ald M Draghoender

CebaK Malooi

Ald RH Ruiters

Ikomiti Yezempilo Nokhuseleko kwiNdawo yempangelo

Sihalalo: Ald V Gericke

Ceba NA Tswenga

Ceba C Scheepers

Ceba C Swart

Ceba.....

Ibutho Lezabasbenzi lasekuhaleni

Sihlalo: Sezakonyulwa

Ceba SM Toto

Ceba R Hector

Ceba D Acker

Ceba JC Lambaatjeen

Ikomiti Yendawo Yempangela kunye Nolungelelwaniso**Sihlalo: Sezakonyulwa**

Ceba MA Mkonto

Ceba R Hector

Ceba.....

Ceba.....

MPAC**Sihlalo: Ceba CN Lichaba**

Ceba CP Taute

Ceba R Hector

Ald M Draghoender

Ceba D Acker

Ceba A Barker

Ceba JC Lambaatjeen

Ceba D Cronje

Ald IC Kritzinger

Ikomiti Yenkonzo Zezendla kunye Nothutho**Sihlalo: Ald P Terblanche****Sekela Sihlalo: Ceba J Hoogbaard**

Ceba NV Gungubele

Ceba MA Mkonto

Ceba R Hector

Ceba D Acker

Ceba B van Noordwyk

Ceba M Kannemeyer

Ikomiti Yenkonzo Zezemali**Sihlalo: Ceba A Barker****Sekela Sihlalo: Ceba JC Lambaatjeen**

Ceba K Malooi

Ceba D Cronje

Ceba CP Taute

Ceba NA Tswenga
 Ceba C Scheepers
 Ceba.....

Ikomiti Yezicwangciso kunye Nophuhliso loQoqosho

Sihallo: Ald R Ruiters

Sekela Sihlalo: NS Ndayi

Ceba J Meiring
 Ceba C Swart
 Ald S de Vries
 Ceba LSS van Rooyen
 Ceba R Hector
 Ald M Draghoender

Ikomiti Yenkonzo Zoluntu

Sihlalo: Cllr N Ndayi

Sekela Sihlalo: Ald RH Ruiters

Ceba D Acker
 Ceba J Meiring
 Ceba CN Lichaba
 Ceba JR Canary
 Ceba C Scheepers
 Ald M Draghoender

Ikomiti Yolawulo Lwelihlaba/Impahla

Sihlalo: Ceba J Hoogbaard

Sekela Sihlalo: Ald P Terblanche

Ceba K Malooi
 Ceba H Stroebe
 Ceba TC Matika
 Ceba NT Seti
 Ald V Gericke

Ikomiti Yenkonzo Zolawulo**Sihlalo: Ald I Kritzinger****Sekela Sihlalo: Ceba A Barker**

Ceba K Malooi

Ceba C Swart

Ald S de Vries

Ceba SM Toto

Ceba R Hector

Ceba.....

Ikomit Yenkonzo Zobuchule**Sihlalo: Ceba J Lambaatjeen****Sekela Sihlalo: IC Kritzinger**

Ceba H Stroebeel

Ceba D Cronje

Ceba TM Matika

Ceba NV Gungubele

Ceba C Scheepers

Ceba.....

F. REPORTS FROM THE COMMUNITY SERVICES DEPARTMENT / ITEMS VANAF DIE GEMEENSKAPSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLUNTU

F.1 None / Geen / Azikho

G. REPORTS FROM THE ROADS AND TRANSPORT PLANNING SERVICES DEPARTMENT / ITEMS VANAF DIE PAAIE EN VERVOER BEPLANNINGSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZENDLELA KUNYE NEZICWANGCISO KWEZOTHUTHO

G.1 None / Geen / Azikho

**H. REPORTS FROM THE PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT /
ITEMS VANAF DIE BEPLANNING EN EKONOMIESE DIENSTE DEPARTEMENT / IMIBA
YESEBE LEZOCWANGCISO KUNYE NOPHUHLISO LOQOQOSHO**

H.1 None / Geen / Azikho

**I. NOTICE OF URGENT MOTIONS / KENNISGEWING VAN DRIGENDE MOSIES / ISAZISO
SEZIPHAKAMISO**

I.1 None / Geen / Azikho

J. NOTICES OF MOTIONS / KENNISGEWING VAN MOSIES / ISAZISO SEZIPHAKAMISO

J.1 None / Geen / Azikho

K. IN CLOSED SESSION / IN GESLOTE SESSIE / KWI-SASHONI YASEKHUSINI

K.1 None / Geen / Azikho

CLOSURE / SLUITING / UQUKUNJELO

The meeting closed at 15:04 with 34 Councillors present / Die vergadering sluit
om 15:04 met 34 Raadslede teenwoordig / Intlanganiso ivalwe ngo 15:04
iNooceba abayi 34.

.....

SPEAKER: ALD GR WOLMARANS

.....

DATE / DATUM / UMHLA

BACK TO AGENDA

1. APPOINTMENTS, SERVICE EXITS AND LABOUR RELATIONS INFORMATION FOR DECEMBER 2021 / AANSTELLINGS, UITDIENSTREDINGS EN ARBEIDSVERHOUDINGE INLIGTING VIR DESEMBER 2021 / ABAQASHIWEYO, ABASHIYE UMSEBENZI KUNYE NEMICIMBI YEZABASEBENZI KWINYANGA YOMNGA 2021

(9/3/1)

REPORT FROM THE EXECUTIVE MANAGER: CORPORATE SERVICES (B HOLTZHAUSEN) MANAGER: HUMAN RESOURCES (N KLAAS)

2 PURPOSE

To report on the appointments, service exits and labour relations matters for December 2021.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The purpose of the report is to provide a summary of permanent and contract appointments, how the appointments promote employment equity objectives, number of terminations and an overview of related labor matters for the period December 2021.

5. RECOMMENDATIONS

That the information on the appointments, service exits and labour relations matters for December 2021, be noted.

AANBEVELING

Dat kennis geneem word van die aanstellings, uitdienstredings, gelyke indiensnemingspraktyke en arbeidsverhoudinge inligting vir Desember 2021.

ISINDULULO

Sesokuba ulwazi ngokuqashwa, ukuphuma kwinkonzo kunye nemicimbi yezabasebenzi kwinyanga yoMnga 2021 kuthathelwe inqgalelo.

Background

The Human Resource Department is responsible for the management of discipline and other labour related issues in the organization. One of the responsibilities of the department includes the appointment of employees and service exits in the organization. This report will therefore, focus on the following:

APPOINTMENTS & EMPLOYMENT EQUITY: DECEMBER 2021

No appointments for December 2021.

SERVICE EXITS & EMPLOYMENT EQUITY: DECEMBER 2021

NR	DEPARTMENT	DESIGNATION	STATION	PERSAL NUMBER	RACE & GENDER	REASON	EMPLOYMENT CATEGORY
1	CORPORATE SERVICES	SNR COMPUTER AND SOFTWARE TECHNICIAN	GEORGE	0849	C/M	RESIGNED	Tech & Associated
2	ROADS SERVICES	OPERATOR: REGRAVEL	GEORGE	0120	C/M	RETIRED	Plant & Machine
3	ROADS SERVICES	SNR WORKER	GEORGE	0397	C/M	RETIRED	Elementary
4	ROADS SERVICES	SUPERINTENDENT CONSTRUCTION	GEORGE	1482	A/M	RESIGNED	Tech & Associated

LABOUR RELATIONS: DECEMBER 2021

		DISCIPLINARY HEARINGS				
NO	DEPART	DATE	PERSAL NUMBER	NATURE OF DISCIPLINARY HEARING	PROGRESS MADE	OUTCOMES
1.	Community Services	23 March 2021	1475	Sexual Harassment	Finalised	Appeal hearing finalized, employee re-instated.
2.	Roads Dept	15 April 2021	1339	Absenteeism	Finalised	Appeal hearing finalized, employee remains dismissed.
3.	Roads Dept	22 April 2021	1463	Damage of council vehicle	Finalised	Disciplinary proceedings concluded, employee entered

						into a settlement agreement.
4	Corporate Services	09 June 2021	0956	Contravention of Disciplinary Code and Code of Conduct for staff members	In Process	The Disciplinary hearing commenced on 09 December 2021, however, was postponed to 02 and 04 February 2022.
5	Corporate Services	09 June 2021	1371	Contravention of Disciplinary Code and Code of Conduct for staff members	In process	The Disciplinary Hearing commenced on 07 and 08 December 2021. The Disciplinary Hearing has been postponed for 15, 16, 17, and 18 February 2022.
6.	Community services	23 June 2021	0935	Threatening behaviour and verbal abuse towards a colleague.	Finalised	Presiding Officer submitted his verdict. Presiding Officer stated that the enquiry was miscategorised as misconduct when it should have been dealt with as an incapacity investigation. Matter finalised.
7.	Finance dept	16 July 2021	1158	Absent	Finalised	The Presiding Officer found the employee not guilty on all charges. He stated that the employer failed to prove that the employee is guilty of abscondment as per the charge sheet and evidence that was presented. Employee found not guilty on the charge brought before the

						Presiding officer. Matter finalised.
8	Planning and Economic Develop	20 Sept 2021	1444	Fruitless and wasteful expenditure	In process	Disciplinary hearing took place on 16 November 2021, however due to additional information requested from the Employee Representative, the hearing will be carried over to a new date. Awaiting confirmation of new date.
9	Roads Depart	20 Sept 2021	1421	Fruitless and wasteful expenditure	In process	Disciplinary hearing took place on 17, 18 and 19 November 2021. Completed the Initiator's witness testimonies. Continuation of the disciplinary hearing is scheduled for 07 February 2022.
10	Roads Depart	29 Sept 2021	1245	Contravention of the Code of Conduct for Municipal Staff members; Contravention of Disciplinary Procedure and Code of Collective Agreement	In process	Employee suspended on 29 September 2021. Presiding Officer and Initiator has been appointed. Charge sheet compiled and is to be delivered to the employee before the municipality closes for the December break. Hearing date scheduled for 20 Jan 2022

11	Roads Depart	29 Sept 2021	1367	Contravention of the Code of Conduct for Municipal Staff members; Contravention of Disciplinary Procedure and Code of Collective Agreement	In process	Employee suspended on 29 September 2021. Presiding Officer and Initiator has been appointed. Charge sheet compiled and is to be delivered to the employee before the municipality closes for the December break. Hearing date scheduled for 20 Jan 2022
12	Roads Depart	29 Sept 2021	1080	Contravention of the Code of Conduct for Municipal Staff members; Contravention of Disciplinary Procedure and Code of Collective Agreement	In process	Employee suspended on 29 September 2021. Presiding Officer and Initiator has been appointed. Charge sheet compiled and is to be delivered to the employee before the municipality closes for the December break. Hearing date scheduled for 20 Jan 2022.
13	Corporate Services Dept	05 Nov 2021	1184	Contravention of Disciplinary Procedure and Code of Collective Agreement	In process	Disciplinary hearing held on 06 December 2021. Postponement granted until 03 February 2022.
INFORMAL DISCIPLINARY HEARING						

NO	NAME	DEPARTMENT	DATE	NATURE OF DISCIPLINARY HEARING	PROGRESS MADE	OUTCOMES
				None to report		

GRIEVANCES						
NO	DEPART	DATE	PERSAL NUMBER	NATURE OF GRIEVANCE	PROGRESS MADE	OUTCOMES
1.	Roads Dept	17 Septem ber 2021	0755	Threatening behavior from colleague	In process	Grievance put on hold as employee is currently on suspension.
2.	Corporate Services	22 Septem ber 2021	1470	Unfair labour practice	In process	Awaits outcome of HOD by 20 January 2022.
3.	Community Services	15 October 2021	1337	Inconsistent application of GRDM policy	In process	Step 2 grievance held on 28 October 2021. Employee still not satisfied. Grievance escalated to step 3. Awaiting new grievance date.
4.	Community Services (Group grievance)	15 October 2021	0912 1131 1384 1411	Unfair division and allocation of regions and areas	In process	Step 1 grievance held on 04 November 2021. Continuation of grievance hearing scheduled for 06 December 2021.
5.	Corporate Services	05 October 2021	54411	Unfair labour practice	Finalised	Employee appointed permanently at Garden Route District Municipality. Matter finalised.
6.	Planning and Economic Dev.	08 October 2021	54747	Unfair labour practice	In process	Step 1 grievance held on 21 October 2021. Grievance escalated to step 2. Awaiting documentation from supervisor in order to schedule a new grievance date.

7.	Community Services (Group grievance)	05 November 2021	1259 1206 1155	Unfair labour practice	In process	Grievance received on 05 November 2021. Management is in consultation pertaining to this grievance. Once consultation is completed, a grievance date will be set.
8.	Financial Services	17 November 2021	1159	Would like to be moved out of the department	In process	Grievance received on 17 November 2021. Awaiting a grievance date.

INCAPACITY INVESTIGATIONS						
NO	DEPART	DATE	PERSAL NUMBER	NATURE OF INCAPACITY	PROGRESS MADE	OUTCOMES
1.	Roads Department	01 April 2021	1407	Medical incapacity	In process	Employee was referred to the employer's medical practitioner for a medical assessment. Once results are provided to the Presiding Officer, the Presiding Officer will be able to make a ruling.
2.	Financial Services	17 November 2021	0983	Medical incapacity	In process	Employee has temporarily been placed at an office that is closer to her home.

DISPUTES						
N O	DEPART	DATE	PERSAL NUMBER	NATURE OF DISPUTES	PROGRESS MADE	OUTCOMES

1.	Corporate Services	04 May 2021	1371	Unfair labour practice	In process	Arbitration date scheduled for 09 March 2022.
2.	External	05 May 2021	N/A	Unfair labour practice	In process	The dispute was returned to the individual based on the following reasons: The dispute must be referred to the CCMA; The nature of the dispute does not fall within the SALGBC jurisdiction.
3.	External	25 June 2021	N/A	Unfair dismissal	In process	Arbitration took place on 02 November 2021. The Commissioner ruled the Arbitration award in favour of Garden Route District Municipality. Matter finalized.
4.	Community Services	12 July 2021	1270	Unfair labour practice	In process	Arbitration date scheduled for 22 March 2022.
5.	External	04 August 2021	N/A	Discrimination	In process	Candidate taking the case to the Labour Court. Legal Services Department appointed external law firm to defend Council in the matter.

COUNSELLING						
N O	DEPART	DATE	PERSAL NUMBER	NATURE OF COUNSELLING SESSION	PROGRESS MADE	OUTCOMES
					None reported	

CONTRACT APPOINTMENTS: DECEMBER 2021(64)

NR	EMP NR	POSITION	DEPARTMENT	STATION	RACE & GENDER	PERIOD
1	54778	FIRE FIGHTER	COMMUNITY	GEORGE	A/M	01/12/21-31/03/22
2	54779	FIRE FIGHTER	COMMUNITY	GEORGE	A/M	01/12/21-31/03/22
3	54780	FIRE FIGHTER	COMMUNITY	GEORGE	C/M	01/12/21-31/03/22
4	54781	FIRE FIGHTER	COMMUNITY	GEORGE	A/M	01/12/21-31/03/22

5	54782	FIRE FIGHTER	COMMUNITY	GEORGE	C/M	01/12/21-31/03/22
6	54783	FIRE FIGHTER	COMMUNITY	GEORGE	A/M	01/12/21-31/03/22
7	54784	FIRE FIGHTER	COMMUNITY	GEORGE	C/M	01/12/21-31/03/22
8	54785	FIRE FIGHTER	COMMUNITY	GEORGE	W/M	01/12/21-31/03/22
9	54786	FIRE FIGHTER	COMMUNITY	GEORGE	C/F	01/12/21-31/03/22
10	54787	FIRE FIGHTER	COMMUNITY	GEORGE	C/M	01/12/21-31/03/22
11	54788	FIRE FIGHTER	COMMUNITY	GEORGE	C/M	01/12/21-31/03/22
12	54789	FIRE FIGHTER	COMMUNITY	GEORGE	C/F	01/12/21-31/03/22
13	54790	FIRE FIGHTER	COMMUNITY	GEORGE	C/M	01/12/21-31/03/22
14	54791	FIRE FIGHTER	COMMUNITY	GEORGE	C/M	01/12/21-31/03/22
15	54792	FIRE FIGHTER	COMMUNITY	GEORGE	C/M	01/12/21-31/03/22
16	54793	FIRE FIGHTER	COMMUNITY	GEORGE	C/M	01/12/21-31/03/22
17	54794	FIRE FIGHTER	COMMUNITY	GEORGE	C/M	01/12/21-31/03/22
18	54795	FIRE FIGHTER	COMMUNITY	GEORGE	C/M	01/12/21-31/03/22
19	54796	FIRE FIGHTER	COMMUNITY	GEORGE	C/M	01/12/21-31/03/22
20	54797	FIRE FIGHTER	COMMUNITY	GEORGE	C/M	01/12/21-31/03/22
21	54832	GEN WORK	PLANNING	SWARTV	C/M	09/12/21 – 07/01/22
22	54833	GEN WORK	PLANNING	SWARTV	C/F	09/12/21 – 07/01/22
23	54834	GEN WORK	PLANNING	SWARTV	C/F	09/12/21 – 07/01/22
24	54835	GEN WORK	PLANNING	SWARTV	A/F	09/12/21 – 07/01/22
25	54836	GEN WORK	PLANNING	SWARTV	C/M	09/12/21 – 07/01/22
26	54854	GEN WORK	PLANNING	SWARTV	A/F	09/12/21 – 07/01/22
27	54848	LAW ENFORC	PLANNING	BITOU	C/M	01/12/21 - 28/02/22
28	54849	LAW ENFORC	PLANNING	BITOU	A/M	01/12/21 – 28/02/22
29	54850	LAW ENFORC	PLANNING	BITOU	A/M	01/12/21 – 28/02/22
30	54853	GEN WORK	PLANNING	DE HOEK	C/M	01/12/21 – 31/01/22
31	54851	GEN WORK	PLANNING	DE HOEK	C/F	01/12/21 – 31/01/22

32	54852	GEN WORK	PLANNING	DE HOEK	C/F	01/12/21 – 31/01/22
33	54855	GEN WORK	PLANNING	DE HOEK	C/M	01/12/21 – 31/01/22
34	54856	GEN WORK	PLANNING	VIC BAY	C/M	10/12/21 – 10/01/22
35	54857	GEN WORK	PLANNING	VIC BAY	A/F	10/12/21 – 10/01/22
36	54873	GEN WORK	PLANNING	CALITZD	C/F	01/12/21 – 07/01/22
37	54876	LAW ENFORC	PLANNING	KNYSNA	A/M	14/12/21 – 28/02/22
38	54877	LAW ENFORC	PLANNING	KNYSNA	A/F	14/12/21 – 28/02/22
39	54878	SECURITY	PLANNING	SWARTV	C/F	20/12/21 – 31/05/22
40	54879	SECURITY	PLANNING	SWARTV	C/F	20/12/21 – 31/05/22
41	54880	SECURITY	PLANNING	SWARTV	C/M	20/12/21 – 31/05/22
42	54881	SECURITY	PLANNING	SWARTV	C/M	20/12/21 – 31/05/22
43	54883	SECURITY	PLANNING	SWARTV	C/F	20/12/21 – 31/05/22
44	54884	SECURITY	PLANNING	VIC BAY	C/M	20/12/21 – 31/05/22
45	54885	SECURITY	PLANNING	VIC BAY	C/F	20/12/21 – 31/05/22
46	54886	SECURITY	PLANNING	VIC BAY	C/M	20/12/21 – 31/05/22
47	54887	SECURITY	PLANNING	VIC BAY	A/M	20/12/21 – 31/05/22
48	54888	SECURITY	PLANNING	DE HOEK	C/F	20/12/21 – 31/05/22
49	54889	SECURITY	PLANNING	DE HOEK	C/M	20/12/21 – 31/05/22
50	54890	SECURITY	PLANNING	DE HOEK	C/M	20/12/21 – 31/05/22
51	54891	SECURITY	PLANNING	DE HOEK	C/F	20/12/21 – 31/05/22
52	54892	SECURITY	PLANNING	DE HOEK	C/F	20/12/21 – 31/05/22
53	54893	SECURITY	PLANNING	DE HOEK	C/M	20/12/21 – 31/05/22
54	54894	SECURITY	PLANNING	CALITZD	C/M	20/12/21 – 31/05/22
55	54897	SECURITY	PLANNING	CALITZD	C/M	20/12/21 – 31/05/22
56	54898	SECURITY	PLANNING	CALITZD	C/M	20/12/21 – 31/05/22
57	54899	SECURITY	PLANNING	CALITZD	C/M	20/12/21 – 31/05/22
58	54900	SECURITY	PLANNING	CALITZD	C/M	20/12/21 – 31/05/22

59	54901	SECURITY	PLANNING	CALITZD	A/M	20/12/21 – 28/02/22
60	54895	SECURITY	PLANNING	CALITZD	C/M	20/12/21 – 31/05/22
61	54896	SECURITY	PLANNING	CALITZD	C/M	20/12/21 – 31/05/22
62	54870	GEN WORK	ROADS	GEORGE	C/M	06/12/21 – 31/12/22
63	54870	GEN WORK	ROADS	GEORGE	A/M	06/12/21 – 31/12/22
64	54872	GEN WORK	ROADS	GEORGE	A/M	06/12/21 – 31/12/22

6.2 Discussion

As stipulated in the report.

6.3 Financial Implications

As per budget for each position

6.4 Legal Implications

RELEVANT LEGISLATION

CONSTITUTION OF REPUBLIC OF SOUTH AFRICA, 1996

BASIC CONDITIONS OF EMPLOYMENT ACT, ACT 56 OF 2003

LABOUR RELATIONS ACT, ACT 66 OF 1995

6.5 Staff Implications

As indicated in attached report.

6.6 Previous / Relevant Council Resolutions:

Monthly reports are submitted to Council for noting

6.7 Risk Implications

There can be unforeseen financial implications based on outcomes of labour matters.

BACK TO AGENDA

DISTRICT COUNCIL

25 JANUARY 2022

1. **REPORT ON THE COUNCIL RESOLUTION REGISTER FOR THE MONTHS OF SEPTEMBER 2021 UNTIL DECEMBER 2021 / VERSLAG RAKENDE DIE RAADSRESOLUSIE REGISTER VIR DIE MAANDE SEPTEMBER 2021 TOT DESEMBER 2021 / INGXELO NGOLUHLU LWEZIGQIBO ZEBHUNGA KWIXESHA LWENYANGA KWEYEMSINTSI 2021 UKUYA KWEYEMNGA 2021**

17 JANUARY 2021

REFER REPORT FROM THE SPEAKER (ALD GR WOLMARANS)

- 2 **PURPOSE**

To submit the report on the execution of Council Resolutions for the months of September 2021 until December 2021, to Council.

3. **DELEGATED AUTHORITY**

Council

4. **EXECUTIVE SUMMARY**

At a Special Council meeting that took place on 27 February 2019 Council resolved to approve the concept of a Council Resolution Register that must be submitted quarterly to Council.

Council is hereby reminded of all the resolutions that have been taken and the status of their implementation for the months of September until December 2021.

5. **RECOMMENDATION**

That Council takes note of the report on the execution of Council resolutions for the period of September until December 2021.

AANBEVELING

Dat die Raad kennis neem van die Raads Resolusie Register vir die periode van September 2021 tot Desember 2021.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo isimo sezigqibo zeBhunga kwixesha lenyanga KweyeMsintsi 2021 ukuya KweyeMnga 2021.

6. DISCUSSION / CONTENTS

6.1 Background

Included in the approved SDBIP is a KPI assigned to the Executive Manager: Corporate Services which provides that the HOD must report to Council on the execution of Council Resolutions at least quarterly.

6.2 Discussion

The last report submitted to Council on execution of Council resolution was submitted at a Council meeting of 29 September 2021 and the period May until August 2021, was discussed. This report serves as notification on execution of Council resolutions for the period of September 2021 until December 2021. On the attached Annexure you will find the details of all the resolutions that were loaded on the electronic system (Collaborator) and the progress made with the execution thereof.

6.3 Financial Implications

The financial implications are contained in the specific reports to which the resolutions relate.

6.4 Legal Implications

If Council resolutions are not executed, this can result in non-compliance with legislation. This can also result in the institution of disciplinary action against officials who fail to act.

6.5 Staff Implications

There are no staff implications.

6.6 Previous / Relevant Council Resolutions:

Council resolved at a Council meeting dated 29 September 2021, which resolution is as follow:

"A.3 That Council approves the Council Resolution Register".

6.7 Risk Implications

If the resolutions are not executed, there is a risk that Council will not deliver on its promises to the public.

ANNEXURE

See Council Resolution register attached.

Council Resolution Actions

This Report only displays data when the task 'Complete Resolution Action' is send to the user responsible

Item Ref	Item Nr	Item Title					Responsible user	Resolution Outcome
1633667	1633667	FINAL REPORT ON THE LEASE OF NOOITGEDAGT AND GROENEFONTYN (FARMS 29 AND 30) IN THE OUDTSHOORN AREA TO WESTERN CAPE HONEY BUSH TEA CO-OPERATIVE (PTY) LTD					BOUMEESTERN	Resolved
Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Action Taken	Action Status
1709705	RESOLVED 1. That Council takes note of the final report on the public participation process regarding the lease of Council properties farm 30 Nooitgedagt, Portions 21, 37, 38 and 39 and farm 29 Groenefontyn, Portions 9, 13 (vacant veld adjacent to De Hoek buildings), and 22 to Western Cape Honey Bush Tea Co-	MENZEL	HARKERM	100.0000	Resolution is noted.	2021-10-08	Lease agreement for twenty years with WCHTC has been signed.	Completed

	<p>operative (PTY) Ltd.</p> <p>2. That Council takes note that no comments or objections have been received from any members of the public in terms of the public participation process.</p> <p>3. That Council authorizes the signing of a lease agreement between GRDM and Western Cape Honey Bush Tea Co-operative (PTY) Ltd for a period of twenty (20) years.</p>							
1709705	<p>RESOLVED</p> <p>1. That Council takes note of the final report on the public participation process regarding the lease of Council properties farm 30 Nooitgedagt, Portions 21, 37, 38 and 39 and farm 29 Groenefontyn, Portions 9, 13 (vacant</p>	MENZEL	HARKERM	100.0000	No feedback was required.	2021-10-08	Lease agreement for twenty years with WCHTC has been signed.	Completed

	<p>veld adjacent to De Hoek buildings), and 22 to Western Cape Honey Bush Tea Co-operative (PTY) Ltd.</p> <p>2. That Council takes note that no comments or objections have been received from any members of the public in terms of the public participation process.</p> <p>3. That Council authorizes the signing of a lease agreement between GRDM and Western Cape Honey Bush Tea Co-operative (PTY) Ltd for a period of twenty (20) years.</p>							
Item Ref	Item Nr	Item Title					Responsible user	Resolution Outcome
1635206	1635206	REPORT ON GARDEN ROUTE DISTRICT MUNICIPAL INVASIVE SPECIES MONITORING CONTROL AND ERADICATION PLAN APPROVAL BY DEPARTMENT OF FORESTRY, FISHERIES AND THE ENVIRONMENT (DFFE)					LIBERTYD	Resolved

Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Action Taken	Action Status
1709709	<p>RESOLVED</p> <p>1. That the Council takes note of the report and the correspondence that was received from DFFE.</p> <p>2. That EPWP section should appoint participants to do a follow up on the fire breaks within the Council properties and adequate budget for Alien clearing, Fire breaks and fencing at all Council properties as to avoid sanction as outline by section 102 of the Act (NEMBA).</p> <p>3. That the adjusted budget should be considered for the Alien clearing as per the approved Garden Route District Municipal Plan by DFFE.</p>	MENZEL	DYANTYIR	100.0000	The implementation will only be done as per the availability of funds and the EPWP Section will report back as required	2021-10-09	The EPWP Section is guided by the AIP for the budget and the implementation	Completed

	4. That the Council should consider the disposal of some properties that are not economically in nature and will decrease the cost for Alien clearing.							
1709709	<p>RESOLVED</p> <p>1. That the Council takes note of the report and the correspondence that was received from DFFE.</p> <p>2. That EPWP section should appoint participants to do a follow up on the fire breaks within the Council properties and adequate budget for Alien clearing, Fire breaks and fencing at all Council properties as to avoid sanction as outline by section 102 of the Act (NEMBA).</p> <p>3. That the adjusted budget should be</p>	MENZEL	DYANTYIR	100.0000	No feedback was required.	2021-10-09	The EPWP Section is guided by the AIP for the budget and the implementation	Completed

	considered for the Alien clearing as per the approved Garden Route District Municipal Plan by DFFE. 4. That the Council should consider the disposal of some properties that are not economically in nature and will decrease the cost for Alien clearing.							
Item Ref	Item Nr	Item Title					Responsible user	Resolution Outcome
1636500		DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 AUGUST 2021 TO 31 AUGUST 2021					GOLOGOLOS	Resolved
Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Taken	Action Status
1709671	RESOLVED 1. That the implementation of Section 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 August 2021 to 31 August	DEJAGERJ	DEJAGERJ	100.0000	Noted	2021-10-11	Noted	Completed

	<p>2021, be noted.</p> <p>2. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.</p>							
1709671	<p>RESOLVED</p> <p>1. That the implementation of Section 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 August 2021 to 31 August 2021, be noted.</p> <p>2. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval</p>	DEJAGERJ	DEJAGERJ	100.0000	No feedback was required.	2021-10-11	Noted	Completed

	of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.							
Item Ref	Item Nr	Item Title					Responsible user	Resolution Outcome
1640084		PERFORMANCE EVALUATION OUTCOME OF SECTION 56 EMPLOYEES FOR THE 2020/2021 FINANCIAL YEAR					ABRAHAMSI	
Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Action Taken	Action Status
1709656	RESOLVED 5.1 That Council approves the Evaluations outcomes. 5.2 That Council approves the pay out of the calculated bonuses 5.3 That payment of the approved bonuses be scheduled after the approval of the Final Annual Report.	ABRAHAMSI	GOVINDSAMIR			2021-10-12		Resolved
Item Ref	Item Nr	Item Title					Responsible user	Resolution Outcome

1643466	1643466	Quarterly council report September 2021					PASPEAKER	Resolved
Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Action Taken	Action Status
1709703	RESOLVED That Council takes note of report.	DANIELSJ	GOVINDSAMIR	100.0000	Completed	2021-10-08	Completed.	Completed
1709703	RESOLVED That Council takes note of report.	DANIELSJ	GOVINDSAMIR	100.0000	No feedback was required.	2021-10-08	Completed.	Completed
Item Ref	Item Nr	Item Title					Responsible user	Resolution Outcome
1646559	1646559	2021/22: Debt Write-off Report Quarter 1					TERBLANCHEE	Resolved
Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Action Taken	Action Status
1709667	RESOLVED That Councils approves the write-off of debtors balances outstanding per category with a total of R100 727,00, of which R96 242,39 was included in the debt impairment which totals the actual financial implication for 2021/22 of R6 159,29.	DEJAGERJ	TERBLANCHEE	100.0000	Debt Write-off journal was processed before billing for 2109 on Ext JNL 748 on GL2109 JNL 352	2021-10-12	Noted and was processed accordingly onto the debtor accounts before billing commenced for 2109	Completed

1709667	RESOLVED That Councils approves the write-off of debtors balances outstanding per category with a total of R100 727,00, of which R96 242,39 was included in the debt impairment which totals the actual financial implication for 2021/22 of R6 159,29.	DEJAGERJ	TERBLANCHEE	100.0000	No feedback was required.	2021-10-12	Noted and was processed accordingly onto the debtor accounts before billing commenced for 2109	Completed
Item Ref	Item Nr	Item Title					Responsible user	Resolution Outcome
1653152	1653152	DEPARTMENT OF COMMUNITY SERVICES HAND OVER REPORT TO THE NEW COUNCIL OF THE GARDEN ROUTE DISTRICT MUNICIPALITY					TAITL	Resolved
Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Action Taken	Action Status
1709689	RESOLVED That the Council accept the report.	AFRICAC	TAITL	100.0000	-	2021-10-22	-	Completed
1709689	RESOLVED That the Council accept the report.	AFRICAC	TAITL	100.0000	No feedback was required.	2021-10-22	-	Completed

Item Ref	Item Nr	Item Title					Responsible user	Resolution Outcome
1657043	1657043	THE EXECUTIVE MANAGER: FINANCIAL SERVICES HAND OVER REPORT TO THE NEW COUNCIL OF THE GARDEN ROUTE DISTRICT MUNICIPALITY					DEJAGERJ	Resolved
Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Taken	Action Status
1709668	RESOLVED That Council accepts the hand over report of the Executive Manager: Financial Services.	DEJAGERJ	DEJAGERJ	100.0000	Noted	2021-10-11	Noted	Completed
1709668	RESOLVED That Council accepts the hand over report of the Executive Manager: Financial Services.	DEJAGERJ	DEJAGERJ	100.0000	No feedback was required.	2021-10-11	Noted	Completed
Item Ref	Item Nr	Item Title					Responsible user	Resolution Outcome
1657166	1657166	REQUESTED/SUGGESTED ADJUSTMENTS ON THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN OF 2021/2022					ABRAHAMSI	
Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Taken	Action Status

1709663	RESOLVED That Council approves the requested adjustment of Top Layer KPI number 8 target form 35% to 5% for Second Quarter of 2021/22.	ABRAHAMSI	GOVINDSAMIR			2021-10-12		Resolved
Item Ref	Item Nr	Item Title					Responsible user	Resolution Outcome
1658255	1658255	Hand Over Report Office of the Municipal Manager					SKOSANAN	
Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Action Taken	Action Status
1709664	RESOLVED That the Council accepts the report.	LOLIWET	GOVINDSAMIR	100.0000	Resolved	2021-12-01	Resolved	Completed
1709664	RESOLVED That the Council accepts the report.	LOLIWET	GOVINDSAMIR	100.0000	No feedback was required.	2021-12-01	Resolved	Completed
Item Ref	Item Nr	Item Title					Responsible user	Resolution Outcome
1708479	1708479	Section 52 Report for the 1st Quarter ending 30 September 2021					COETZEER	Resolved
Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Action Taken	Action Status

1765438	That Council notes the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 30 September 2021.	DEJAGERJ	DEJAGERJ	100.0000	For noting	2021-11-15	For noting	Completed
1765438	That Council notes the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 30 September 2021.	DEJAGERJ	DEJAGERJ	100.0000	No feedback was required.	2021-11-15	For noting	Completed
Item Ref	Item Nr	Item Title					Responsible user	Resolution Outcome
1709999	C.1	INAUGURATION OF NEW COUNCILLORS: GARDEN ROUTE DISTRICT COUNCIL: CLLRS L PIETERSE AND J HOOGBAARD					GOVINDSAMIR	Resolved
Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Taken	Action Status
1765440	1. That cognizance be taken of the notices from the IEC, dated 02	GOVINDSAMIR	GOVINDSAMIR	100.0000	Completed. Councillors was	2021-11-04	Completed. Councillors inuagurated	Completed was via

	<p>October 2021.</p> <p>2. That the following Councillors be inaugurated as Councillors of the Garden Route District Council:</p> <p>2.1 That Cllr. Lisby Pieterse, be inaugurated as a Councillor of the Garden Route District Council with effect from 02 October 2021.</p> <p>2.2 That Cllr. Joebieth Hoogbaard, be inaugurated as a Councillor of the Garden Route District Council with effect from 02 October 2021.</p> <p>3. That Cllrs. Lisby Pieterse and Joebieth Hoogbaard be requested to take the Oath of Office, as required in terms the Municipal Structures Act, 1998.</p>				<p>inuagurated via Zoom as well as in the council chambers.</p>		<p>Zoom as well as in the council chambers.</p>	
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1765440	<p>1. That cognizance be taken of the notices from the IEC, dated 02 October 2021.</p> <p>2. That the following Councillors be inaugurated as Councillors of the Garden Route District Council:</p> <p>2.1 That Cllr. Lisby Pieterse, be inaugurated as a Councillor of the Garden Route District Council with effect from 02 October 2021.</p> <p>2.2 That Cllr. Joebieth Hoogbaard, be inaugurated as a Councillor of the Garden Route District Council with effect from 02 October 2021.</p> <p>3. That Cllrs. Lisby Pieterse and Joebieth Hoogbaard be requested to take the Oath of Office, as required in terms the Municipal Structures</p>	GOVINDSAMIR	GOVINDSAMIR	100.0000	No feedback was required.	2021-11-04	Completed. Councillors was inaugurated via Zoom as well as in the council chambers.	Completed
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	Act, 1998.							
Item Ref	Item Nr	Item Title					Responsible user	Resolution Outcome
1786726	1786726	PAYMENT OF SALARIES DURING DECEMBER 2021					GOVINDSAMIR	Resolved
Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Action Taken	Action Status
1800242	1. That it be recommended to Council that the December 2021 salary payment shall be on 15 December 2021. 2. That the abovementioned arrangement shall be seen as an exception to Council's standing resolution in respect of the 25th of each month, being the official payment date. 3. That the exception shall only be in respect of December 2021.	DEJAGERJ	STANDERJ	100.0000	completed	2021-12-15	implemented	Completed
1800242	1. That it be recommended to Council that the December 2021 salary	DEJAGERJ	STANDERJ	100.0000	No feedback was required.	2021-12-15	implemented	Completed

	<p>payment shall be on 15 December 2021.</p> <p>2. That the abovementioned arrangement shall be seen as an exception to Council's standing resolution in respect of the 25th of each month, being the official payment date.</p> <p>3. That the exception shall only be in respect of December 2021.</p>								
Item Ref	Item Nr	Item Title					Responsible user	Resolution Outcome	
1789966	1789966	GARDEN ROUTE DISTRICT MUNICIPALITY LONG TERM FINANCIAL PLAN					DEJAGERJ	Resolved	
Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Taken	Action	Action Status
1800235	That the GRDM Long Term Financial Plan (LTFP) - specifically with regards to progress made on the recommendations contained in the LTFP that was tabled to Council in December 2020,- be noted.	DEJAGERJ	DEJAGERJ	100.0000	Noted	2021-12-15	Noted		Completed

1800235	That the GRDM Long Term Financial Plan (LTFP) - specifically with regards to progress made on the recommendations contained in the LTFP that was tabled to Council in December 2020,- be noted.	DEJAGERJ	DEJAGERJ	100.0000	No feedback was required.	2021-12-15	Noted	Completed
Item Ref	Item Nr	Item Title				Responsible user	Resolution Outcome	
1790051	1790051	ANNUAL REPORT FOR 2020/21 FINANCIAL YEAR				JAMESM	Resolved	
Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Action Taken	Action Status
1800227	That Council approves the 2020/2021 Annual Report.	MENZEL	JAMESM	100.0000	Report was approved by Council	2021-12-15	Approved by Council	Completed
1800227	That Council approves the 2020/2021 Annual Report.	MENZEL	JAMESM	100.0000	No feedback was required.	2021-12-15	Approved by Council	Completed
Item Ref	Item Nr	Item Title				Responsible user	Resolution Outcome	

1791822	1791822	REPORT FOR THE ROADS DEPARTMENT CURRENT FLEET REPORT FOR THE FINANCIAL YEAR 2021-2022					NKEBANAQ	
Action Ref	Resolution Action	HOD user	Action User	% Complete	FB Comment	Due Date	Resolution Action Taken	Action Status
1800244	That Council takes note of the report.	DANIELSJ	GOVINDSAMIR	100.0000	RESOLVED	2021-12-17	RESOLVED	Completed

BACK TO AGENDA

1. **REPORT ON THE ATTENDANCE OF COUNCIL, COMMITTEE MEETINGS AND WORKSHOPS FOR THE PERIOD SEPTEMBER 2021 UNTIL DECEMBER 2021 BY COUNCILLORS / VERSLAG RAKENDE DIE BYWONING VAN RAAD, KOMITEEVERGADERINGS EN WERKSWINKELS VIR DIE PERIODE SEPTEMBER 2021 TOT DESEMBER 2021 / INGXELO NGOKUZINYASWA KWENTALANGANISO ZEBHUNGA, EZEKOMITI NAKUNYE NEWORKSHOP KWIXESHA LANGOMHLA KWEYEMSINTSI 2021 UKUYA KUMHLA KWEYEMNGA 2021 NGOOCEBA**

17 JANUARY 2021

REFER REPORT FROM THE SPEAKER (ALD GR WOLMARANS)

2 PURPOSE

The purpose of this report is to submit a report regarding the attendance of Council, Committee meetings and Workshops by Councillors for the period September until December 2021.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

At the Council meeting of 30 September 2020, Council resolved that a report be submitted to Council regarding the attendance of meetings and workshops by Councillors after every three months. A similar report served at the Council meeting dated 29 September 2021 for the period 01 June 2021 until 31 August 2021.

5. RECOMMENDATION

That the content of the report be noted.

AANBEVELING

Dat kennis geneem word van die inhoud van die verslag.

ISINDULULO

Sesokuba umongo wengxelo uthathelwe ingqalelo.

6. DISCUSSION / CONTENTS

6.1 Background

This report serves on an quarterly basis or as requested by the Speaker. The report is intended to appraise Council on attendance of meetings by Councillors.

6.2 Discussion

Council resolved that a report be submitted to Council regarding the attendance of meetings and workshops by Councillors. The report serves to monitor the attendance as this lack of attendance has financial implication for the municipality.

Attached to this report, is annexure A that indicates the attendance of Councillors for the period September until December 2021.

6.5 Financial Implications

When meetings have to be cancelled or postponed because of quorum challenges, that result in fruitless and wasteful expenditure.

Council still get reimbursement for the travelling costs even if meetings are cancelled or postponed, again this becomes fruitless and wasteful expenditure.

6.6 Legal Implications

- Section 79 and 80 of the Local Government: Municipal Structures Act, 117 of 1998
- Rules of Order for Procedures and Maintenance of order at meetings.
- The Code of Conduct for Councillors
- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)"

6.5 Staff Implications

There are no staff implications.

6.6 Previous / Relevant Council Resolutions:

A similar report served at the Council meeting that took place on 29 September 2021, and Council resolved as following:

"A.2 – Resolved: That the content of the report be noted".

6.7 Risk Implications

The inability for Council to perform its duties because of lack of quorums poses a risk that the IDP objectives will not be achieved.

ANNEXURE

Annexure A: Summary of meeting attendance for September 2021 until December 2021.

ANNEXURE A

Y= Present | A = Absent/ Apology | AWL = Absent without leave

COUNCIL MEETINGS	COUNCIL	SPECIAL COUNCIL
	29 SEPT 2021	13 OCT 2021
SF May	A	Y
A Barker (as from 30 March 2021)	Y	Y
BN Van Wyk	Y	Y
RE Spies	Y	Y
JL Hartnick	Y	Y
M Booysen	Y	Y
AJ Rossouw	Y	Y
KS Lose	Y	A
CN Lichaba	Y	Y
NV Gungubele	A	Y
S De Vries	Y	Y
NF Kamte	Y	A
NF Mdimiso	Y	Y
WT Harris	A	Y
EH Stroebe	Y	Y
IC Krtzinger	Y	Y
J Fry	A	Y
PJ Van der Hoven	Y	Y
T Teyisi	Y	Y
V Gericke	A	Y
HD Ruiters	AWL	AWL
MG Matiwane	Y	AWL
X Matyila	Y	AWL
GL Boezak	Y	Y
GR Wolmarans	Y	Y
L Tyokolo	Y	A
IT Mangaliso	Y	Y
SS Mbandezi	Y	Y
BHJ Groenewald	Y	Y
E Meyer	Y	Y
RH Ruiters	Y	Y
N Magopeni	Y	AWL
JC Lambaatjeen	Y	Y
RR Wildschut	Y	Y
ASM Windvogel	Y	Y

Y= Present | A = Absent | AWL = Absent without leave

MAYORAL COMMITTEE	29 SEPT 2021
Memory Booysen	Y
Rosina Ruiters	Y
RE Spies	Y
Jerome Lambaatjeen	Y
IC Kritzinger	Y
Erica Meyer	Y
Khayalethu Lose	Y
BN van Wyk (as of 25 May 2021)	Y

NO SECTION 80 COMMITTEES TOOK PLACE DURING THE PERIOD ABOVE

Y= Present | A = Absent/ Apology | AWL = Absent without leave

COUNCIL MEETINGS	COUNCIL	SPECIAL COUNCIL
	25 NOV 2021	10 DEC 2021
M Booysen	Y	Y
G Wolmarans	Y	Y
S de Vries	Y	Y
CN Lichaba	Y	Y
NV Gungubele	Y	Y
J Hoogbaard	Y	Y
JG Meiring	Y	Y
P Terblanche	Y	Y
CA Swart	Y	Y
K Malooi	Y	Y
C Scheepers	Y	Y
B van Noordwyk	Y	Y
IC Krtzinger	Y	Y
CP Taute	Y	Y
M Draghoender	Y	Y
D Acker	Y	Y
V Gericke	Y	Y
HD Ruiters	Y	Y
JC Lambaatjeen	Y	Y
S van Rooyen	Y	Y
T Matika	Y	Y
J Canary	Y	Y
A Barker	Y	Y
M Kanneymeyer	Y	Y
MA Mkonto	Y	Y
NS Ndayi	Y	Y
N Seti	Y	Y
RH Ruiters	Y	Y
H Stroebel	Y	Y
NA Tswenga	Y	Y
D Cronje	Y	Y
S Toto	Y	A
G van Niekerk	Y	Y
R Hector	Y	Y
JJ Cornelius (inaugurated Dec 2021)		Y

BACK TO AGENDA

1. **REPORT: SECTION 52 – RESPONSIBILITIES OF MAYOR / VERSLAG: ARTIKEL 52 VERANTWOORDELIKHEDE VAN DIE BURGEMEESTER / INGXELO: U MHLATHI 52 - UXANDUVA LUKA SODOLOPHU**

(6/18/7)

12 January 2022

REPORT FROM THE EXECUTIVE MAYOR (ALD M BOOYSEN)

2. **PURPOSE OF THE REPORT**

The report is tabled to Council in terms of Section 52(d) as required in terms of the Municipal Finance Management Act 56 of 2003.

3. **DELEGATED AUTHORITY**

Council

4. **EXECUTIVE SUMMARY**

According to the MFMA Section 52 the Mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

5. **RECOMMENDATION**

That Council notes the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 31 December 2021.

AANBEVELING

Dat die Raad kennis neem van die kwartaalverslag rakende die implementering van die begroting en die finansiële posisie van die munisipaliteit vir die jaar tot datum en die kwartaal geëindig 31 Desember 2021.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo ingxelo yekota ngokumiselwa kolwabiwo-mali kunye nemicimbi yezemali zomasipala kunyaka uzakuthi ga ngoku kunye Nekota ephela ngomhla 31 kweyoMnga 2021.

6. DISCUSSION / CONTENTS**6.1 BACKGROUND**

Section 52 of the Municipal Finance Management Act 2003 (No.56) (MFMA) requires the Mayor to report to Council on the financial affairs of the municipality.

6.2 DISCUSSION

Section 52 (d)

The mayor of a municipality –

Must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

6.3 FINANCIAL IMPLICATIONS

As contained in the attached report.

6.4 LEGAL IMPLICATIONS

The following legislation applies:

- Municipal Finance Management Act, No 56 of 2003, section 52
- Municipal Budget and Reporting Regulations, 17 April 2009

6.5 STAFF IMPLICATIONS

None

6.6 PREVIOUS / RELEVANT COUNCIL RESOLUTIONS:

There are no previous or relevant Council resolutions related to this matter.

6.7 RISK IMPLICATIONS

There are no foreseen risks.

ANNEXURE

Section 52 Report



SECTION 52

QUARTERLY FINANCIAL MANAGEMENT REPORT – Q2 ended 31 DECEMBER 2021

Garden Route District Municipality
Head Office: 54 York Street, George, 6530
Tel: 044 803 1300, **Fax:** 086 555 6303
www.gardenroute.gov.za

Facebook: www.facebook.com/gardenroutedm Twitter: @GardenRoute_DM YouTube: [gardenroutedm](https://www.youtube.com/gardenroutedm) LinkedIn: [gardenroute-district-municipality](https://www.linkedin.com/company/gardenroute-district-municipality)

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PART 3 – SERVICE DELIVERY AND BUDGET IMPLEMENTATION 48

Glossary

Annual Budget – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

Adjustment Budget – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revised its annual budget during the year.

Allocations (Transfers – see DORA) – Money received from Provincial or National Government.

Budget Related Policy(ies) – Policies of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet and must be included in the asset register.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings - for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and Wasteful Expenditure – Expenditure that was made in vain and would/should have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

MFMA – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

MSCOA – Municipal Standard Chart of Account

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years' budget allocations. Also includes details of the previous and current years' financial position.

Operating Expenditure – The day-to-day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the Rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budgeted estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised Expenditure – Generally, spending without, or in excess of, an Approved Budget.

Virement – A transfer of funds.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided. In Garden Route District this means the different GFS classification the budget is divided.

Legislative Framework

This report has been prepared in terms of the following enabling legislation:

The Municipal Finance Management Act – Act No. 56 of 2003

- Section 52: Quarterly budget statements

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

PART 1 – IN-YEAR REPORT

SECTION 1 – MAYORAL FOREWORD

Honourable Speaker, leaders of the opposition, honourable members of the Garden Route District Council on both sides of the house, the Municipal Manager and his Executive Management Team, staff members, members of the media, interest groups and the citizens of the Garden Route District, I would like to express a hearty warm welcome to you all.

Before we go to the figures of the 2nd quarter of the 2021/22 financial year, herewith an overview of the 2nd Quarter's events:

On Tuesday, 5 October 2021, the Garden Route District Municipality (GRDM) held a Skills Mecca Capacity Building Session by means of a webinar. The aim of the event was to bring all service providers (public and private), who are interested in becoming part of the Garden Route Skills Mecca (GRSM) process, together, and to provide them with insights into the programme and build their capacity when applying to become accredited providers in South Africa.

When providing an overview of the progress made so far, Dr Florus Prinsloo, coordinator of the Garden Route Skills Mecca (GRSM), highlighted the following:

- The GRDM envisages to start building a database of service providers including professional technical specialists that can help the GRSM to move forward with their work.
- GRDM has initiated a process with the necessary legal colleagues to copyright the GRSM brand, to strengthen and grow the brand to become a global and well-known international brand.
- The next Skills Summit is scheduled to place in March 2022 – a Skills Summit Working Group will be established to drive the arrangements for the Summit.
- Service providers should consider all resolutions taken at the GRSM Summit when developing their proposals as training providers for the GRSM. For this purpose, service providers also need to study the DDM (JDMA) One Plan and the Garden Route District Skills Development Strategy. These documents can be accessed on the Garden Route District Municipality's website.

Council's term also came to an end during the second quarter and a new Council was elected and inaugurated during November 2021.

We ended the year on a high note, GRDM is pleased to announce that it has achieved a clean audit outcome for the 2020/2021 financial year. A clean audit is an unqualified audit opinion, with no findings, issued by the Auditor-General South Africa (AGSA) during their audit on financial statements, annual performance report and compliance to legislation.

Nine (9) months ago, GRDM reported that it had missed a clean audit because of one finding. However, the municipality gradually addressed all the issues that the AGSA raised in the past while ensuring its financial management ethos at all levels of the organisation were enhanced. "We have instilled a culture of sound financial management, prudent financial choices, efficiency and accountability," said Monde Stratu, Municipal Manager. "We will do our very best to retain a clean audit for years to come and not to drop our standards," he said.

These figures are presented in terms of Section 52 of the MFMA. The information is presented for the 2nd Quarter ending 31 December 2021.

Herewith an executive summary of the performance of the Council for the 2nd Quarter ending 31 December 2021. The actual and budgeted figures reported, include the Roads Operational Budget.

Revenue by source

The total revenue received by source for the 2nd quarter amounts to **R125,390,194**, against an adjusted budget of **R426,259,313**. This represents **29%** recording of revenue for the second quarter, this was above the expected performance of 25% for the second quarter; 45% of the revenue received for the second quarter related to Transfers and Subsidies revenue, which includes the second instalment of the Equitable Share, and 50% of the revenue related to the Roads Agency function. The other revenue received derived from interest on investments, fire services revenue, health services revenue and resorts revenue.

Operating Expenditure by source

For the 2nd quarter of the financial year the municipality recorded expenditure performance of **R115,791,952** against an adjusted budget of **R433,331,265**, representing **27%** of expenditure for the second quarter, this is a line with expected performance of 25% for the quarter.

The salary related expenditure for the second quarter was **R78,092,926** to an adjusted budget of **R261,471,902** (which includes contributions to post retirement benefits), representing **30%** spending of the budget for the second quarter, which is in line with expected performance of 25% for the quarter and the 5% deviation is because of the 13th cheque payments made in November & December respectively.

The councillor remuneration expenditure for the second quarter amounted to **R2,368,319** to an adjusted budget of **R13,360,009**, representing **18%** of the budget. The previous Council's term came to an end during the second quarter and a new Council was elected.

Spending on contracted services was **R8,469,680** in the second quarter representing **25%** spending of an adjusted budget of **R33,471,658** for the quarter. This is in line with the expected performance of 25% for the quarter.

The expenditure in respect of the roads agency function is integrated in the financial system and is reported as a department of the GRDM financial system from the 1st of July 2020.

Spending on other expenditure was **R15,531,306** in the second quarter representing **25%** spending of an adjusted budget of **R61,489,255** (including Roads Budget) for the quarter, this was in line with the expected performance of 25% for the quarter.

Capital Expenditure

The adjusted capital budget for the financial year amounts to **R76,572,524**. For the second quarter, capital expenditure was **R1,029,113**, representing **1%** of the budget. The procurement processes of the major capital projects have not concluded yet during the first quarter, **R1,819,302** orders were issued during the month of 31 December 2021. R60m is included in the capital budget for the construction of the regional landfill site. Procurement processes for construction of the site and an external loan to finance the project is in progress. SCM process will be followed to appoint the operator of the regional landfill site. The R60m will be adjusted in the February adjustment budget, as per the estimated cash flows received from the engineer. The majority of the capital spending for the landfill site will be incurred during the next financial year 2022/2023, and the budget estimates will be adjusted according to the professional's forecast provided. Four Municipalities are participating namely George, Mossel Bay, Knysna and Bitou Municipality. Monthly the participating municipalities will repay GRDM for the usage of the regional landfill site and

this revenue will be used to repay the loan obligation and the contractor operating the landfill site.

A rehabilitation reserve will be established which must be cash funded to be able to pay for the rehabilitation once the landfill site has reached the end of its useful life.

Refer to detailed capital expenditure performance on page **39**.

SECTION 2 – RESOLUTIONS

Municipal Financial Management Act, 56 of 2003 - SECTION 52: General responsibilities of the Mayor

This is the resolution being presented to Council in the quarterly report on the implementation of the budget and the financial state of affairs of the municipality as required in terms of section 52 of the Municipal Finance Management Act 56 of 2003.

RECOMMENDATION:

That Council takes note of the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 31 December 2021.

SECTION 3 – EXECUTIVE SUMMARY

3.1 Introduction

These figures are presented in terms of section 52(d) of the MFMA. The information is presented for the 2nd quarter ending 31 December 2021.

3.2 Consolidated performance

3.2.1 Against annual budget (adjusted)

The actual and budgeted figures reported, includes the Roads function.

Revenue by source

The total revenue received by source for the 2nd quarter amounts to **R125,390,194**, against an adjusted budget of **R426,259,313**.

This represents **29%** recording of revenue for the second quarter, this was above the expected performance of 25% for the second quarter; 45% of the revenue received for the second quarter related to Transfers and Subsidies revenue, which includes the second instalment of the Equitable Share, and 50% of the revenue related to the Roads Agency function. The other revenue received derived from interest on investments, fire services revenue, health services revenue and resorts revenue.

Operating Expenditure by type

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Capital Expenditure

The adjusted capital budget for the financial year amounts to **R76,572,524**. For the second quarter, capital expenditure was **R1,029,113**, representing **1%** of the budget. The procurement processes of the major capital projects have not concluded yet during the first quarter, **R1,819,302** orders were issued during the month of 31 December 2021. R60m is included in the capital budget for the construction of the regional landfill site. Procurement processes for construction of the site and an external loan to finance the project is in progress. SCM process will be followed to appoint the operator of the regional landfill site. The R60m will be adjusted in the February adjustment budget, as per the estimated cash flows received from the engineer. The majority of the capital spending for the landfill site will be incurred during the next financial year 2022/2023, and the budget estimates will be adjusted according to the professional's forecast provided. Four Municipalities are participating namely George, Mossel Bay, Knysna and Bitou Municipality. Monthly the participating municipalities will repay GRDM for the usage of the regional landfill site and this revenue will be used to repay the loan obligation and the contractor operating the landfill site. A rehabilitation reserve will be established which must be cash funded to be able to pay for the rehabilitation once the landfill site has reached the end of its useful life.

3.3 Material variances from SDBIP

Attached to this report as Annexure is the SDBIP report for the 2nd quarter ending 31 December 2021.

Management of the SDBIP and achievement of actuals against KPI target are done via the Performance Management Section situated in the Office of the Municipal Manager.

3.4 Conclusion

Detailed analysis of the municipal performance for the 2nd quarter ending 31 December 2021 will be presented under the different sections of the report. More information regarding the municipal performance and explanations will be provided below.

SECTION 4 – IN-YEAR BUDGET STATEMENT TABLES

4.1 Monthly budget statement

4.1.1 Table C1: S71 Monthly Budget Statement Summary

DC4 Garden Route - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	–	–	–	–	–	–	–		–
Investment revenue	12 091	8 500	8 500	649	2 819	4 250	(1 431)	-34%	8 500
Transfers and subsidies	34 252	187 375	192 940	55 931	129 939	96 470	33 469	35%	192 940
Other own revenue	356 179	224 819	224 819	34 926	123 955	112 410	11 545	10%	224 819
Total Revenue (excluding capital transfers and contributions)	402 522	420 694	426 259	91 506	256 713	213 130	43 583	20%	426 259
Employee costs	247 659	260 917	261 472	23 752	139 199	130 736	8 463	6%	261 472
Remuneration of Councillors	13 360	13 360	13 360	1 412	5 004	6 680	(1 676)	-25%	13 360
Depreciation & asset impairment	4 987	4 852	4 852	348	2 075	2 426	(351)	-14%	4 852
Finance charges	70	70	70	–	–	35	(35)	-100%	70
Inventory consumed and bulk purchases	51 360	57 894	54 699	1 101	12 668	27 349	(14 681)	-54%	54 699
Transfers and subsidies	1 851	2 375	2 418	200	3 405	1 209	2 196	182%	2 418
Other expenditure	96 908	88 698	96 461	8 884	42 556	48 230	(5 675)	-12%	96 461
Total Expenditure	416 194	428 166	433 331	35 697	204 907	216 666	(11 759)	-5%	433 331
Surplus/(Deficit)	(13 672)	(7 472)	(7 072)	55 809	51 806	(3 536)	55 342	-1565%	(7 072)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	54	–	54	#DIV/0!	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)	55 396	-1567%	(7 072)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)	55 396	-1567%	(7 072)
Capital expenditure & funds sources									
Capital expenditure	14 096	76 173	76 573	352	1 146	38 286	(37 140)	-97%	76 573
Capital transfers recognised	4 161	–	400	85	85	200	(115)	-57%	400
Borrowing	–	60 000	60 000	–	–	30 000	(30 000)	-100%	60 000
Internally generated funds	9 935	16 173	16 173	266	1 061	8 086	(7 025)	-87%	16 173
Total sources of capital funds	14 096	76 173	76 573	352	1 146	38 286	(37 140)	-97%	76 573
Financial position									
Total current assets	173 685	195 152	195 152		245 241				195 152
Total non current assets	314 316	334 418	334 818		288 443				334 418
Total current liabilities	37 449	65 748	65 748		65 353				65 748
Total non current liabilities	144 852	195 506	195 506		136 817				195 506
Community wealth/Equity	305 700	268 316	268 716		331 514				268 316
Cash flows									
Net cash from (used) operating	(11 114)	(7 472)	(7 072)	55 809	51 860	(3 536)	(55 396)	1567%	(7 072)
Net cash from (used) investing	366	(76 173)	(76 573)	(28 984)	(29 778)	(38 286)	(8 508)	22%	(76 573)
Net cash from (used) financing	–	60 000	60 000	–	–	15 000	15 000	100%	60 000
Cash/cash equivalents at the month/year end	159 020	164 643	164 643	–	166 461	161 465	(4 996)	-3%	120 734
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	(436)	352	430	312	356	330	5 269	32 401	39 013
Creditors Age Analysis									
Total Creditors	151	166	69	1	–	421	25	24	858

4.1.2 Table C2: Monthly Budget Statement - Financial Performance (standard classification)

DC4 Garden Route - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		230 331	236 045	241 611	57 349	144 825	120 805	24 019	20%	241 611
Executive and council		230 104	234 304	239 869	57 241	144 590	119 935	24 655	21%	239 869
Finance and administration		228	1 741	1 741	108	235	871	(636)	-73%	1 741
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6 606	5 812	5 812	694	2 616	2 906	(290)	-10%	5 812
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		6 256	5 422	5 422	676	2 473	2 711	(238)	-9%	5 422
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		350	390	390	19	143	195	(52)	-27%	390
<i>Economic and environmental services</i>		165 584	178 836	178 836	33 463	109 326	89 418	19 908	22%	178 836
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		165 473	178 718	178 718	33 457	109 289	89 359	19 929	22%	178 718
Environmental protection		111	118	118	6	38	59	(21)	-36%	118
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	402 522	420 694	426 259	91 506	256 767	213 130	43 637	20%	426 259
Expenditure - Functional										
<i>Governance and administration</i>		135 527	138 000	140 792	11 773	66 302	70 396	(4 094)	-6%	140 792
Executive and council		52 858	50 582	53 332	3 254	19 639	26 666	(7 027)	-26%	53 332
Finance and administration		79 953	84 933	84 976	8 285	45 172	42 488	2 684	6%	84 976
Internal audit		2 715	2 485	2 485	234	1 491	1 242	249	20%	2 485
<i>Community and public safety</i>		88 563	80 872	80 899	7 070	41 968	40 449	1 518	4%	80 899
Community and social services		14 616	7 804	7 831	688	4 876	3 915	960	25%	7 831
Sport and recreation		12 639	12 512	12 512	1 086	5 592	6 256	(664)	-11%	12 512
Public safety		26 761	25 100	25 100	1 902	12 494	12 550	(56)	0%	25 100
Housing		-	-	-	-	-	-	-	-	-
Health		34 547	35 456	35 456	3 394	19 006	17 728	1 278	7%	35 456
<i>Economic and environmental services</i>		182 370	203 424	205 770	16 697	93 986	102 885	(8 899)	-9%	205 770
Planning and development		9 706	19 390	20 019	1 668	7 905	10 009	(2 104)	-21%	20 019
Road transport		169 326	180 758	182 474	14 686	84 419	91 237	(6 818)	-7%	182 474
Environmental protection		3 339	3 277	3 277	252	1 662	1 638	24	1%	3 277
<i>Trading services</i>		6 612	3 209	3 209	113	1 398	1 605	(207)	-13%	3 209
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		6 612	3 209	3 209	113	1 398	1 605	(207)	-13%	3 209
<i>Other</i>		3 121	2 661	2 661	135	1 253	1 330	(78)	-6%	2 661
Total Expenditure - Functional	3	416 194	428 166	433 331	35 697	204 907	216 666	(11 759)	-5%	433 331
Surplus/ (Deficit) for the year		(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)	55 396	-1567%	(7 072)

This table reflects the operating budget (Financial Performance) in the standard classifications that is the Government Finance Statistics Functions and Sub-function. The main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading services.

Operating Revenue:

Table C2 reflects the financial performance per Standard Classification and shows that most of the municipal funds are received under the Executive and Council classification and the roads transport for the roads function performed on behalf of Province Government. This is because the municipality budget most of its income under the Governance and administration function of the Government Financial Statistics (GFS) classification.

The total revenue received by source for the 2nd quarter amounts to **R125,390,194**, against an adjusted budget of **R426,259,313**. This represents **29%** recording of revenue for the second quarter, this was above the expected performance of 25% for the second quarter; 45% of the revenue received for the second quarter related to Transfers and Subsidies revenue, which includes the second instalment of the Equitable Share, and 50% of the revenue related to the Roads Agency function. The other revenue received derived from interest on investments, fire services revenue, health services revenue and resorts revenue.

Operating Expenditure

The total operating expenditure for the 2nd quarter amounts to **R115,791,952** against an adjusted budget of **R433,331,265**, representing **27%** of expenditure for the second quarter, this is a line with expected performance of 25% for the quarter.

More details regarding the operational expenditures are included in the report below under expenditure by type.

In Table C3, Financial Performance is reported by municipal vote:

4.1.3 Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

DC4 Garden Route - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and Council		230 104	234 304	239 869	57 241	144 590	119 935	24 655	20,6%	239 869
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		228	1 741	1 741	108	235	871	(636)	-73,0%	1 741
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		350	390	390	19	143	195	(52)	-26,9%	390
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		6 256	5 422	5 422	676	2 473	2 711	(238)	-8,8%	5 422
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		111	118	118	6	38	59	(21)	-36,4%	118
Vote 14 - Roads Agency Function		165 473	178 718	178 718	33 457	109 289	89 359	19 929	22,3%	178 718
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	402 522	420 694	426 259	91 506	256 767	213 130	43 637	20,5%	426 259
Expenditure by Vote	1									
Vote 1 - Executive and Council		55 795	54 394	57 144	3 599	19 561	28 572	(9 010)	-31,5%	57 144
Vote 2 - Budget and Treasury Office		25 236	24 007	24 007	2 310	13 677	12 004	1 673	13,9%	24 007
Vote 3 - Corporate Services		44 399	49 126	49 168	4 379	26 817	24 584	2 233	9,1%	49 168
Vote 4 - Planning and Development		27 898	30 006	30 635	2 831	14 623	15 318	(695)	-4,5%	30 635
Vote 5 - Public Safety		34 204	32 904	32 931	2 550	16 602	16 466	136	0,8%	32 931
Vote 6 - Health		36 747	37 973	37 973	3 890	20 556	18 987	1 569	8,3%	37 973
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		12 639	12 512	12 512	1 086	5 592	6 256	(664)	-10,6%	12 512
Vote 9 - Waste Management		6 612	3 209	3 209	113	1 398	1 605	(207)	-12,9%	3 209
Vote 10 - Roads Transport		3 853	3 378	5 094	79	552	2 547	(1 995)	-78,3%	5 094
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		3 339	3 277	3 277	252	1 662	1 638	24	1,4%	3 277
Vote 14 - Roads Agency Function		165 473	177 380	177 380	14 608	83 867	88 690	(4 823)	-5,4%	177 380
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	416 194	428 166	433 331	35 697	204 907	216 666	(11 759)	-5,4%	433 331
Surplus/ (Deficit) for the year	2	(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)	55 396	-1566,7%	(7 072)

Revenue and expenditure reflects the operating performance per municipal vote. This is in accordance with the Government Financial Statistics (GFS) classification of the National Treasury.

Most of the municipal income is budgeted under the Executive and Council function and roads agency function. Sport and Recreation (Resorts) is the other main municipal function where income budgeting is recorded.

Expenditure per municipal vote is distributed to ensure that the municipal expenditure reflects the functions where expenditure is allocated. This is done to ensure implementation of the Integrated Development Plan (IDP) and for Annual Reporting.

4.1.4 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

DC4 Garden Route - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

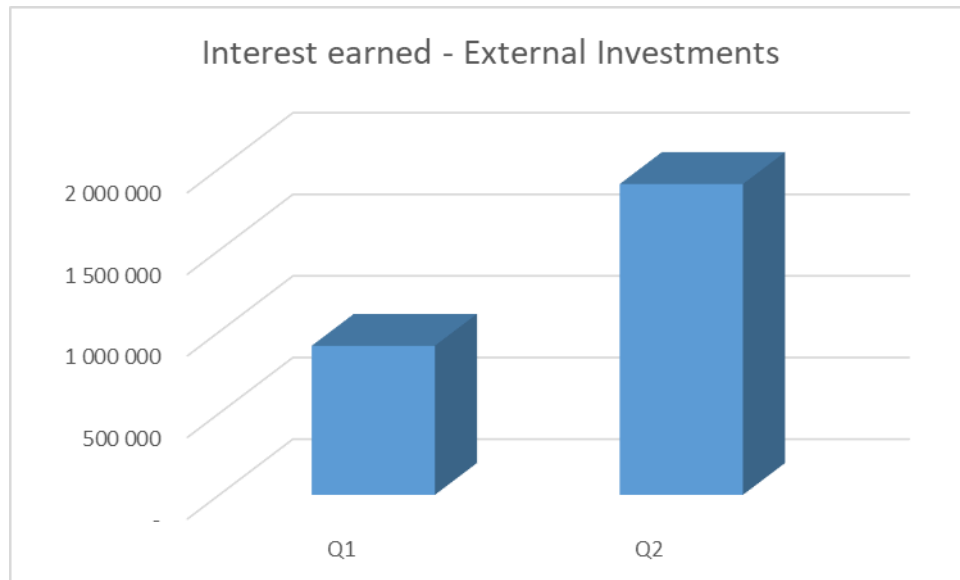
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue								-		
Rental of facilities and equipment		3 614	3 829	3 829	(24)	347	1 915	(1 567)	-82%	3 829
Interest earned - external investments		12 091	8 500	8 500	649	2 819	4 250	(1 431)	-34%	8 500
Interest earned - outstanding debtors		3 710	2 970	2 970	238	1 440	1 485	(45)	-3%	2 970
Dividends received		-	-	-			-	-		
Fines, penalties and forfeits		-	-	-			-	-		
Licences and permits		111	118	118	6	38	59	(21)	-36%	118
Agency services		184 673	195 834	195 834	34 689	116 778	97 917	18 861	19%	195 834
Transfers and subsidies		34 252	187 375	192 940	55 931	129 939	96 470	33 469	35%	192 940
Other revenue		164 071	22 067	22 067	17	5 352	11 034	(5 682)	-51%	22 067
Gains					-	-	-	-		
Total Revenue (excluding capital transfers and contributions)		402 522	420 694	426 259	91 506	256 713	213 130	43 583	20%	426 259
Expenditure By Type										
Employee related costs		247 659	260 917	261 472	23 752	139 199	130 736	8 463	6%	261 472
Remuneration of councillors		13 360	13 360	13 360	1 412	5 004	6 680	(1 676)	-25%	13 360
Debt impairment		1 841	1 500	1 500	-	98	750	(652)	-87%	1 500
Depreciation & asset impairment		4 987	4 852	4 852	348	2 075	2 426	(351)	-14%	4 852
Finance charges		70	70	70	-	-	35	(35)	-100%	70
Bulk purchases - electricity		-	-	-			-	-		
Inventory consumed		51 360	57 894	54 699	1 101	12 668	27 349	(14 681)	-54%	54 699
Contracted services		34 749	29 457	33 472	3 919	12 243	16 736	(4 493)	-27%	33 472
Transfers and subsidies		1 851	2 375	2 418	200	3 405	1 209	2 196	182%	2 418
Other expenditure		60 318	57 740	61 489	4 965	30 215	30 745	(530)	-2%	61 489
Losses								-		-
Total Expenditure		416 194	428 166	433 331	35 697	204 907	216 666	(11 759)	-5%	433 331
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(13 672)	(7 472)	(7 072)	55 809	51 806	(3 536)	55 342	(0)	(7 072)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)					-	54	-	54	#DIV/0!	
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)			(7 072)
Taxation								-		
Surplus/(Deficit) after taxation		(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)			(7 072)
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)			(7 072)
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)			(7 072)

Revenue by Source

Revenue by source explains the types of income budgeted for and the performance of these items individually:

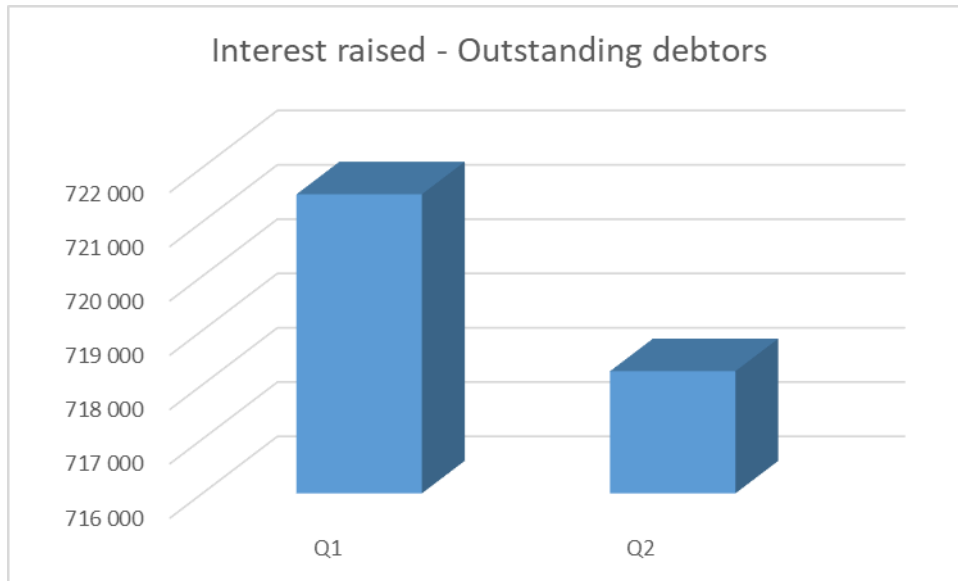
Interest earned – External Investments:

Reflects the interest earned in respect of surplus funds not immediately needed in the operations of the municipality over the short-term period. Interest on external investments received for the second quarter ending 31 December 2021 amounted to R1,905,219. The bulk of the investments have not matured yet, it is invested for more than 30 days, and the interest will only be realised on the date of maturity hence the reason for under performance against budgeted amount versus actual year-to-date.



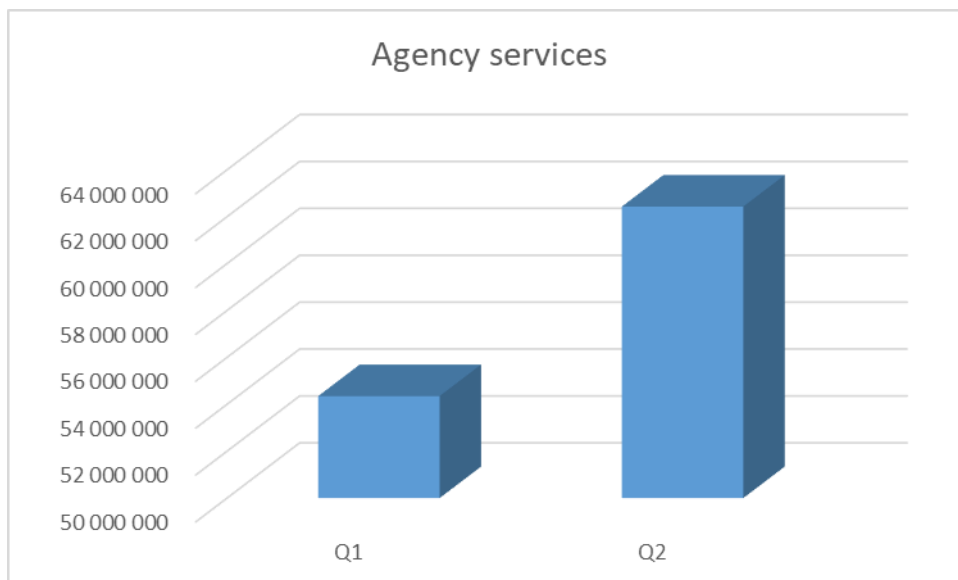
Interest raised – Outstanding debtors

Interest on outstanding debtors for the second quarter ending 31 December 2021 amounted to R718,249. The majority of the debtors are firefighting debtors.



Agency services

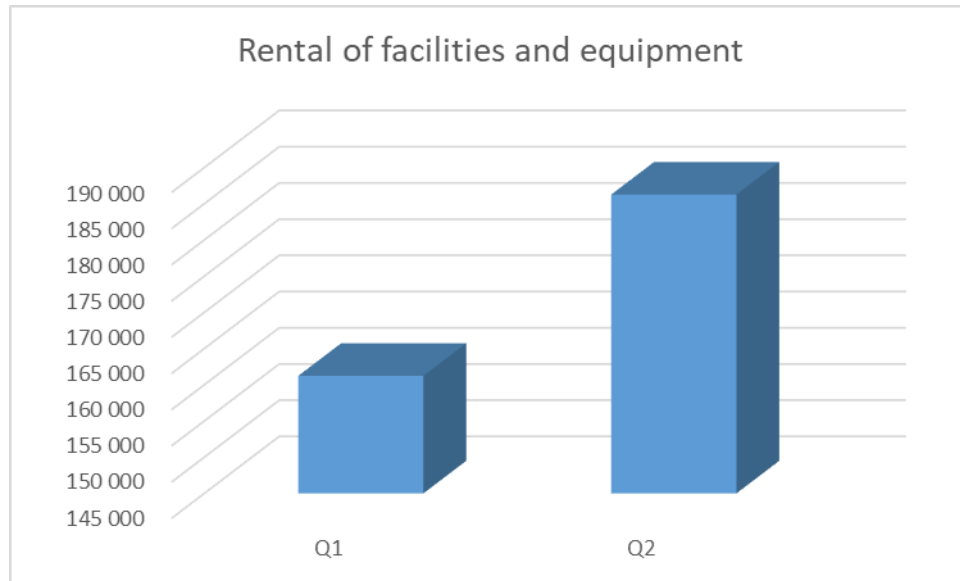
The municipality performs an agency function on behalf of the Department of Transport – Roads department. Monthly agency fees are collected from the department. 12% Admin fee is received on the original allocation and 6% on any additional allocations. An amount of R62,430,007 was recorded for the second quarter ending 31 December 2021, the amount includes the admin fee as well as the revenue recognised in relating to the actual expenditure.



Rental of facilities and equipment:

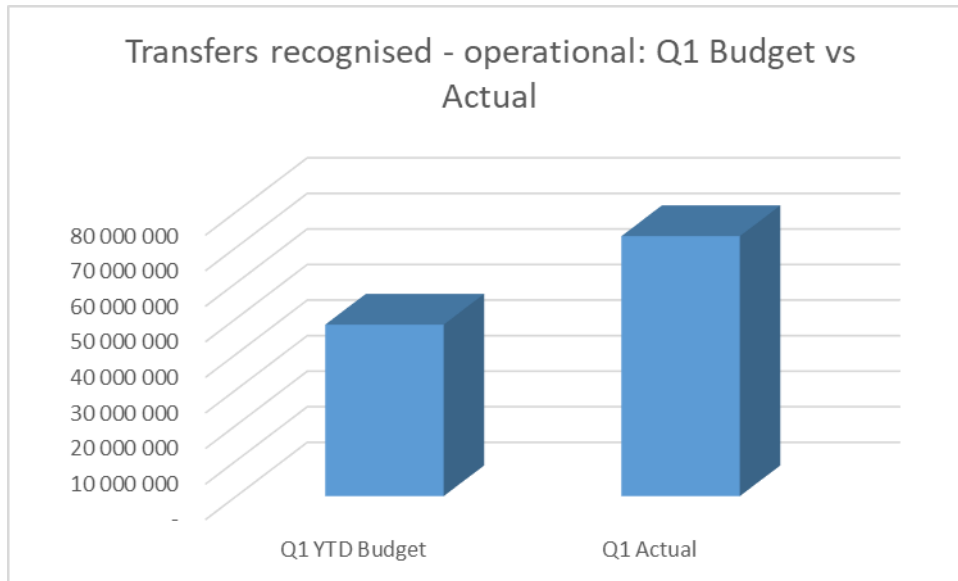
Rental of facilities and equipment for the second quarter ending 31 December 2021 amounted to R186,264. The actual performance is -82% off the year-to-date budget, with the movement back to lockdown level one, the expectation is that the income will rise

within the next 3 months as the lockdown has now been reduced to level 1 and the Garden Route District received a good number of visitors during the December festive period.



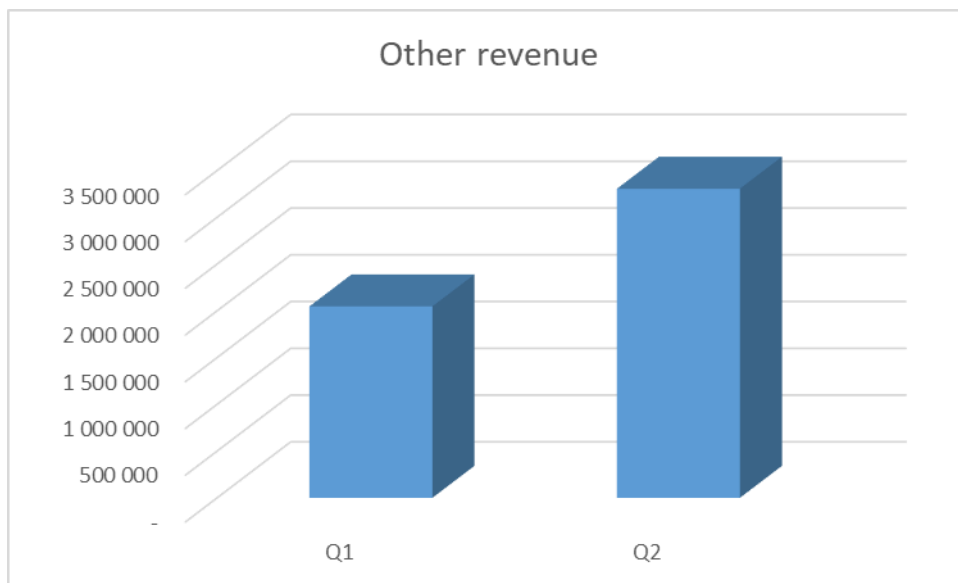
Transfers recognised – operational

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenues Act's respectively. The first instalment of R69,855,000 for the Equitable Share was received during July 2021. The municipality received its first instalment of R1,735,000 for the Rural Roads Assets Management Grant during July 2021. During the month of August 2021 the following grants were received Local Government Financial Management Grant of R1,000,000 and the Expanded Public Works Programme Grant (EPWP) of R518,000 were received. For the month end September 2021 no allocations were received. For the month ended November 2021 the municipality received R900 000 for the Integrated Transport Planning Grant. The municipality received the second tranche payment of R54,892,000 for the Equitable Share and R931,000 for the Expanded Public Works Programme Grant (EPWP) during the month of December 2021. LG Seta transferred an amount of R108,125,37 during December 2021 for the New Venture Creation project.



Other revenue / Sundry income

Other revenue reflects an amount of R3,305,300 for the second quarter ending 31 December 2021. Other revenue mostly consists of the following: Fire services revenue and health services revenue.

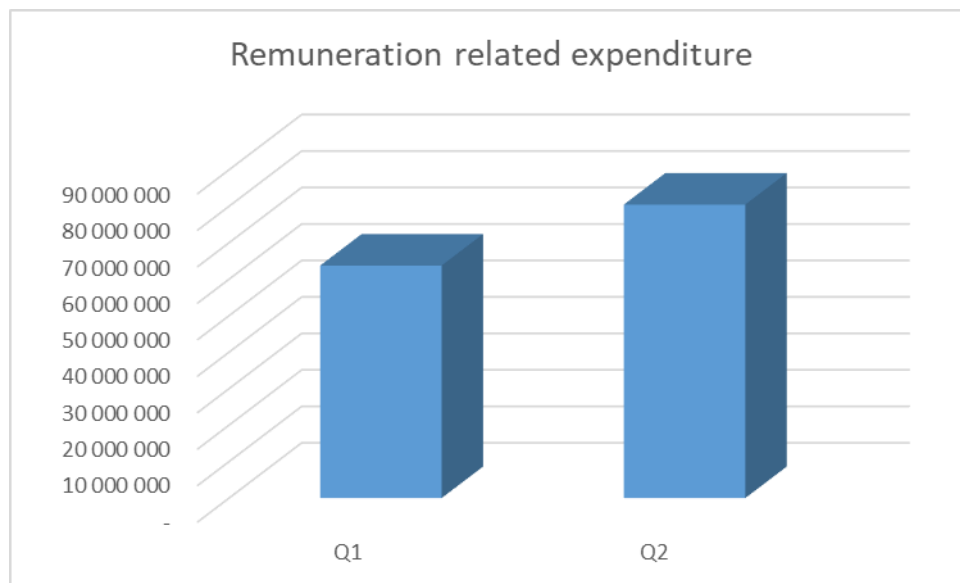


Expenditure by Type

Expenditure by type reflects the operational budget per main type/category of expenditure:

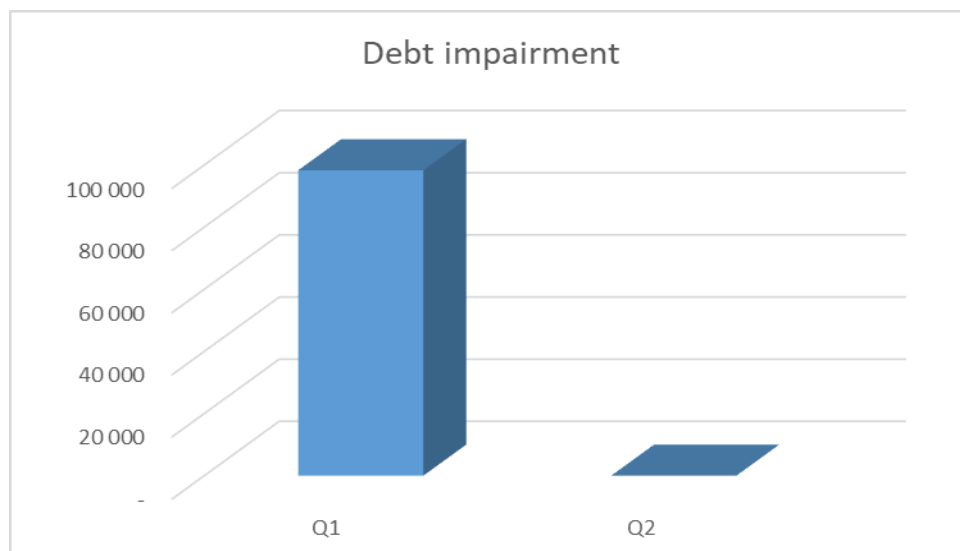
Employee Related cost / Remuneration of councillors

Remuneration related expenditure for the second quarter ending 31 December 2021 amounted to R80,461,245 of an adjusted budgeted amount of R274,831,911 that represents 29% of the budgeted amount.

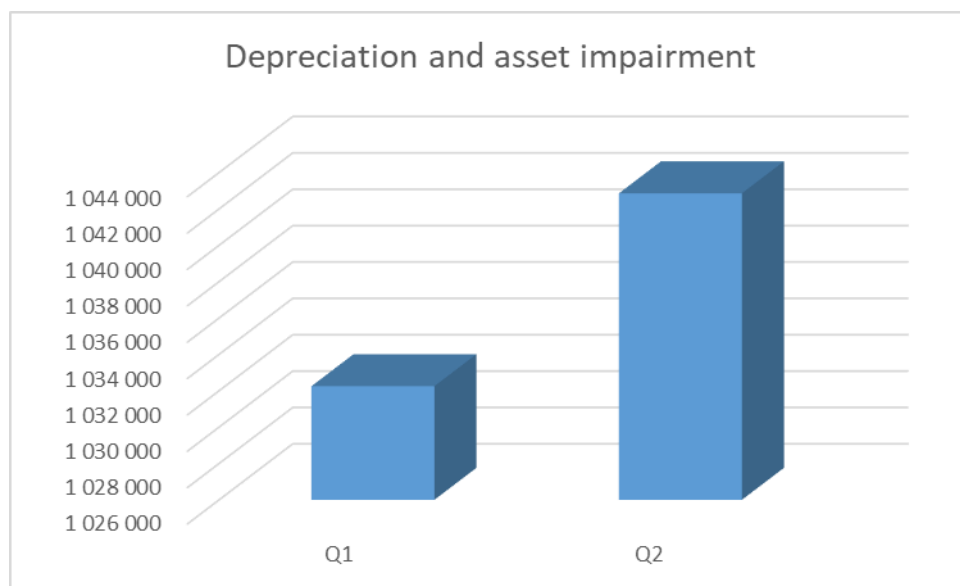


Debt Impairment / Depreciation and asset impairment

There was no debt impairment recognised for the 2nd quarter and depreciation of R1,042,855 was recognised for the 2nd quarter ending 31 December 2021.



These items account for non-cash budgeted items. The fixed asset register module must still be fully implemented at Garden Route DM by the service provider of the financial system. Testing on a test platform was done in September 2021 and will continue in January 2022. (The previous asset management system provider (Market Demand) terminated its services under the mSCOA contract. Phoenix had to develop a new asset register at no additional cost to municipalities, as this was an mSCOA requirement when National Treasury awarded the transversal tender for financial systems.) Full implementation and sign-off will be done after Garden Route DM tested all the required functionalities of the new proposed asset register extensively to ensure it meets the requirements of mSCOA and GRAP and fully integrates seamlessly and correctly with the financial system before it can be implemented.

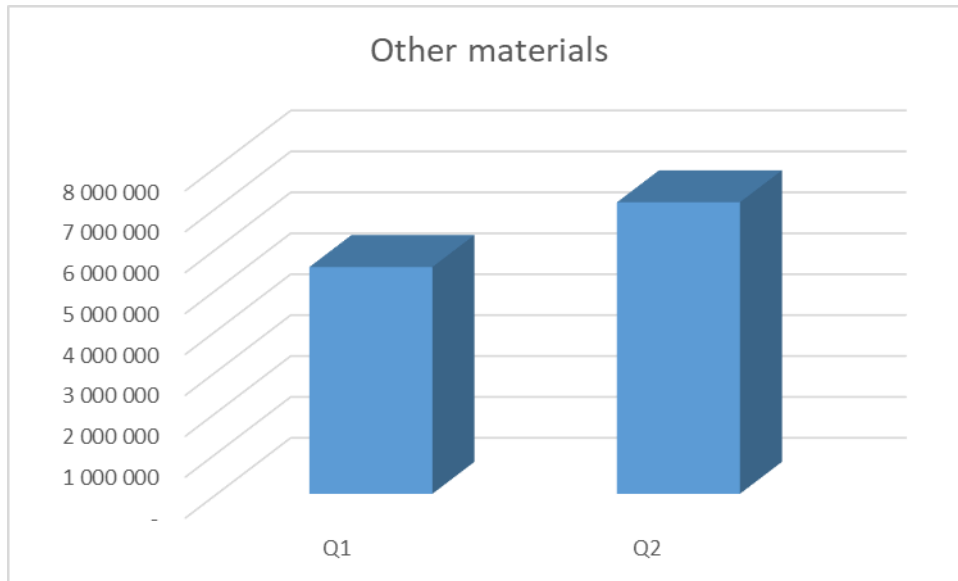


Finance charges

The municipality have no outstanding loans but it is envisioned that a loan will be taken out for the financing of the regional landfill site to be constructed.

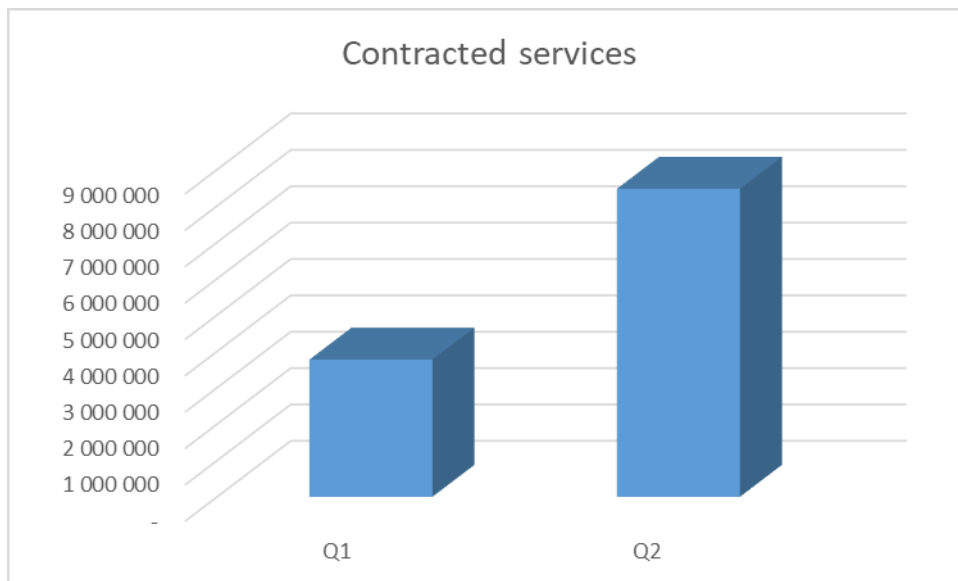
Other materials

Other materials consist of all inventories consumed purchases for materials and supplies and amounts to R7,124,556 for the 2nd quarter ended 31 December 2021 against an adjusted budgeted amount of R54,698,785.



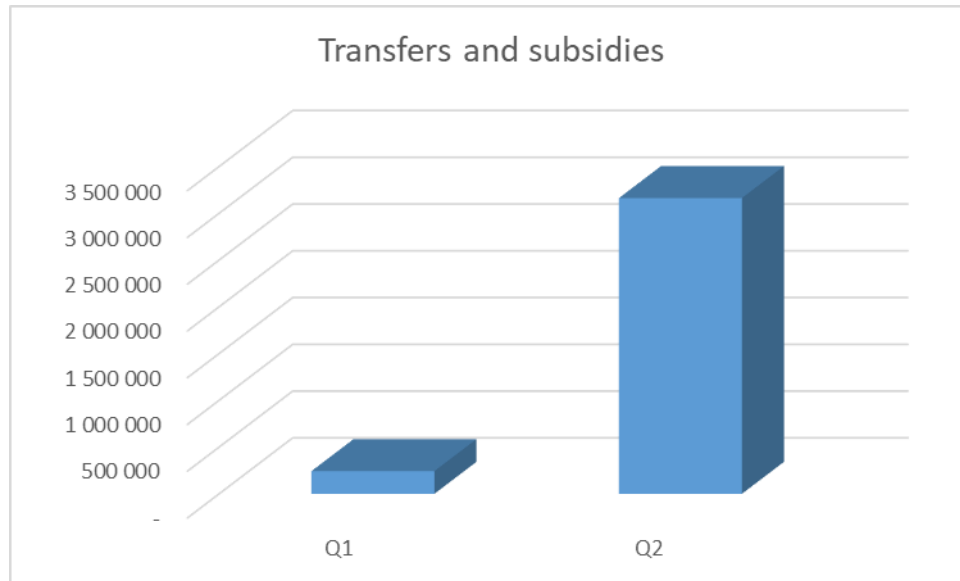
Contracted services

Contracted services amounted to R8,469,680 for the 2nd quarter ending 31 December 2021. Contracted services expenditure increased by R4.6m from Q1 to Q2 because of easing lockdown levels and more procurement processes that was finalised in comparison to quarter one.



Transfers and subsidies

The transfers and subsidies expenditure for the second quarter ended 31 December 2021 amounts to R3,162,310.

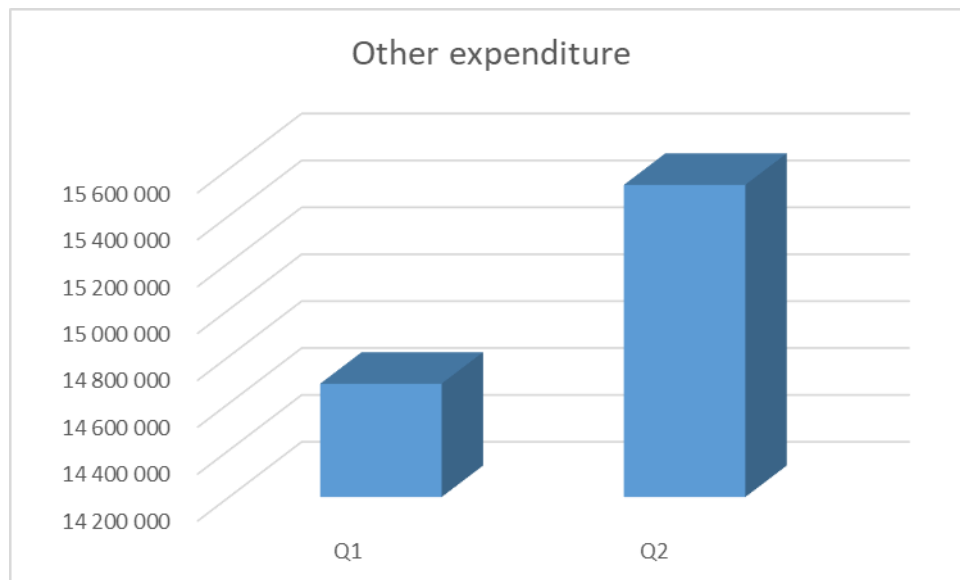


Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounts to R15,531,306 for the second quarter ended 31 December 2021.

The other expenditure consists of the following:

- Operating costs and Operating Projects (own funds)



4.1.5 Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

Variances explained in Supporting Table C5

DC4 Garden Route - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and Council		4 013	-	-	-	-	-	-		-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-		-
Vote 3 - Corporate Services		-	1 500	1 500	99	554	750	(196)	-26%	1 500
Vote 4 - Planning and Development		-	-	-	-	-	-	-		-
Vote 5 - Public Safety		-	200	200	20	286	100	186	186%	200
Vote 6 - Health		-	7 000	7 000	-	-	3 500	(3 500)	-100%	7 000
Vote 7 - Community and Social Services		-	-	-	-	-	-	-		-
Vote 8 - Sport and Recreation		3 000	-	-	-	-	-	-		-
Vote 9 - Waste Management		-	60 000	60 000	99	99	30 000	(29 901)	-100%	60 000
Vote 10 - Roads Transport		-	-	-	-	-	-	-		-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-		-
Vote 12 - Water		-	-	-	-	-	-	-		-
Vote 13 - Environment Protection		-	-	-	-	-	-	-		-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-		-
Vote 15 - Electricity		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	7 013	68 700	68 700	218	938	34 350	(33 412)	-97%	68 700
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		355	30	30	10	10	15	(5)	-32%	30
Vote 2 - Budget and Treasury Office		86	30	30	1	16	15	1	4%	30
Vote 3 - Corporate Services		2 461	5 130	5 130	-	-	2 565	(2 565)	-100%	5 130
Vote 4 - Planning and Development		179	90	90	8	22	45	(23)	-50%	90
Vote 5 - Public Safety		30	-	-	-	-	-	-		-
Vote 6 - Health		50	63	63	24	43	31	11	37%	63
Vote 7 - Community and Social Services		-	-	-	-	-	-	-		-
Vote 8 - Sport and Recreation		2 522	2 130	2 130	6	32	1 065	(1 033)	-97%	2 130
Vote 9 - Waste Management		-	-	-	-	-	-	-		-
Vote 10 - Roads Transport		1 400	-	400	85	85	200	(115)	-57%	400
Vote 11 - Waste Water Management		-	-	-	-	-	-	-		-
Vote 12 - Water		-	-	-	-	-	-	-		-
Vote 13 - Environment Protection		-	-	-	-	-	-	-		-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-		-
Vote 15 - Electricity		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	7 083	7 473	7 873	134	208	3 936	(3 728)	-95%	7 873
Total Capital Expenditure		14 096	76 173	76 573	352	1 146	38 286	(37 140)	-97%	76 573

The adjusted capital budget for the financial year amounts to **R76,572,524**. For the second quarter, capital expenditure was **R1,029,113**, representing **1%** of the budget. The procurement processes of the major capital projects have not concluded yet during the first quarter, **R1,819,302** orders were issued during the month of 31 December 2021. R60m is included in the capital budget for the construction of the regional landfill site. Procurement processes for construction of the site and an external loan to finance the project is in progress. SCM process will be followed to appoint the operator of the regional landfill site. The R60m will be adjusted in the February adjustment budget, as per the estimated cash flows received from the engineer.

The majority of the capital spending for the landfill site will be incurred during the next financial year 2022/2023, and the budget estimates will be adjusted according to the professional's forecast provided. Four Municipalities are participating namely George, Mossel Bay, Knysna and Bitou Municipality. Monthly the participating municipalities will repay GRDM for the usage of the regional landfill site and this revenue will be used to repay the loan obligation and the contractor operating the landfill site. A Rehabilitation reserve will be established which must be cash funded to be able to pay for the rehabilitation once the landfill site has reached the end of its useful life.

4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		143 131	164 643	164 643	6 453	164 643
Call investment deposits					160 000	
Consumer debtors					38 308	
Other debtors		23 956	24 106	24 106	31 585	24 106
Current portion of long-term receivables		3 867	3 733	3 733	4 293	3 733
Inventory		2 731	2 669	2 669	4 601	2 669
Total current assets		173 685	195 152	195 152	245 241	195 152
Non current assets						
Long-term receivables		59 705	52 945	52 945	61 340	52 945
Investments		27	27	27	27	27
Investment property		86 108	51 682	51 682	53 883	51 682
Investments in Associate						
Property, plant and equipment		166 336	227 652	228 052	172 491	227 652
Biological						
Intangible		2 139	2 113	2 113	702	2 113
Other non-current assets						
Total non current assets		314 316	334 418	334 818	288 443	334 418
TOTAL ASSETS		488 001	529 570	529 970	533 684	529 570
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing					536	
Consumer deposits					1 878	
Trade and other payables		37 449	31 478	31 478	38 292	31 478
Provisions			34 270	34 270	24 647	34 270
Total current liabilities		37 449	65 748	65 748	65 353	65 748
Non current liabilities						
Borrowing		28	60 000	60 000	73	60 000
Provisions		144 823	135 506	135 506	136 744	135 506
Total non current liabilities		144 852	195 506	195 506	136 817	195 506
TOTAL LIABILITIES		182 301	261 254	261 254	202 170	261 254
NET ASSETS	2	305 700	268 316	268 716	331 514	268 316
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		286 727	201 063	201 463	271 001	201 063
Reserves		18 973	67 253	67 253	60 513	67 253
TOTAL COMMUNITY WEALTH/EQUITY	2	305 700	268 316	268 716	331 514	268 316

The financial position of Council is recorded at the end of the second quarter ending 31 December 2021.

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Garden Route - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges								-		
Other revenue		204 407	221 849	221 849	34 688	122 569	110 924	11 644	10%	221 849
Transfers and Subsidies - Operational		179 813	187 375	192 940	55 931	129 939	96 470	33 469	35%	192 940
Transfers and Subsidies - Capital		-	-				-	-		-
Interest		15 801	11 470	11 470	887	4 259	5 735	(1 476)	-26%	11 470
Dividends								-		
Payments										
Suppliers and employees		(409 171)	(428 096)	(433 261)	(35 505)	(201 510)	(216 631)	(15 121)	7%	(433 261)
Finance charges		-	(70)	(70)	-	-	(35)	(35)	100%	(70)
Transfers and Grants		(1 965)	-		(200)	(3 405)	-	3 405	#DIV/0!	
NET CASH FROM/(USED) OPERATING ACTIVITIES		(11 114)	(7 472)	(7 072)	55 801	51 852	(3 536)	(55 388)	1566%	(7 072)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		3 652	-					-		
Decrease (increase) in non-current receivables		3 636	-					-		
Decrease (increase) in non-current investments		-	-		(28 632)	(28 632)		(28 632)	#DIV/0!	
Payments										
Capital assets		(6 923)	(76 173)	(76 573)	(352)	(1 146)	(38 286)	(37 140)	97%	(76 573)
NET CASH FROM/(USED) INVESTING ACTIVITIES		366	(76 173)	(76 573)	(28 984)	(29 778)	(38 286)	(8 508)	22%	(76 573)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing			60 000	60 000			15 000	(15 000)	-100%	60 000
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	60 000	60 000	-	-	15 000	15 000	100%	60 000
NET INCREASE/ (DECREASE) IN CASH HELD		(10 748)	(23 644)	(23 644)	26 818	22 074	(26 822)			(23 644)
Cash/cash equivalents at beginning:		169 768	188 287	188 287	144 379	144 379	188 287			144 379
Cash/cash equivalents at month/year end:		159 020	164 643	164 643		166 453	161 465			120 734

The municipal bank balance at 31 December 2021 totals R6 452 947 and the total balance of short-term deposits were R95 000 000, and call account deposits amounted to R65 000 000. Total cash and cash equivalents available at month ends is R166 452 947.

More detailed information regarding the cash position is tabled below that is giving a breakdown of the commitments against the cash of council:

REPORTING MONTH: 31 DECEMBER 2021		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Bank balance as at 31 December 2021	14 378 904,40	6 452 947,25
Other Cash & Cash Equivalents: Short term deposits	75 000 000,00	95 000 000,00
Other Cash & Cash Equivalents: Call accounts	55 000 000,00	65 000 000,00
Total Cash & Cash Equivalents:	144 378 904,40	166 452 947,25
LESS:	77 997 035,06	106 355 041,97
Unspent Conditional Grants	5 319 072,08	5 319 072,08
Provision for staff leave	23 281 235,68	23 281 235,68
Provision for bonus	6 776 192,73	6 776 192,73
Post Retirement Benefits	37 463 916,00	37 463 916,00
Performance Bonus	1 436 040,60	1 436 040,60
Grant received in advance	-	27 446 000,00
Trade Payables	3 147 939,54	2 788 616,04
YTD Unspent Capital budget	572 638,43	1 843 968,84
YTD Unspent Operational budget	-	-
Sub total	66 381 869,34	60 097 905,28
PLUS:	8 962 219,53	8 962 219,53
VAT Receivable	1 937 602,53	1 937 602,53
Receivable Exchange	7 024 617,00	7 024 617,00
	75 344 088,87	69 060 124,81
LESS OTHER MATTERS:		
Capital Replacement Reserve	26 569 752,01	26 569 752,01
Employee Benefits Reserves	34 124 774,00	34 124 774,00
Sub Total	14 649 562,86	8 365 598,80
LESS: CONTINGENT LIABILITIES	5 503 377,00	5 503 377,00
Barry Louis Rae Trust	4 500 000,00	4 500 000,00
Portion of Portion 2 of Farm 238, Hooggekraal	353 441,00	353 441,00
Erf 99, Glentana	197 936,00	197 936,00
Labour disputes	452 000,00	452 000,00
Recalculated available cash balance	9 146 185,86	2 862 221,80
Total monthly commitments	19 895 336,40	20 081 221,17

PART 2 – SUPPORTING DOCUMENTATION

SECTION 5 – DEBTORS' ANALYSIS

Supporting Table SC3

DC4 Garden Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

Description	NT Code	Budget Year 2021/22										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.T.O Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200									-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	1300									-	-		
Receivables from Non-exchange Transactions - Property Rates	1400									-	-		
Receivables from Exchange Transactions - Waste Water Management	1500									-	-		
Receivables from Exchange Transactions - Waste Management	1600									-	-		
Receivables from Exchange Transactions - Property Rental Debtors	1700								11	11	11		
Interest on Arrear Debtor Accounts	1810	245	239	238	238	235	236	1 549	4 820	7 799	7 077		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	(681)	113	192	74	121	94	3 720	27 570	31 203	31 579		
Total By Income Source	2000	(436)	352	430	312	356	330	5 269	32 401	39 013	38 668	-	-
2020/21 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	(244)	14	14	23	34	13	241	1 946	2 040	2 257		
Commercial	2300	-	-	-	-	-	-	-	-	-	-		
Households	2400	2	2	-	-	-	-	-	-	3	-		
Other	2500	(194)	336	416	289	322	316	5 029	30 455	36 969	36 411		
Total By Customer Group	2600	(436)	352	430	312	356	330	5 269	32 401	39 013	38 668	-	-

Long outstanding debtors that mainly consist of old sundry debt and fire accounts, remains a concern for the municipality and management will continue to report in terms of progress made.

The majority of the firefighting accounts are disputed with regards to the origin of the fire and who is responsible for the payment of the account. The fire section has implemented an electronic system which will assist in the future with disputes.

The municipality are required to submit debtors aged analysis data strings on a monthly basis.

The debtor section initiated debt collection processes and will report quarterly to the financial services committee on the debt collection process.

SECTION 6 – CREDITORS' ANALYSIS

Supporting Table C4

DC4 Garden Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

B04 Garden Route - Supporting Table B04 - Monthly Budget Statement - aged creditors - Q2 Second Quarter											
Description	NT Code	Budget Year 2021/22									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	151	166	69	1	-	421	25	24	858	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	151	166	69	1	-	421	25	24	858	-

The municipality are required to submit creditors aged analysis data strings on a monthly basis.

The main reason for long outstanding creditors are due to disputes that are addressed between suppliers and the municipality.

SECTION 7 – INVESTMENT PORTFOLIO ANALYSIS

7.1 Investment monitoring information

The municipality invest access funds on a 30 days' short-term investment period in order to maximise the interest received and to have cash readably available when needed and is done in line with the Cash Management and Investment Policy of council.

Departments provide cash flow projections on spending to the finance department, which enables the finance department to accurately perform cash flow projections.

This should be done in line with the Cash Management and Investment policy of council.

	Balance as at 01 December 2021	Movements for the month		Balance as at 31 December 2021	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made			
Garden Route District Municipality						
Interest Received YTD	-			-		
Standard Bank	29 000 000,00	-10 000 000,00	30 000 000,00	49 000 000,00	203 013,70	1 050 538,01
Investec Bank	-			-		-
ABSA	20 000 000,00	-10 000 000,00		10 000 000,00	193 227,40	457 572,61
Nedbank	26 000 000,00	-10 000 000,00	18 000 000,00	34 000 000,00	192 821,92	653 081,98
FNB	-	-	2 000 000,00	2 000 000,00		26 000,68
Standard Bank - Bank Guarantee investment	-			-		-
BANK DEPOSITS	75 000 000,00	-30 000 000,00	50 000 000,00	95 000 000,00	589 063,02	2 187 193,28

SECTION 8 – ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

8.1 Supporting Table C6

DC4 Garden Route - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		162 568	177 702	178 540	55 823	128 931	89 270	40 921	45,8%	178 540
Local Government Equitable Share		157 370	167 653	167 653	54 892	124 747	83 827	40 921	48,8%	167 653
Finance Management		1 000	1 000	1 000	–	1 000	500	–	–	1 000
Municipal Systems Improvement			4 500	4 500			2 250	–	–	4 500
EPWP Incentive		1 629	2 071	2 071	931	1 449	1 036	–	–	2 071
NT - Rural Roads Asset Management Systems		2 569	2 478	3 316		1 735	1 658	–	–	3 316
Fire Service Capacity Building Grant								–	–	
								–	–	
								–	–	
								–	–	
Other transfers and grants [insert description]								–	–	
Provincial Government:		2 859	8 473	14 000	108	108	7 000	(1 527)	-21,8%	14 000
PT - Integrated Transport Plan		900	900	1 778			889	(89)	-100,0%	1 778
PT - Municipal Accreditation & Capacity Building Grant		–	5 000	5 629			2 815	–	–	5 629
PT - Fire Service Capacity Building Grant		–	–	–			–	–	–	–
PT - Financial Management Capacity Building Grant		–	250	293			146	(146)	-100,0%	293
PT - WC Support Grant		280	–	–			–	–	–	–
PT - Disaster Management Grant		–	–	27			14	–	–	27
PT - WC Support Grant		379	–	–			–	–	–	–
PT - Safety Plan Implementation (WOSA)		1 300	2 323	5 073			2 537	–	–	5 073
PT - Services Seta A21 Bricklaying Apprenticeship				1 200	108	108	600	(492)	-82,0%	1 200
Other transfers and grants [insert description]								–	–	
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]								–	–	
								–	–	
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]								–	–	
								–	–	
								–	–	
								–	–	
Total Operating Transfers and Grants	5	165 427	186 175	192 540	55 931	129 039	96 270	39 393	40,9%	192 540
Capital Transfers and Grants										
National Government:		–	–	400	–	–	100	(100)	-100,0%	400
NT - Rural Roads Asset Management Systems				400			100	(100)	-100,0%	400
								–	–	
								–	–	
								–	–	
Other capital transfers [insert description]								–	–	
Provincial Government:		–	–	–	–	–	–	–	–	–
[insert description]								–	–	
								–	–	
								–	–	
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]								–	–	
								–	–	
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]								–	–	
								–	–	
								–	–	
Total Capital Transfers and Grants	5	–	–	400	–	–	100	(100)	-100,0%	400
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	165 427	186 175	192 940	55 931	129 039	96 370	39 293	40,8%	192 940

Performance reporting on grants will be enhanced to ensure compliance with the Division of Revenue Act.

8.2 Supporting Table C7

DC4 Garden Route - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		162 568	177 702	178 540	55	2 825	89 270	(86 445)	-96,8%	178 540
Local Government Equitable Share		157 370	167 653	167 653		–	83 827	(83 827)	-100,0%	167 653
Finance Management		1 000	1 000	1 000	55	321	500	(179)	-35,9%	1 000
Municipal Systems Improvement		–	4 500	4 500	–		2 250	(2 250)	-100,0%	4 500
EPWP Incentive		1 629	2 071	2 071	–	2 071	1 036	1 036	100,0%	2 071
NT - Rural Roads Asset Management Systems		2 569	2 478	3 316	–	433	1 658	(1 225)	-73,9%	3 316
Fire Service Capacity Building Grant								–		
Other transfers and grants [insert description]								–		
Provincial Government:		2 859	8 473	14 000	284	1 543	7 000	(5 317)	-76,0%	14 000
PT - Integrated Transport Plan		900	900	1 778	–		889	(889)	-100,0%	1 778
PT - Municipal Accreditation & Capacity Building Grant		–	5 000	5 629	245	1 353	2 815	(1 461)	-51,9%	5 629
PT - Financial Management Capacity Building Grant		–	–				–	–		–
PT - WC Support Grant		–	250	293	–		146			293
PT - WC Support Grant		280					–			–
PT - Disaster Management Grant		–		27	–	20	14			27
PT - WC Support Grant		379					–			–
PT - Safety Plan Implementation (WOSA)		1 300	2 323	5 073	–		2 537	(2 537)	-100,0%	5 073
PT - Services Seta A21 Bricklaying Apprenticeship				1 200	39	170	600	(430)	-71,7%	1 200
District Municipality:		–	–	–	–	–	–	–		–
								–		
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
[insert description]								–		
Total operating expenditure of Transfers and Grants:		165 427	186 175	192 540	339	4 368	96 270	(91 762)	-95,3%	192 540
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		–	–	400	–	–	67	(67)	-100,0%	400
NT - Rural Roads Asset Management Systems				400			67	(67)	-100,0%	400
								–		
								–		
Other capital transfers [insert description]								–		
Provincial Government:		–	–	–	–	–	–	–		–
								–		
District Municipality:		–	–	–	–	–	–	–		–
								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
Total capital expenditure of Transfers and Grants		–	–	400	–	–	67	(67)	-100,0%	400
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		165 427	186 175	192 940	339	4 368	96 337	(91 829)	-95,3%	192 940

Performance reporting on grants will be enhanced to ensure compliance with the Division of Revenue Act that stipulates reporting on all grant performance should be done from the receiving officer. RSC Equitable Share is an unconditional grant hence the day-to-day running of the business are dependent on it.

SECTION 9 – EXPENDITURE ON COUNCILLOR AND BOARD MEMBERS ALLOWANCES AND EMPLOYEE BENEFITS

Supporting Table C8

DC4 Garden Route - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter

Summary of Employee and Councillor remuneration		Ref	2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
		1	A	B	C						D
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages			11 298	11 298	11 298	1 412	4 953	5 649	(696)	-12%	11 298
Pension and UIF Contributions			242	242	242	–	9	121	(112)	-92%	242
Medical Aid Contributions			78	78	78	–	24	39	(15)	-39%	78
Motor Vehicle Allowance			776	776	776	–	–	388	(388)	-100%	776
Cellphone Allowance			515	–	515	0	19	258	(239)	-93%	–
Housing Allowances			451	451	451	–	–	226	(226)	-100%	451
Other benefits and allowances			–	515	–	–	–	–	–	–	515
Sub Total - Councillors			13 360	13 360	13 360	1 412	5 004	6 680	(1 676)	-25%	13 360
% increase		4		0,0%	0,0%						0,0%
Senior Managers of the Municipality											
Basic Salaries and Wages			4 390	4 587	4 587	715	3 253	2 294	959	42%	4 587
Pension and UIF Contributions			161	1 484	1 484	0	1	742	(741)	-100%	1 484
Medical Aid Contributions			105	113	113	5	29	57	(28)	-50%	113
Overtime			–	–	–	–	–	–	–	–	–
Performance Bonus			–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance			804	840	840	41	249	420	(171)	-41%	840
Cellphone Allowance			142	148	148	9	54	74	(20)	-27%	148
Housing Allowances			–	–	–	–	–	–	–	–	–
Other benefits and allowances			770	804	804	–	10	402	(392)	-98%	804
Payments in lieu of leave			–	–	–	–	–	–	–	–	–
Long service awards			–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		2	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality			6 371	7 977	7 977	770	3 595	3 988	(393)	-10%	7 977
% increase		4		25,2%	25,2%						25,2%
Other Municipal Staff											
Basic Salaries and Wages			150 980	160 610	161 684	14 927	84 069	80 842	3 227	4%	160 610
Pension and UIF Contributions			24 725	24 941	24 941	2 326	13 704	12 471	1 233	10%	24 941
Medical Aid Contributions			19 890	21 819	21 842	1 933	11 599	10 921	678	6%	21 819
Overtime			4 080	5 011	5 001	197	2 124	2 500	(376)	-15%	5 011
Performance Bonus			–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance			9 384	9 909	9 862	832	5 097	4 931	166	3%	9 909
Cellphone Allowance			122	137	137	11	58	69	(11)	-15%	137
Housing Allowances			2 463	2 531	2 531	191	1 752	1 265	487	38%	2 531
Other benefits and allowances			18 195	14 583	14 102	1 915	12 097	7 051	5 047	72%	14 583
Payments in lieu of leave			–	4 724	4 724	650	5 140	2 362	2 778	118%	4 724
Long service awards			–	90	–	–	–	–	–	–	90
Post-retirement benefit obligations		2	9 942	8 586	8 676	–	22	4 338	(4 316)	-99%	8 586
Sub Total - Other Municipal Staff			239 781	252 941	253 500	22 982	135 663	126 750	8 912	7%	252 941
% increase		4		5,5%	5,7%						5,5%
Total Parent Municipality			259 512	274 277	274 837	25 165	144 262	137 418	6 843	5%	274 277

Remuneration related expenditure for the second quarter ending 31 December 2021 amounted to **R80,461,245** of an adjusted budgeted amount of **R274,831,911** that represents **29%** of the budgeted amount.

SECTION 10 – MATERIAL VARIANCES TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The measurement of performance of the Municipality in terms of the implementation of the Service Delivery and Budget Implementation plan are reported in the indicated section below.

SECTION 11 – CAPITAL PROGRAMME PERFORMANCE

The table below provides information on capital budget spending:

SCOA config	Nr	Project description	Cost centre	Adjusted budget R'000	YTD Expenditure R'	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
71120006635	1	Office furniture: Office MM	1001	30 000,00	10 224,88	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71204240001	2	Office equipment: CFO	1204	30 000,00	15 648,98	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71207230002	3	Replacing ICT Capital Equipment beyond economical repairs	1207	295 000,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71207230004	4	ICT Infrastructure	1207	2 756 980,00		In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71301240001	5	Office furniture: Exec Manager Corporate Services	1301	30 000,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104125	6	Monitors	1307	54 750,00	26 745,04	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71308230001	7	Hygiene Equipment	1308	600 000,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71120006639	8	Office Furniture & Equipment: Man Planning&Dev	1401	30 000,00	919,13	Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71402400001	9	Air Conditioner	1402	20 000,00	14 689,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71408400001	10	Office Furniture: Human Settlements	1408	40 000,00	6 800,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71801240001	11	Office of the executive manager Community: office equipment	1801	30 000,00	23 710,07	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71801310001	12	Firestation: Mosselbay	1801	6 819 700,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71804310001	13	ODN EHP shadenet insurance	1804	6 164,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71805102408	14	Laminator - Insurance claim	1805	5 000,00	4 710,40	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71805104010	15	Blinds - Insurance claim	1805	5 500,00	3 170,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71805104155	16	IT Equipment - Insurance claim	1805	12 060,00	11 108,52	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71806240001	17	Kynsna EHP Insurance claims	1806	3 800,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
72205160001	18	Calitzdorp Spa Roof's	2205	2 000 000,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
72205230001	19	Power Tools	2205	80 000,00	31 682,60	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.

SCOA config	Nr	Project description	Cost centre	Adjusted budget R'000	YTD Expenditure R'	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
72205230002	20	Wet Fuel Generator	2205	50 000,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
72305230001	21	Hazmat Rescue & Fire Equipment	2305	380 300,00	285 682,23	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
74402100901	22	Landfill Site: PPE	4402	60 000 000,00	98 512,50	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104148	23	Laptops (Standard)	1307	476 636,00	260 638,61	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104149	24	Laptops (Small)	1307	22 020,00	22 017,39	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104150	25	Personal Computers (PC's)	1307	145 810,00	145 810,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104151	26	Printers (3-in-1)	1307	21 000,00	17 966,09	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71308102203	27	Office Extension / Office Container - RRAMS	2801	300 000,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
72801104001	28	Office Furniture - RRAMS	2801	100 000,00	85 185,56	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104153	29	A3 Printer (GIS)	1307	22 400,00	22 392,17	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104121	30	Insurance / Uneconomical Repair	1307	30 000,00	5 988,70	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230005	31	ICT Infrastructure: Servers	1207	884 459,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230006	32	ICT Infrastructure: Security	1207	67 634,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230007	33	ICT Infrastructure: Upgrade MS SQL	1207	51 740,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230010	34	ICT Infrastructure: 8 Port Switches	1207	76 544,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230013	35	ICT Infrastructure: 6 U Rack Units	1207	54 261,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230014	36	ICT Infrastructure: 9 U Rack Units	1207	5 392,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230011	37	ICT Infrastructure: Access Points (AP-AC-LR)	1207	33 852,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230015	38	ICT Infrastructure: 1 U Brush Panels	1207	2 348,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230016	39	ICT Infrastructure: 48 Port Patch Panels	1207	2 323,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the STO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.

SCOA config	Nr	Project description	Cost centre	Adjusted budget R'000	YTD Expenditure R'	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
071207230018	40	ICT Infrastructure: Blanking Plates	1207	3 920,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230022	41	Multimedia Group Conferencing Devices	1207	31 131,00	31 130,44	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230024	42	Council Chambers - Multimedia	1207	25 629,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230021	43	UPS	1207	10 335,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230008	44	ICT Infrastructure: 48 Port Switches	1207	191 595,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230009	45	ICT Infrastructure: 24 Port Switches	1207	70 859,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230012	46	ICT Infrastructure: Access Points (UAP-XS-US)	1207	147 305,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230017	47	ICT Infrastructure: 24 Port Patch Panels	1207	11 948,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230019	48	ICT Infrastructure: QNAP Storage	1207	143 080,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230020	49	TDR Meter	1207	15 969,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230023	50	Webcams	1207	5 870,00	5 569,57	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230025	51	Tablets	1207	50 000,00	15 648,70	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104155	52	Tripod System	1307	12 000,00	0,00	Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104157	53	4-in-1 Printers	1307	13 000,00	0,00	Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104158	54	Colour Printer	1307	6 500,00	0,00	Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104156	55	USB HDD / SSD Clone Dock	1307	1 700,00	0,00	Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104159	56	Finger Scanner	1307	26 000,00	0,00	Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
Totals				76 572 524,00	1 145 950,54				

Commitments against capital for the month December 2021				
71120006639	8	Office Furniture & Equipment: Man Planning&Dev	1401	2 130,44
72305230001	21	Hazmat Rescue & Fire Equipment	2305	48 748,02
72801104001	28	Office Furniture - RRAMS	2801	0,01
071207230005	31	ICT Infrastructure: Servers	1207	884 458,26
071207230006	32	ICT Infrastructure: Security	1207	67 624,00
071207230007	33	ICT Infrastructure: Upgrade MS SQL	1207	51 739,13
071207230010	34	ICT Infrastructure: 8 Port Switches	1207	76 544,00
071207230013	35	ICT Infrastructure: 6 U Rack Units	1207	54 260,87
071207230014	36	ICT Infrastructure: 9 U Rack Units	1207	5 391,30
071207230011	37	ICT Infrastructure: Access Points (AP-AC-LR)	1207	33 852,00
071207230015	38	ICT Infrastructure: 1 U Brush Panels	1207	2 347,83
071207230016	39	ICT Infrastructure: 48 Port Patch Panels	1207	2 322,39
071207230018	40	ICT Infrastructure: Blanking Plates	1207	3 920,00
71301240001	5	Office furniture: Exec Manager Corporate Services	1301	1 673,00
72205230001	19	Power Tools	2205	0,01
071207230021	43	UPS	1207	10 335,00
071207230008	44	ICT Infrastructure: 48 Port Switches	1207	191 595,00
071207230009	45	ICT Infrastructure: 24 Port Switches	1207	70 858,44
071207230012	46	ICT Infrastructure: Access Points (UAP-XG-US)	1207	147 304,35
071207230019	48	ICT Infrastructure: QNAP Storage	1207	143 080,00
071207230020	49	TDR Meter	1207	15 968,21
71801240001	11	Office of the executive manager Community: office equipment	1801	5 150,13
		Total Commitments		1 819 302,39




SECTION 12 – OPERATIONAL PROJECTS PERFORMANCE

Refer to table below for the actual expenditure against the budgeted amounts for the largest operational projects budgeted for in the 2021/22 financial year:

Project code & name	FULL YEAR TOTAL BUDGET	Year to date actual at the end of the 2nd Quarter 2021/22	% Spent
MM024 Grant in Aid	65 000,00	57 528,09	88,50%
MM025 Donations and Sponsor of Sport Equipment	405 000,00	174 995,00	43,21%
MM023 Women in Business	20 000,00	-	0,00%
MM020 Christmas Hampers	190 000,00	171 336,00	90,18%
MM005 Barnowl Risk System	1 038 000,00	-	0,00%
PED22 Fresh produce market	100 000,00	-	0,00%
COR03 Annual Disposal Project	63 723,00	51 992,44	81,59%
COR44 COVID 19	361 200,00	20 654,10	0,00%
MM011 Municipal Newsletters	45 000,00	23 655,65	0,00%
COR11 External Bursaries	205 000,00	-	0,00%
COR13 Training	1 225 710,00	312 198,21	25,47%
COR12 MMC	765 000,00	-	0,00%
COR41 Unemployed Training (EPWP)	200 000,00	-	0,00%
COR30 Servicing of all fire equipment (OHS)	80 000,00	11 220,00	14,03%
COR33 Medical Examination	110 000,00	45 669,61	41,52%
COR23 Mental/ Mens Health Awareness	4 754,00	-	0,00%
PED01 SCEP	120 000,00	104 347,83	86,96%
PED03 Film Office	200 000,00	200 000,00	100,00%
PED04 Investment Prospectus	285 000,00	-	0,00%
PED05 SME Support Programme	500 000,00	18 650,17	-3,73%
PED43 Maintenance of office buildings	250 000,00	163 479,14	65,39%
PED45 Maintenance of office buildings	50 000,00	27 250,95	54,50%
PED44 Maintenance of office buildings	250 000,00	38 260,66	15,30%
PED42 Maintenance of office buildings	550 000,00	259 261,88	47,14%
PED29 IDP Rep Forum	120 560,00	74 727,44	61,98%
PED17 Cater Care Project	450 000,00	347 826,08	77,29%
PED09 WTM	250 000,00	-	0,00%
PED13 Tourism Marketing	440 000,00	16 365,22	3,72%
MM007 Organisational Performance Management	500 000,00	130 000,00	26,00%
PED62 EPWP Grant	2 084 585,00	2 988 056,97	143,34%
PED70 EPWP Project	1 049 115,00	201 038,01	19,16%
COM25 Fire Fighting Services: Service/Scheduled Maintenance	100 000,00	47 154,71	47,15%
COM26 Fire Fighting Services: Repairs - Unplanned	300 000,00	95 536,00	31,85%
COM27 Fire Fighting Services: Pumps and Plant - Service	75 000,00	29 594,15	39,46%
COM28 Fire Fighting Services: Tyre Replacement (New)	58 500,00	9 288,51	15,88%
COM10 Maintenance of radio equipment	185 000,00	108 702,70	58,76%
COM04 Social assistance	10 000,00	2 289,13	22,89%
COM37 COVID-19 Project	500 910,00	13 472,16	2,69%
COM02 Incentives and awareness	5 000,00	-	0,00%
COM09 Purchase of samples and analysing	1 000 000,00	567 846,74	56,78%

PED56 Maintenance at Swartvlei	12 800,00	-	0,00%
PED57 Maintenance at Swartvlei	38 400,00	34 617,31	90,15%
PED55 Maintenance at Swartvlei	15 600,00	14 542,69	93,22%
PED54 Maintenance at Swartvlei	25 000,00	19 126,23	76,50%
PED59 Maintenance at Victoria Bay	10 073,00	997,30	9,90%
PED58 Maintenance at Victoria Bay	19 870,00	4 153,08	20,90%
PED61 Maintenance at Victoria Bay	17 852,00	1 950,25	10,92%
PED60 Maintenance at Victoria Bay	7 478,00	-	0,00%
PED49 Maintenance at Calitzdorp Spa	35 000,00	7 726,96	22,08%
PED48 Maintenance at Calitzdorp Spa	25 000,00	19 007,79	76,03%
PED47 Maintenance at Calitzdorp Spa	82 826,00	53 625,31	64,74%
PED46 Maintenance at Calitzdorp Spa	52 622,00	28 894,25	54,91%
PED51 Maintenance at De Hoek Resort	30 000,00	18 744,70	62,48%
PED53 Maintenance at De Hoek Resort	20 000,00	-	0,00%
PED52 Maintenance at De Hoek Resort	12 802,00	-	0,00%
PED50 Maintenance at De Hoek Resort	114 879,00	119 616,79	104,12%
COM34 Waste minimization strategy	600 000,00	144 000,00	24,00%
COM32 Awareness Campaign: Home Composting Pilot Project	30 000,00	6 000,00	20,00%
COM01 Blue Flag Beach application and operational costs	26 000,00	22 608,70	86,96%
COM07 GREF database maintenance and development	100 000,00	-	0,00%
COM15 Air Quality sampling	45 000,00	31 010,15	68,91%
COM12 Awareness raising: GRDM clean fires	58 000,00	-	0,00%
Totals:	15 591 259,00	6 801 718,72	43,63%

SECTION 13 – SECTION 11 WITHDRAWALS

		PROVINCIAL TREASURY Withdrawals from Municipal Bank Accounts In accordance with Section 11, Sub-section 1 (b) to (j)			
NAME OF MUNICIPALITY:		GARDEN ROUTE DISTRICT MUNICIPALITY			
MUNICIPAL DEMARCATION CODE:		DC4			
QUARTER ENDED:		31-Dec-21			
MFMA section 11. (1) Only the <i>accounting officer</i> or the <i>chief financial officer</i> of a <i>municipality</i> , or any other senior financial <i>official</i> of the <i>municipality</i> acting on the written authority of the <i>accounting officer</i> may withdraw money or authorise the withdrawal of money from any of the <i>municipality's</i> bank accounts, and may do so only -		Amount	Reason for withdrawal		
(b) to defray expenditure authorised in terms of section 26(4);		none			
(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);		none			
(d) in the case of a bank account opened in terms of section 12. to make payments from the account in accordance with subsection (4) of that section;		none			
(e) to pay over to a person or organ of state money received by the <i>municipality</i> on behalf of that person or organ of state, including -		none			
(i) money collected by the <i>municipality</i> on behalf of that person or organ of state by agreement; or		none			
(ii) any insurance or other payments received by the <i>municipality</i> for that person or organ of state;		none			
(f) to refund money incorrectly paid into a bank account;		none			
(g) to refund guarantees, sureties and <i>security</i> deposits;		none			
(h) for cash management and <i>investment</i> purposes in accordance with section 13;		R 97 000 000,00	Investments made for the 2nd Quarter		
(i) to defray increased expenditure in terms of section 31; or					
(j) for such other purposes as may be <i>prescribed</i> .		R 115 799 786,00	Quarter 2 expenditure		
(4) The <i>accounting officer</i> must within 30 days after the end of each <i>quarter</i> -		Name and Surname:		M Stratu	
(a) table in the <i>municipal council</i> a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that <i>quarter</i> ; and		Rank/Position:		Municipal Manager	
(b) submit a copy of the report to the relevant <i>provincial treasury</i> and the <i>Auditor-General</i> .		Signature:			
Tel number	Fax number	Email Address			
448 031 320		geraldine@grdm.gov.za			
The completed form must reach Mr Edwin Nkuna at the Provincial Treasury, Private Bag x 9165, 7 Wale Street, Cape Town, 8000, Tel: 021 483 8662, Fax 021 483 8623, Email: enkuna@pgwc.gov.za on or before the 15th of the month following the end of each quarter.					

SECTION 14 – MUNICIPAL MANAGER'S QUALITY CERTIFICATE



54 York Street,
George
Western Cape
6529

PO Box 12,
George,
Western Cape
6530

Tel: 044 803 1300
Fax: 086 555 6303
E-mail: info@gardenroute.gov.za
www.gardenroute.gov.za

OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Jan-Willem De Jager
Reference: 6/1/1 – 21/22
Date: 11 January 2022

Provincial Treasury
Local Government Budget Analysis
Private Bag X9165
CAPE TOWN
8000

National Treasury
Local Government Budget Analysis
Private Bag X115
PRETORIA

Sir / Madam

QUALITY CERTIFICATE

I, MG STRATU, the accounting officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**, hereby certify that the—

- ☐ The monthly budget statement
- ☐ **Quarterly report on the implementation of the budget and financial state of affairs of the municipality**
- ☐ Mid- year budget and performance assessment

for the quarter ended **31 December 2021**, has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

Print Name

LUSAMDA MEMZE

Accounting Officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**.

Signature

[Signature]

Date

12/1/2022



PERFORMANCE MANAGEMENT

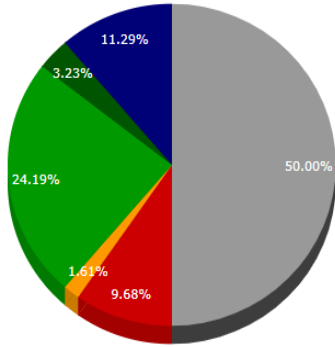
Quarter 2

October - December 2021

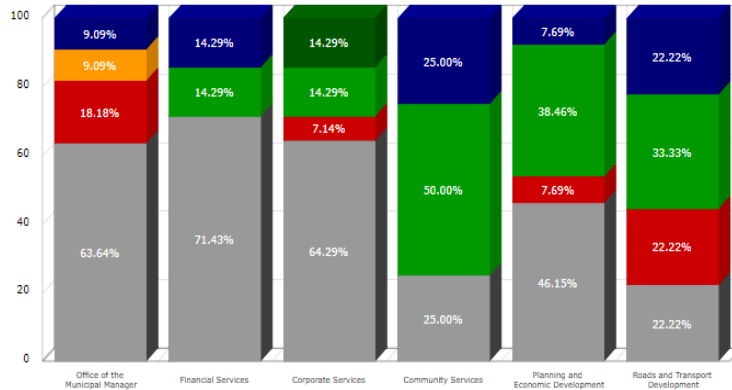
Top Layer KPI Report

Report drawn on 11 January 2022 at 09:34
for the months of Quarter ending December 2021 to Quarter ending December 2021.

Garden Route District Municipality



Responsible Directorate



	Garden Route District Municipality	Responsible Directorate						
		Office of the Municipal Manager	Financial Services	Corporate Services	Community Services	Planning and Economic Development	Roads and Transport Development	[Unspecified]
Not Yet Applicable	31 (50.00%)	7 (63.64%)	5 (71.43%)	9 (64.29%)	2 (25.00%)	6 (46.15%)	2 (22.22%)	-
Not Met	6 (9.68%)	2 (18.18%)	-	1 (7.14%)	-	1 (7.69%)	2 (22.22%)	-
Almost Met	1 (1.61%)	1 (9.09%)	-	-	-	-	-	-
Met	15 (24.19%)	-	1 (14.29%)	2 (14.29%)	4 (50.00%)	5 (38.46%)	3 (33.33%)	-
Well Met	2 (3.23%)	-	-	2 (14.29%)	-	-	-	-
Extremely Well Met	7 (11.29%)	1 (9.09%)	1 (14.29%)	-	2 (25.00%)	1 (7.69%)	2 (22.22%)	-
Total:	62	11	7	14	8	13	9	-
	100%	17.74%	11.29%	22.58%	12.90%	20.97%	14.52%	-

Performance Key:

KPI not applicable = Target was already achieved in the quarters prior

KPI not Met = 0 %< = Actual/Target< = 74.9%

Almost Met = 75 %< = Actual/Target < = 99.99%

Met = 100% Actual meets Target

KPI Well Met = 100.001% < = Actual/Target < = 149.9%

KPI Extremely Well Met = 150 000 %< = Actual/Target

Annexure A

OFFICE OF THE MUNICIPAL MANAGER										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2021				Yearly Target	Year to Date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL1	Submit an OPCAR progress report to the MANCOM on a quarterly basis	Number of progress reports submitted to MANCOM quarterly	Good Governance	5	1	1	G	Not applicable	4	2
TL2	Submit the Top layer SDBIP for 2022/23 for approval by the Mayor within 14 days after the budget has been approved	Top Layer SDBIP for 2022/23 submitted to the Mayor within 14 days after the budget has been approved	Good Governance	1	N/A	N/A	N/A	Not applicable	1	N/A
TL3	Submit the draft the annual performance report for 2020/2021 and submit to the Auditor General by 31 August 2021	Annual performance report for 2020/21 drafted and submitted to the Auditor General by 31 August 2021	Good Governance	1	0	0	N/A	Not applicable	1	1
TL4 <i>*Adjust</i>	Submit a monthly report on Individual Performance Management to MANCOM	Number of reports submitted	Good Governance	New KPI for 2021/2022	3	1	R	It was decided at Mancom to adjust the KPI and the Target to reflect a quarterly feedback report in order to run parallel with the quarterly organizational reviews. The request will serve at the new Council meeting after the elections and adjustment budget	<i>*12</i>	2
TL5	Review the organizational strategic risk register(top 10) and submit to Council by 31 May 2022	Reviewed organizational strategic risk register submitted to Council by 31 May 2022	Good Governance	1	N/A	N/A	N/A	Not applicable	1	N/A
TL6	Review the Risk based audit plan (RBAP) for 2022/23and submit to the Audit Committee for consideration by 30 June 2022	RBAP for 2022/23 reviewed and submitted to the Audit Committee by 30 June 2022	Good Governance	1	N/A	N/A	N/A	Not applicable	1	N/A

KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2021				Yearly Target	Year to Date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL7	Complete 90% of the Risk Based Audit Plan (RBAP) for the 2021/22 financial year by 30 June 2022 [(Number of audits and tasks completed for the period identified in the RBAP/ Number of audits and tasks identified in the RBAP) x 100]	% of the Risk Based Audit Plan completed by 30 June 2022	Good Governance	New KPI for 2021/2022	25.00%	23.00%	O	The audit on Alien vegetation was not yet conducted due to no progress in developing controls for the section and their lack of budget to initiate the process. Discussions are underway to assist	95%	41%
TL8 *Adjust	The percentage of the municipal capital budget spent on capital projects by 30 June 2022 [(Actual amount spent on capital projects /Total amount budgeted for capital projects) x 100]	% of capital budget spent by 30 June 2022	Financial Viability	95.29%	5%	2%	R	Delayed expenditure on large capital projects, specifically the Regional Landfill Site and Fire Station. Capital budget to be adjusted with latest projections, which will lead to an adjustment on this KPI also.	*90%	2%
TL9	Compile and submit the final Oversight Report for 2020/21 to Council by 31 March 2022	Final Oversight Report for 2020/21 submitted to Council by 31 March 2022	Good Governance	1	N/A	N/A	N/A	Not applicable	1	N/A
TL10	Submit the Draft Communication Transition Plan to MANCOM by 31 July 2021	Draft Communication Transition Plan submitted	Good Governance	New KPI for 2021/2022	N/A	N/A	N/A	Not applicable	1	1
TL11	Review the system of delegations and submit to Council by 28 February 2022	Reviewed systems of delegations submitted	Good Governance	New KPI for 2021/2022	N/A	N/A	N/A	Not applicable	1	N/A

COMMUNITY SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2021				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL12	Submit quarterly reports to the Community Services Portfolio Committee on the progress with regards to the Garden Route Food Pantry	Number of reports submitted	A Skilled workforce and Community	New KPI for 2021/22	1	1	G	N/A	4	2
TL13	Appoint a service provider for the design and construction of a new fire station in Mossel Bay by 31 December 2021	Service provider appointed	Health and public safety	New KPI for 2021/22	1	1	G	N/A	1	1
TL14	Appoint a service provider for the building, operating and construction of a regional landfill facility in Mossel Bay by 31 December 2021	Service provider appointed	Health and public safety	New KPI for 2021/22	1	1	G	N/A	1	1
TL15 # Rectified Link on Electronic System	Approval (ROD) on Design from the Department of Water and Sanitation and the Department of Forestry, Fisheries and the Environment	Approval (ROD) received by March 2022	Health and public safety	New KPI for 2021/22	N/A	N/A	N/A	N/A	1	N/A
TL16 # Rectified Link on Electronic System	Finalize the tender documents on construction tender	Tender Documentation finalized by June 2022	Health and public safety	New KPI for 2021/22	N/A	N/A	N/A	N/A	1	N/A
TL17 # Rectified Link on Electronic System	Execute 2 emergency preparedness exercises and submit reports to the Portfolio Committee by 30 June 2022	Number of reports submitted by 30 June 2022	Health and public safety	New KPI for 2021/22	1	1	G	N/A	2	1

COMMUNITY SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2021				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL18 # Rectified Link on Electronic System	Execute 4 emission testing(air quality) initiatives by 30 June 2022	Number of emission testing(air quality) initiatives executed by 30 June 2022	Health and public safety	New KPI for 2021/22	1	3	B	N/A	4	5
TL19 # Rectified Link on Electronic System	Spend 90% of the budget for HAZMAT rescue and fire equipment by 30 June 2022[(Actual expenditure on project/Budgeted amount for project) x 100]	Service provider appointed	Health and public safety	New KPI for 2021/22	35%	75%	B	N/A	90%	75%

FINANCIAL SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2021				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL20	Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2022 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft + Short Term Investment) / Monthly Fixed Operational Expenditure excluding(Depreciation, Amortization, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months that available cash is sufficient to cover the monthly operating expenditure(Audit AFS)	Financial Viability	9.12	3	5.80	B	N/A	3	5.80
TL21 # Rectified Link on Electronic System	Submit the Long-Term Financial Plan to Council to address the financial sustainability of Garden Route District Municipality by 31 December 2021	Long Term Financial Plan submitted to Council by 31 December 2021	Financial Viability	1	1	1	G	N/A	1	1
TL22	Achieve a current ratio of 1.5 (Current assets : Current liabilities) by 30 June 2022	Number of times the Municipality can pay back its short term-liabilities with its short-term assets by 30 June 2022	Financial Viability	2.60	N/A	N/A	N/A	N/A	1.5	N/A

FINANCIAL SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2021				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL23 # Rectified Link on Electronic System	Financial viability measured in terms of the municipality's ability to meet its service debt obligations by 30 June 2022 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue]	% of debt coverage	Financial Viability	1.47%	N/A	N/A	N/A	N/A	45%	N/A
TL24 # Rectified Link on Electronic System	Compilation of the Annual Financial Statements (AFS) for the 2020/21 financial year and submit to the Auditor-General (AG) by 31 August 2021	Compilation and submission of the AFS to the AG by 31 August 2021	Financial Viability	1	N/A	N/A	N/A	N/A	1	1
TL25 # Rectified Link on Electronic System	Review the SCM Policy to consider appropriate amendments to support the EPWP mandate and submit to Council by 31 May 2022	Annual review of the SCM policy submitted to Council by May 2022	A Skilled Workforce and Communities	1	N/A	N/A	N/A	N/A	1	N/A
TL26 # Rectified Link on Electronic System	Compile the Mid-year Financial Statements for the 2021/22 financial year and submit to APAC by 28 February 2022	Compilation and submission of the Mid-year Financial Statements to APAC by 28 February 2022	Financial Viability	New KPI for 2021/22	N/A	N/A	N/A	N/A	1	N/A

CORPORATE SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2021				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL27 # Rectified Link on Electronic System	Report quarterly to Council on the revision of the Human Resource Policies of the Organisation	Number of reports submitted to Council	Good Governance	7	1	1	G	N/A	4	2
TL28 *Adjust # Rectified Link on Electronic System	Number of people from employment equity target groups that will be appointed in the three highest levels of management during the 2021/22 financial year in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and associate professionals)	Number of people appointed in the three highest levels of management in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and associate professionals)	A Skilled Workforce and Communities	2	0	0	G	N/A	0	0
TL29 # Rectified Link on Electronic System	Spend 1% of personnel budget on training by 30 June 2022 [(Actual total training expenditure/total personnel budget) x 100]	% of the personnel budget spent on training by 30 June 2022	A Skilled Workforce and Communities	2.37%	N/A	N/A	N/A	N/A	1%	N/A
TL30 # Rectified Link on Electronic System	Limit vacancy rate to 10% of budgeted post by 30 June 2022 [(Number of funded posts vacant/number of funded posts) x 100]	% vacancy rate	A Skilled Workforce and Communities	7.61%	N/A	N/A	N/A	N/A	10%	N/A

CORPORATE SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2021				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL31 # Rectified Link on Electronic System	Review the organisational structure and submit to Council by 30 June 2022	Organisational structure reviewed and submitted to Council by 30 June 2022	A Skilled Workforce and Communities	1	N/A	N/A	N/A	N/A	1	N/A
TL32 # Rectified Link on Electronic System	Award 18 external bursaries to qualifying candidates by 31 March 2022	Number of external bursaries awarded by March 2022	A Skilled Workforce and Communities	22	N/A	N/A	N/A	N/A	18	N/A
TL33 # Rectified Link on Electronic System	Award 10 internal bursaries to qualifying candidates by 31 March 2022	Number of internal bursaries awarded by March 2022	A Skilled Workforce and Communities	New KPI for 2021/22	N/A	N/A	N/A	N/A	10	N/A
TL34 # Rectified Link on Electronic System	Create training opportunities for EPWP appointees by 30 June 2022	Number of training opportunities created for EPWP appointees by 30 June 2022	A Skilled Workforce and Communities	93	N/A	N/A	N/A	N/A	50	N/A
TL35 # Rectified Link on Electronic System	Submit a quarterly report to Council on the execution of council resolutions	Number of reports submitted to Council on a quarterly basis	Good Governance	New KPI for 2021/22	1	0	R	Report will be submitted to Council in January 2022	4	1
TL36 # Rectified Link on Electronic System	Spend 90% of the capital budget for ICT by 30 June 2022 [(Actual capital expenditure for ICT/Capital budgeted amount for ICT) x 100]	% of capital budget spent for ICT	Financial Viability	New KPI for 2021/22	N/A	N/A	N/A	N/A	90%	N/A

CORPORATE SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2021				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL37 # Rectified Link on Electronic System	Develop a Deployment/Career Pathing/Staff Rationale Strategy and submit to Council by 30 June 2022	Deployment/Career Pathing/Staff Rationale Strategy submitted	A Skilled Workforce and Communities	New KPI for 2021/22	N/A	N/A	N/A	N/A	1	N/A
TL38 # Rectified Link on Electronic System	Capture 95% of permanent employee records on the Electronic Records System by 31 December 2021 [(Number of permanent employee records captured on the Electronic Records System / Number of permanent employees) x 100]	% of permanent employees captured on the Electronic Records Systems	A Skilled Workforce and Communities	New KPI for 2021/22	95%	100%	G2	N/A	95%	100%v
TL39 # Rectified Link on Electronic System	Develop a Gender Mainstreaming Action Plan and submit to Council by 30 June 2022	Number of actions plans submitted	A Skilled Workforce and Communities	New KPI for 2021/22	N/A	N/A	N/A	N/A	1	N/A
TL40 *Adjust # Rectified Link on Electronic System	Submission of the GRSM Skills Mecca Implementation Plan to Council for approval	Implementation Plan submitted to Council for approval by 30 August *2022	A Skilled Workforce and Communities	New KPI for 2021/22	N/A	N/A	N/A	N/A	1	1

PLANNING AND ECONOMIC DEVELOPMENT											
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2021				Yearly Target	Year to date	
					Target	Actual	R	Corrective Measures/Comment	Target	Actual	
TL41 # Rectified Link on Electronic System	Create job opportunities through the Expanded Public Works Programme (EPWP) for the organization by 30 June 2022	Number of job opportunities created through the Expanded Public Works Programme (EPWP) by 30 June 2022	Grow an Inclusive District Economy	512	100	272	B	N/A	297	272	
TL42 # Rectified Link on Electronic System	Compile and submit the Final Annual Report 2020/21 to Council by 31 December 2021	Final Annual Report for 2020/21 submitted to Council by 31 December 2021	Good Governance	1	1	1	G	N/A	1	1	
TL43 *Adjust # Rectified Link on Electronic System	Submit an integrated progress report on the implementation of the Growth and Development Strategy to Council by 30 June 2022	Number of integrated progress reports submitted	*Local Economic Development	New KPI for 2021/22	N/A	N/A	N/A	N/A	1	N/A	
TL44 *Adjust # Rectified Link on Electronic System	Attend the World Travel Market exhibition and submit a report to MANCOM by 31 May 2022	Report submitted to MANCOM by 31 May 2022	*Local Economic Development	New KPI for 2021/22	N/A	N/A	N/A	N/A	1	N/A	
TL45 *Adjust # Rectified Link on Electronic System	Coordinate and attend the quarterly Garden Route Economic Cluster meetings	Number of meetings coordinated and attended	*Local Economic Development	New KPI for 2021/22	1	1	G	N/A	4	2	
TL46 *Adjust # Rectified Link on Electronic System	Sign a Service Level Agreement with WESGRO Investment Promotion Unit to market the Garden Route Investment Prospectus by 30 November 2021	Signed Service Level Agreement	*Local Economic Development	New KPI for 2021/22	1	1	G	N/A	1	1	

PLANNING AND ECONOMIC DEVELOPMENT										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2021				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL47 # Rectified Link on Electronic System	Sign a Service Level Agreement (SLA) with the Garden Route Film Commission by 30 November 2021	Signed Service Level Agreement	Grow an Inclusive District Economy	New KPI for 2021/22	1	1	G	N/A	1	1
TL48 # Rectified Link on Electronic System	Review and align the Integrated Human Settlements Strategic Plan and submit to Council by 31 December 2021	The Integrated Human Settlements Strategic Plan submitted	Good Governance	New KPI for 2021/22	1	1	G	N/A	1	1
TL49 # Rectified Link on Electronic System	Submit a Project Initiation Document (PID) on the conceptual development framework and business plan for Social Housing and Finance Linked Individual Subsidy Programme (FLISP) to Council by 31 March 2022	Number of PID's submitted	Good Governance	New KPI for 2021/22	N/A	N/A	N/A	N/A	2	N/A
TL50 # Rectified Link on Electronic System	Complete and submit an application for "Accreditation Level 1" to Provincial Government by 30 June 2022	Application for "Accreditation Level 1"submitted	Good Governance	New KPI for 2021/22	N/A	N/A	N/A	N/A	1	N/A
TL51 # Rectified Link on Electronic System	Develop and submit the new Integrated Development Plan (IDP) for the 2022-2027 period to Council by 31 May 2022	IDP submitted	Good Governance	New KPI for 2021/22	N/A	N/A	N/A	N/A	1	N/A

PLANNING AND ECONOMIC DEVELOPMENT										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2021				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL52 <div># Rectified Link on Electronic System</div>	Install a solar energy powered system in at least one of the Municipal Properties by 30 June 2022	Solar energy powered system installed	Promote sustainable environmental management and public safety	New KPI for 2021/22	N/A	N/A	N/A	N/A	1	N/A
TL53 <div># Rectified Link on Electronic System</div>	Submit a Turnaround Strategy for Municipal Resorts to Council by 31 December 2021	Turnaround Strategy for Municipal Resorts submitted	Good Governance	New KPI for 2021/22	1	1	G	N/A	1	1

ROADS AND TRANSPORT SERVICES											
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2021				Yearly Target	Year to date	
					Target	Actual	R	Corrective Measures/Comment	Target	Actual	
TL54 # Rectified Link on Electronic System	Job creation through the Roads Services by June 2022	Number of Jobs created by 30 June 2022	A Skilled Workforce and Communities	75	25	75	B	N/A	50	75	
TL55 # Rectified Link on Electronic System	Spent 95% of the roads budget allocation by 30 June 2022 (Actual expenditure divided by approved allocation received)	% of the roads spent by 30 June 2022	Financial Viability	98%	0%	35%	B	N/A	95%	35%	
TL56 # Rectified Link on Electronic System	Reseal 27.84 km of roads by 30 June 2022	Number of km's of roads resealed	Bulk Infrastructure and Co-ordination	32.03	N/A	N/A	N/A	N/A	27.84	N/A	
TL57 *Adjust # Rectified Link on Electronic System	* Regravel 30.38 km of roads by 30 June 2022	Number of km's of roads regavelled by 30 June 2022	Bulk Infrastructure and Co-ordination	18.80	10	3.57	R	The regravel section were utilized to attend to the natural flood damages in the region since 22 November 2021. The team is currently still busy with all roads that were damaged during these floods. The team will only be able to attend to regravel as from April 2022.	*30.38	3.57	

ROADS AND TRANSPORT SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2021				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL58 # Rectified Link on Electronic System	Compile a business plan for the Rural Road Asset Management Systems (RRAMS) and submit to MANCOM by 30 June 2022	RRAMS business plan compiled and submit to MANCOM by 30 June 2022	Bulk Infrastructure and Co-ordination	1	N/A	N/A	N/A	N/A	1	N/A
TL59 # Rectified Link on Electronic System	Develop a complaints management system by 31 December 2021	Complaints management system developed	Good Governance	New KPI for 2021/22	1	1	G	N/A	1	1
TL60 * Adjust # Rectified Link on Electronic System	Submit a quarterly consolidated report on the progress of all projects to *MANCOM	Number of reports submitted to *MANCOM	Good Governance	New KPI for 2021/22	1	1	G	N/A	4	1
TL61 # Rectified Link on Electronic System	Submit a bi-annual report to Council on the replacement value of fleet vehicles	Number of reports submitted	Good Governance	2	1	1	G	N/A	2	1
TL62 # Rectified Link on Electronic System	Submit a quarterly progress report to MANCOM on issues raised in the "Roads to Recover Report"	Number of progress reports submitted	Good Governance	New KPI for 2021/22	1	0	R	An all-inclusive report will be submitted to MANCOM on 16 January 2022	4	0

Explanatory notes

During the development and loading of our Individual Performance Management system, some of our Key Performance Indicator References deactivated. This resulted in the quarter one report that does not align with the approved SDBIP. No performance was effected negatively during the review process.

The deactivation caused the following problems on our SDBIP:

- The Top Level Reference not linking to the approved SDBIP
- Certain Key Performance Indicators aligning directly to our National Objectives instead of the objectives within our IDP

It is with this in mind that the following can be found within the attached section 52 report:

1. * Adjust

This reference, in conjunction with the required section highlighted, reflects a request from the Municipality to Council to make certain adjustments on the SDBIP. It is inclusive of the Strategic objectives that must be correct in order to represent the IDP of the Municipality.

2. # Rectified Link on Electronic System

This reference links directly to the exact KPI where the reference between the approved SDBIP and the system collapsed.

BACK TO AGENDA

DISTRICT COUNCIL

25 JANUARY 2022

1. **REPORT: SECTION 72 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT 31 DECEMBER 2021 / VERSLAG: ARTIKEL 72 HALFJAARLIKSE BEGROTING EN PRESTASIE ASSESSERING: 31 DESEMBER 2021 / INGXELO: UMHLATHI 72 ULWABIWOMALI-LOMBINDI NYANKA KUNYE NOQWALASELO LOMSEBENZI 31 KWEYOMNGA 2021**

(6/18/7)

13 January 2022

REFER REPORT FROM THE EXECUTIVE MAYOR (ALD M BOOYSEN)

2. **PURPOSE OF THE REPORT**

The report is tabled to Council in terms of section 72 as required in terms of the Municipal Finance Management Act 56 of 2003

3. **DELEGATED AUTHORITY**

Council

5. **RECOMMENDATIONS**

- 5.1.1 That Council takes note of the mid-year budget and performance report in terms of Section 72 of the Municipal Finance Management Act;
- 5.1.2 That Council takes note of the SDBIP performance report for the six months ending 31 December 2021.
- 5.1.3 That Council takes note that an adjustment budget will be tabled in February 2022 for consideration.

AANBEVELINGS

- 5.2.1 *Dat die Raad kennis neem van die halfjaarlikse Prestasieverslag voorgelê in terme van Artikel 72 van die Munisipale Finansiële Bestuurswet, en;*
- 5.2.2 *Dat die Raad kennis neem van die SDBIP Prestasieverslag vir die eerste ses maande van die jaar geeindig 31 Desember 2021.*
- 5.2.3 *Dat die Raad kennis neem dat 'n aangepaste begroting voorgelê gaan word vir oorweging in Februarie 2022.*

ISINDULULO

- 5.3.1 iBhunga lithathele ingalelo ulwabiwo-mali lombindi nyaka kunye noqwalaselo lomsebenzi ngokwemithetho yoMhlathi 72 woMthetho woLawulo Lwemali zoMasipala;
- 5.3.2 iBhunga lithathele ingqalelo ingxelo yomsebenzi we SDBIP kwinyanga ezintandathu eziphela ngomhla 31 kweyoMnga 2021.
- 5.3.3 Sesokuba iBhunga lithathele ingqalelo okokuba ulungelelwaniso lolwabiwo-mali luzakuthiwa thaca ngenyanga yoMdumba 2022 ukuze lunikwe ingqealasela.

6. DISCUSSION / CONTENTS

6.1 BACKGROUND

Municipal Finance Management Act 56 of 2003

Section 72 (1) The accounting officer of a municipality must submit the report by the 25th of January each year –

(a) Assess the performance of the municipality during the first half of the financial year taking into account –

- i. The monthly financial statements referred to in section 71 for the first half of the financial year;
- ii. The municipal service delivery performance during the first half of the financial year and the service delivery targets as well as performance indicators set in the service delivery and budget implementation plan;
- iii. The previous year annual report and the progress on resolving problems identified in the annual report; and

(b) Submit a report on such assessment to

- i. The mayor of the municipality
- ii. The National Treasury
- iii. The relevant provincial treasury

6.2 DISCUSSION

(2) *The statement referred to in section 71(1) for the sixth month of a financial year must be incorporated into the report referred to in subsection 1(b) of the section.*

(3) *The accounting officer must, as part of the review –*

- a)** *Make recommendations as to whether an adjustment budget is necessary; and*
- b)** *Recommend revised projections for revenue and expenditure to the extent that this may be necessary.*

After my review performed, it is recommended that an adjustment budget is needed.

6.3 FINANCIAL IMPLICATIONS

To be addressed in 2021/22 Second Adjustment Budget report.

6.4 LEGAL IMPLICATIONS

None. The following legislation applies:

- Municipal Finance Management Act, No 56 of 2003, section 52
- Municipal Budget and Reporting Regulations, 17 April 2009

6.5 STAFF IMPLICATIONS

None

6.6 PREVIOUS / RELEVANT COUNCIL RESOLUTIONS:

There are no previous or relevant Council resolutions related to this matter.

6.7 RISK IMPLICATIONS

There are no foreseen risks

ANNEXURE

Section 72 Mid-year Budget and Performance Report for the period ending 31 December 2021



Garden Route
DISTRICT MUNICIPALITY | UMASIPALA WESITHILI | DISTRIKSMUNISIPALITEIT

2021 / 2022
FINANCIAL YEAR

SECTION 72
Mid-Year Budget and
Performance Report

Garden Route District Municipality
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Glossary

Annual Budget – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

Adjustment Budget – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.

Allocations (Transfers – see DORA) – Money received from Provincial or National Government.

Budget Related Policy(ies) – Policies of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet and must be included in the asset register.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings - for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services and to compensate for the loss of RSC levies.

Fruitless and Wasteful Expenditure – Expenditure that was made in vain and would/should have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

MFMA – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years' budget allocations. Also includes details of the previous and current years' financial position.

Operating Expenditure – The day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the Rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budgeted estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised Expenditure – Generally, spending without, or in excess of, an Approved Budget.

Virement – A transfer of funds.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided. In Garden Route District this means the different GFS classification the budget is divided.

Legislative Framework

This report has been prepared in terms of the following enabling legislation:

The Municipal Finance Management Act – Act No. 56 of 2003

Section 71: Monthly budget statements

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

PART 1 – IN-YEAR REPORT

SECTION 1 – MAYORAL SPEECH

Honourable Speaker, leaders of the Opposition, honourable members of the Garden Route District Council on both sides of the house, The Municipal Manager and his Executive Management Team, the Members of the Media, interest groups and the citizens of the Garden Route District Municipality.

I would like to express a hearty warm welcome to you all and express my warm wishes to you and your families for 2022. 2021 was a testing year for all of us, our thoughts and deepest condolences go out to all the families in the district and country that has been affected by COVID-19.

The 2020 festive season was very bleak for most of South Africa and other countries. Tight lockdown restrictions, which included the beaches being closed, as well as longer curfews and a ban on the sale of alcohol, placed a damper on everyone's holiday spirit. In 2020, people had no choice but to cancel their holiday plans. However, the recent festive season was a stark contrast compared to a year ago because restrictions were almost completely lifted. Holiday-goers flocked in their thousands to the Garden Route.

The matriculants, the class of 2021, was also affected by the COVID-19 pandemic and their results are expected to be released on 21 January 2022. We trust that the class of 2021 would have done extremely well in their Matric exams under the circumstances, and we also trust that the doors of Higher Learning will be opened to allow them to shape their destiny. Those that have not done well, we wish to encourage them to take on the year with more vigour and excitement; they must know that they still have an opportunity to learn and improve their lives and those of their communities.

Although this is a new year, 2022, feels like a new beginning, however, in terms of our fiscal year we are halfway through the 2021/22 financial year already; therefore, like any house that has intentions to prosper we need to do some introspections on the 6 months gone to ensure that we can rectify the errors of the past and improve on the success we have achieved thus far.

The actual and budgeted figures reported, includes the Roads Budget.

Revenue by source

The total adjusted revenue budget for 2021/22-year totals **R426,259,313 (including Roads Agency)**. Performance for the mid-year ending 31 December 2021 totals **R256,766,672**. This represents a total of **60%** of the budgeted revenue, this is in line with expected performance of 50% for the first 6 months.

The majority of revenue relates to transfers and subsidies received to date to the amount of **R129,939,125**, which is **51%** of the total revenue received for the first 6 months, revenue from the Roads Agency services recorded for the first 6 months was **R116,778,124**, which is **45%** of the total revenue received during the first 6 months.

Operating expenditure

The total adjusted expenditure budget for 2021/22 totals **R433,331,265 (including Roads Agency)**. Performance for the mid-year ending 31 December 2021 totals **R204,906,801**.

This represents a **47%** spending based on the budgeted expenditure, this is slightly lower than 50% mainly due to non-cash items (e.g., debt impairment and actuarial losses) that is only accounted for at year-end.

The majority of these expenditure totals include Employee and Councillors related cost of **R144,203,006** which is **70%** of the total expenditure for the first 6 months, Contracted services of **R12,242,787 (6%)** and Other expenditure of **R30,214,829 (15%)**.

Capital Budget performance

The adjusted capital budget for the financial year amounts to **R76,572,524**. For the first 6 months, capital expenditure was **R1,145,951** representing **1.5%** of the budget, during the first 6 months the procurement processes of the major capital projects have not concluded yet, R1,819,302 orders were issued during the month of 31 December 2021. R60m is included in the capital budget for the construction of the regional landfill site. Procurement processes for construction of the site and an external loan to finance the project is in progress. SCM process will be followed to appoint the operator of the regional landfill site. The R60m will be adjusted in the February adjustment budget, as per the estimated cash flows received from the engineer. The majority of the capital spending for the landfill site will be incurred during the next financial year 2022/2023, and the budget estimates will be adjusted according to the professional's forecast provided. Four Municipalities are participating namely George, Mossel

Bay, Knysna and Bitou Municipality. Monthly the participating municipalities will repay GRDM for the usage of the regional landfill site and this revenue will be used to repay the loan obligation and the contractor operating the landfill site. A rehabilitation reserve will be established which must be cash funded to be able to pay for the rehabilitation once the landfill site has reached the end of its useful life.

Refer to detailed capital expenditure performance on pages 30 – 33.

- **SDBIP:**

Highlights

- The Top Level SDBIP was approved by the Mayor within the legislative required timeframe. The Departmental SDBIP was approved by the Municipal Manager also within legislative required timeframe. Adhering to all legislative requirements as stipulated below: -
- Approval of the Top Level SDBIP –
- Publication of the Top Level - website –
- Approval of the Departmental SDBIP –
- All sec 56/57 contracts entered into and signed within the required timeframes –
- Submission of the Section 72 and the adjusted Top Level SDBIP - Started with the basis for the compilation of System Descriptions for the Top Level SDBIP –
- Individual Performance is due for full implementation by June 2021.

Challenges

- Personnel shortage in the Performance Unit

I wish you a great 2022 and trust that the second half of the fiscal year will be nothing short of success.

I would therefore like to recommend to council the following:

It is recommended that:

- i. Council takes note of the mid-year budget and performance report in terms of Section 72 of the Municipal Finance Management Act;
- ii. Council takes note of the SDBIP performance report for the six months ending 31 December 2021.
- iii. Council takes note that an adjustment budget will be tabled in February 2022 for consideration.

SECTION 2 – RESOLUTIONS**SECTION 72 – MID YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT**

These are the resolutions being presented to Council in the mid-year report on the implementation of the budget and the financial state of affairs of the municipality as required in terms of section 72 of the Municipal Finance Management Act, Act 56 of 2003.

RECOMMENDATION:

It is recommended that:

- i. Council takes note of the mid-year budget and performance report in terms of Section 72 of the Municipal Finance Management Act;
- ii. Council takes note of the SDBIP performance report for the six months ending 31 December 2021.
- iii. Council takes note that an adjustment budget will be tabled in February 2022 for consideration.

SECTION 3 – EXECUTIVE SUMMARY

3.1 Introduction

These figures are presented in terms of Section 72 of the MFMA. The information is presented for the mid-year ending 31 December 2021.

3.2 Consolidated Performance

3.2.1 Against Annual Budget (original)

The actual and budgeted figures reported, includes the Roads Budget.

Revenue by source

The total adjusted revenue budget for 2021/22-year totals **R426,259,313 (including Roads Agency)**. Performance for the mid-year ending 31 December 2021 totals **R256,766,672**. This represents a total of **60%** of the budgeted revenue, this is in line with expected performance of 50% for the first 6 months.

Operating Expenditure by type

The total adjusted expenditure budget for 2021/22 totals **R433,331,265 (including Roads Agency)**. Performance for the mid-year ending 31 December 2021 totals **R204,906,801**. This represents a **47%** spending based on the budgeted expenditure, this is slightly lower than 50% mainly due to non-cash items (e.g., debt impairment and actuarial losses) that is only accounted for at year-end.

Capital Expenditure

The adjusted capital budget for the financial year amounts to **R76,572,524**. For the first 6 months, capital expenditure was **R1,145,951** representing **1.5%** of the budget, the procurement processes of the major capital projects have not concluded yet during the first 6 months, R1,819,302 orders were issued during the month of 31 December 2021. R60m is included in the capital budget for the construction of the regional landfill site. Procurement processes for construction of the site and an external loan to finance the project is in progress. SCM process will be followed to appoint the operator of the regional landfill site. The R60m will be adjusted in the February adjustment budget, as per the estimated cash flows received from

the engineer. The majority of the capital spending for the landfill site will be incurred during the next financial year 2022/2023, and the budget estimates will be adjusted according to the professional's forecast provided. Four Municipalities are participating namely George, Mossel Bay, Knysna and Bitou Municipality. Monthly the participating municipalities will repay GRDM for the usage of the regional landfill site and this revenue will be used to repay the loan obligation and the contractor operating the landfill site. A rehabilitation reserve will be established which must be cash funded to be able to pay for the rehabilitation once the landfill site has reached the end of its useful life.

See attached capital expenditure progress report on page 34-37.

3.3 Material variances from SDBIP (Service Delivery and Budget Implementation Plan)

Variances and deficiencies will be explained in terms of the SDBIP and will be reported on by the Performance Management Unit, situated in the Office of the Municipal Manager. The Service Delivery and Budget Implementation Plan (SDBIP) performance of the municipality is attached as Part 3 to this report. This report reflects the municipal performance on the non-financial information for the period 1 July 2021 to 31 December 2021.

3.5 Annual Report

The Annual Report 2020/21 was approved by Council on 10 December 2021.

3.6 Long-term financial sustainability

A Service provider was appointed to develop a Long Term Financial Plan, funding was received from Provincial Treasury in the form of the Western Cape Financial Management Support Grant to fund this project. The municipality established a revenue enhancement committee to create a platform to discuss the way forward with the findings contained in the report.

3.7 Remedial or corrective steps

Remedial actions and corrections will be instituted and changes recommend by the Performance Management Unit.

This will be dealt with during the adjustment budget process in February 2022. Detailed explanations of the remedial or corrective steps will be provided as part of the budget report to Council.

A report will be tabled with the adjustments required to the Service Delivery and Budget Implementation Plan (SDBIP). As explained above, the adjustments to the Operational Revenue and Expenditure budgets will be dealt with in the budget report.

3.8 Conclusion

Detailed analysis of the municipal performance for the year to date ending 31 December 2021 will be presented under the different sections of the report.

SECTION 4 – IN-YEAR BUDGET STATEMENT TABLES

4.1 Monthly budget statements

4.1.1 Table C1: S71 Monthly Budget Statement Summary

DC4 Garden Route - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	–	–	–	–	–	–	–		–
Investment revenue	12 091	8 500	8 500	649	2 819	4 250	(1 431)	-34%	8 500
Transfers and subsidies	34 252	187 375	192 940	55 931	129 939	96 470	33 469	35%	192 940
Other own revenue	356 179	224 819	224 819	34 926	123 955	112 410	11 545	10%	224 819
Total Revenue (excluding capital transfers and contributions)	402 522	420 694	426 259	91 506	256 713	213 130	43 583	20%	426 259
Employee costs	247 659	260 917	261 472	23 752	139 199	130 736	8 463	6%	261 472
Remuneration of Councillors	13 360	13 360	13 360	1 412	5 004	6 680	(1 676)	-25%	13 360
Depreciation & asset impairment	4 987	4 852	4 852	348	2 075	2 426	(351)	-14%	4 852
Finance charges	70	70	70	–	–	35	(35)	-100%	70
Inventory consumed and bulk purchases	51 360	57 894	54 699	1 101	12 668	27 349	(14 681)	-54%	54 699
Transfers and subsidies	1 851	2 375	2 418	200	3 405	1 209	2 196	182%	2 418
Other expenditure	96 908	88 698	96 461	8 884	42 556	48 230	(5 675)	-12%	96 461
Total Expenditure	416 194	428 166	433 331	35 697	204 907	216 666	(11 759)	-5%	433 331
Surplus/(Deficit)	(13 672)	(7 472)	(7 072)	55 809	51 806	(3 536)	55 342	-1565%	(7 072)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	54	–	54	#DIV/0!	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)	55 396	-1567%	(7 072)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)	55 396	-1567%	(7 072)
Capital expenditure & funds sources									
Capital expenditure	14 096	76 173	76 573	352	1 146	38 286	(37 140)	-97%	76 573
Capital transfers recognised	4 161	–	400	85	85	200	(115)	-57%	400
Borrowing	–	60 000	60 000	–	–	30 000	(30 000)	-100%	60 000
Internally generated funds	9 935	16 173	16 173	266	1 061	8 086	(7 025)	-87%	16 173
Total sources of capital funds	14 096	76 173	76 573	352	1 146	38 286	(37 140)	-97%	76 573
Financial position									
Total current assets	173 685	195 152	195 152		245 241				195 152
Total non current assets	314 316	334 418	334 818		288 443				334 418
Total current liabilities	37 449	65 748	65 748		65 353				65 748
Total non current liabilities	144 852	195 506	195 506		136 817				195 506
Community wealth/Equity	305 700	268 316	268 716		331 514				268 316
Cash flows									
Net cash from (used) operating	(11 114)	(7 472)	(7 072)	55 809	51 860	(3 536)	(55 396)	1567%	(7 072)
Net cash from (used) investing	366	(76 173)	(76 573)	(28 984)	(29 778)	(38 286)	(8 508)	22%	(76 573)
Net cash from (used) financing	–	60 000	60 000	–	–	15 000	15 000	100%	60 000
Cash/cash equivalents at the month/year end	159 020	164 643	164 643	–	166 461	161 465	(4 996)	-3%	120 734
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	(436)	352	430	312	356	330	5 269	32 401	39 013
Creditors Age Analysis									
Total Creditors	151	166	69	1	–	421	25	24	858

4.1.2 Table C2: Monthly Budget Statement - Financial Performance (standard classification)

DC4 Garden Route - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		230 331	236 045	241 611	57 349	144 825	120 805	24 019	20%	241 611
Executive and council		230 104	234 304	239 869	57 241	144 590	119 935	24 655	21%	239 869
Finance and administration		228	1 741	1 741	108	235	871	(636)	-73%	1 741
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6 606	5 812	5 812	694	2 616	2 906	(290)	-10%	5 812
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		6 256	5 422	5 422	676	2 473	2 711	(238)	-9%	5 422
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		350	390	390	19	143	195	(52)	-27%	390
<i>Economic and environmental services</i>		165 584	178 836	178 836	33 463	109 326	89 418	19 908	22%	178 836
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		165 473	178 718	178 718	33 457	109 289	89 359	19 929	22%	178 718
Environmental protection		111	118	118	6	38	59	(21)	-36%	118
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	402 522	420 694	426 259	91 506	256 767	213 130	43 637	20%	426 259
Expenditure - Functional										
<i>Governance and administration</i>		135 527	138 000	140 792	11 773	66 302	70 396	(4 094)	-6%	140 792
Executive and council		52 858	50 582	53 332	3 254	19 639	26 666	(7 027)	-26%	53 332
Finance and administration		79 953	84 933	84 976	8 285	45 172	42 488	2 684	6%	84 976
Internal audit		2 715	2 485	2 485	234	1 491	1 242	249	20%	2 485
<i>Community and public safety</i>		88 563	80 872	80 899	7 070	41 968	40 449	1 518	4%	80 899
Community and social services		14 616	7 804	7 831	688	4 876	3 915	960	25%	7 831
Sport and recreation		12 639	12 512	12 512	1 086	5 592	6 256	(664)	-11%	12 512
Public safety		26 761	25 100	25 100	1 902	12 494	12 550	(56)	0%	25 100
Housing		-	-	-	-	-	-	-	-	-
Health		34 547	35 456	35 456	3 394	19 006	17 728	1 278	7%	35 456
<i>Economic and environmental services</i>		182 370	203 424	205 770	16 607	93 986	102 885	(8 899)	-9%	205 770
Planning and development		9 706	19 390	20 019	1 668	7 905	10 009	(2 104)	-21%	20 019
Road transport		169 326	180 758	182 474	14 686	84 419	91 237	(6 818)	-7%	182 474
Environmental protection		3 339	3 277	3 277	252	1 662	1 638	24	1%	3 277
<i>Trading services</i>		6 612	3 209	3 209	113	1 398	1 605	(207)	-13%	3 209
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		6 612	3 209	3 209	113	1 398	1 605	(207)	-13%	3 209
<i>Other</i>		3 121	2 661	2 661	135	1 253	1 330	(78)	-6%	2 661
Total Expenditure - Functional	3	416 194	428 166	433 331	35 697	204 907	216 666	(11 759)	-5%	433 331
Surplus/ (Deficit) for the year		(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)	55 396	-1567%	(7 072)

This table reflects the operating budget (Financial Performance) in the standard classifications that is the Government Finance Statistics Functions and Sub-function. The main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading services.

Operating Revenue:

Table C2 reflects the financial performance per Standard Classification and shows that most of the municipal funds are received under the Executive and Council classification. This is because the municipality budgets most of its income under the Governance and administration function of the Government Financial Statistics (GFS) classification.

The municipality reported a **60%** performance for revenue received during the first 6 months ending 31 December 2021, this is in line with expected performance of 50% for the first 6 months. Most of the revenue consist of grants, mainly the equitable share, and roads agency function allocation.

Operating Expenditure

The municipality reported a **47%** performance for expenditure for the first 6 months ending 31 December 2021, this is slightly below 50% mainly due to non-cash items (e.g., debt impairment and actuarial losses) that is only accounted for at year-end.

Adjustments to the budget will be tabled to council during February 2022 in order to improve performance and enhance service delivery.

More details regarding the operational expenditure below.

4.1.3 Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

DC4 Garden Route - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and Council		230 104	234 304	239 869	57 241	144 590	119 935	24 655	20,6%	239 869
Vote 2 - Budget and Treasury Office		—	—	—	—	—	—	—	—	—
Vote 3 - Corporate Services		228	1 741	1 741	108	235	871	(636)	-73,0%	1 741
Vote 4 - Planning and Development		—	—	—	—	—	—	—	—	—
Vote 5 - Public Safety		—	—	—	—	—	—	—	—	—
Vote 6 - Health		350	390	390	19	143	195	(52)	-26,9%	390
Vote 7 - Community and Social Services		—	—	—	—	—	—	—	—	—
Vote 8 - Sport and Recreation		6 256	5 422	5 422	676	2 473	2 711	(238)	-8,8%	5 422
Vote 9 - Waste Management		—	—	—	—	—	—	—	—	—
Vote 10 - Roads Transport		—	—	—	—	—	—	—	—	—
Vote 11 - Waste Water Management		—	—	—	—	—	—	—	—	—
Vote 12 - Water		—	—	—	—	—	—	—	—	—
Vote 13 - Environment Protection		111	118	118	6	38	59	(21)	-36,4%	118
Vote 14 - Roads Agency Function		165 473	178 718	178 718	33 457	109 289	89 359	19 929	22,3%	178 718
Vote 15 - Electricity		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	402 522	420 694	426 259	91 506	256 767	213 130	43 637	20,5%	426 259
Expenditure by Vote	1									
Vote 1 - Executive and Council		55 795	54 394	57 144	3 599	19 561	28 572	(9 010)	-31,5%	57 144
Vote 2 - Budget and Treasury Office		25 236	24 007	24 007	2 310	13 677	12 004	1 673	13,9%	24 007
Vote 3 - Corporate Services		44 399	49 126	49 168	4 379	26 817	24 584	2 233	9,1%	49 168
Vote 4 - Planning and Development		27 898	30 006	30 635	2 831	14 623	15 318	(695)	-4,5%	30 635
Vote 5 - Public Safety		34 204	32 904	32 931	2 550	16 602	16 466	136	0,8%	32 931
Vote 6 - Health		36 747	37 973	37 973	3 890	20 556	18 987	1 569	8,3%	37 973
Vote 7 - Community and Social Services		—	—	—	—	—	—	—	—	—
Vote 8 - Sport and Recreation		12 639	12 512	12 512	1 086	5 592	6 256	(664)	-10,6%	12 512
Vote 9 - Waste Management		6 612	3 209	3 209	113	1 398	1 605	(207)	-12,9%	3 209
Vote 10 - Roads Transport		3 853	3 378	5 094	79	552	2 547	(1 995)	-78,3%	5 094
Vote 11 - Waste Water Management		—	—	—	—	—	—	—	—	—
Vote 12 - Water		—	—	—	—	—	—	—	—	—
Vote 13 - Environment Protection		3 339	3 277	3 277	252	1 662	1 638	24	1,4%	3 277
Vote 14 - Roads Agency Function		165 473	177 380	177 380	14 608	83 867	88 690	(4 823)	-5,4%	177 380
Vote 15 - Electricity		—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	416 194	428 166	433 331	35 697	204 907	216 666	(11 759)	-5,4%	433 331
Surplus/ (Deficit) for the year	2	(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)	55 396	-1566,7%	(7 072)

Revenue and expenditure reflects the operating performance per municipal vote. This is in accordance with the Government Financial Statistics (GFS) classification of the National Treasury.

Most of the municipal income is budgeted under the Executive and Council functions. Sport and Recreation (Resorts) is the other main municipal function where income budgeting is recorded.

Expenditure per municipal vote is distributed to ensure that the municipal expenditure reflects the functions where expenditure is allocated. This is done to ensure implementation of the Integrated Development Plan (IDP) and for Annual Reporting.

4.1.4 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

DC4 Garden Route - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

City of Durban Results Table of Monthly Budget Statement - Main Item - Performance (Revenue and Expenditure) - and Year Assessment										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue								-		
Rental of facilities and equipment		3 614	3 829	3 829	(24)	347	1 915	(1 567)	-82%	3 829
Interest earned - external investments		12 091	8 500	8 500	649	2 819	4 250	(1 431)	-34%	8 500
Interest earned - outstanding debtors		3 710	2 970	2 970	238	1 440	1 485	(45)	-3%	2 970
Dividends received		-	-	-			-	-		
Fines, penalties and forfeits		-	-	-			-	-		
Licences and permits		111	118	118	6	38	59	(21)	-36%	118
Agency services		184 673	195 834	195 834	34 689	116 778	97 917	18 861	19%	195 834
Transfers and subsidies		34 252	187 375	192 940	55 931	129 939	96 470	33 469	35%	192 940
Other revenue		164 071	22 067	22 067	17	5 352	11 034	(5 682)	-51%	22 067
Gains					-	-	-			
Total Revenue (excluding capital transfers and contributions)		402 522	420 694	426 259	91 506	256 713	213 130	43 583	20%	426 259
Expenditure By Type										
Employee related costs		247 659	260 917	261 472	23 752	139 199	130 736	8 463	6%	261 472
Remuneration of councillors		13 360	13 360	13 360	1 412	5 004	6 680	(1 676)	-25%	13 360
Debt impairment		1 841	1 500	1 500	-	98	750	(652)	-87%	1 500
Depreciation & asset impairment		4 987	4 852	4 852	348	2 075	2 426	(351)	-14%	4 852
Finance charges		70	70	70	-	-	35	(35)	-100%	70
Bulk purchases - electricity		-	-	-			-	-		-
Inventory consumed		51 360	57 894	54 699	1 101	12 668	27 349	(14 681)	-54%	54 699
Contracted services		34 749	29 457	33 472	3 919	12 243	16 736	(4 493)	-27%	33 472
Transfers and subsidies		1 851	2 375	2 418	200	3 405	1 209	2 196	182%	2 418
Other expenditure		60 318	57 740	61 489	4 965	30 215	30 745	(530)	-2%	61 489
Losses								-		-
Total Expenditure		416 194	428 166	433 331	35 697	204 907	216 666	(11 759)	-5%	433 331
Surplus/(Deficit)		(13 672)	(7 472)	(7 072)	55 809	51 806	(3 536)	55 342	(0)	(7 072)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)					-	54	-	54	#DIV/0!	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)			(7 072)
Taxation								-		
Surplus/(Deficit) after taxation		(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)			(7 072)
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)			(7 072)
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(13 672)	(7 472)	(7 072)	55 809	51 860	(3 536)			(7 072)

Revenue by Source

Revenue by source explains the types of income budgeted for and the performance of these items individually.

Rental of facilities and equipment:

Rental of facilities and equipment for the first 6 months ending 31 December 2021 amounted to **R347,493** against an adjusted budget of **R3,829,005**, representing **9.1%** year to date received. The actual performance is -82% off the year-to-date budget, with the movement back to lockdown level one, the expectation is that the income will rise within the next 3 months as the lockdown has now been reduced to level 1 and the Garden Route District received a good number of visitors during the December festive period.

Interest earned – External Investments:

Reflects the interest earned in respect of surplus funds not immediately needed in the operations of the municipality over the short-term period. Interest on external investments received for the first 6 months ending 31 December 2021 amounted to **R2,819,027**, against an adjusted budget of **R8,500,000**, which represents **33%** interest received year to date. The investment balance of the municipality amounted to R95m for the month ended 31 December 2021 and was invested for a period longer than 30 days to optimize interest received on investments. The actual performance is -34% off the year-to-date budget because of the bulk of the investments that have not matured yet, it is invested for more than 30 days, and the interest will only be realised on the date of maturity hence the reason for under performance against budgeted amount versus actual year-to-date.

Interest raised – Outstanding debtors

Interest on outstanding debtors for the first 6 months ending 31 December 2021 amounted to **R1,439,755**, against an adjusted budget of **R2,970,460**, which represents 48% interest received year date. Majority of the debtors are firefighting debtors.

Agency services

The municipality performs an agency function on behalf of the Department of Transport – Roads department. Monthly agency fees are collected from the department. 12% Admin fee is received on the original allocation and 3% on the cost of additional reseal projects. An amount of **R116,778,124** was recorded for the first 6 months ending 31 December 2021, the amount includes the admin fee as well as the revenue recognised in relating to the actual expenditure.

Transferred recognised – operational

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenues Act's respectively. The first instalment of R69,855,000 for the Equitable Share was received during July 2021. The municipality received its first instalment of R1,735,000 for the Rural Roads Assets Management Grant during July 2021. During the month of August 2021 the following grants were received Local Government Financial Management Grant of R1,000,000 and the Expanded Public Works Programme Grant(EPWP) of R518,000 were received. For the month end September 2021 no allocations were received. For the month ended November 2021 the municipality received R900 000 for the Integrated Transport Planning Grant. The municipality received the second tranche payment of R54,892,000 for the Equitable Share and R931,000 for the Expanded Public Works Programme Grant (EPWP) during the month of December 2021. LG Seta transferred an amount of R108,125,37 during December 2021 for the New Venture Creation project.

Other revenue / Sundry income

Other revenue reflects an amount of **R5,351,874**, against an adjusted budget of **R22,067,409**, representing 24% for the first 6 months ending 31 December 2021. Other revenue mostly consists of the following: Fire services revenue, health services revenue and resorts income.

Expenditure by Type

Expenditure by type reflects the operational budget per main type/category of expenditure.

Employee Related cost / Remuneration of councillors

Employee related cost for the first 6 months ending 31 December 2021 amounted to **R139,198,578** against an adjusted budget of **R261,471,902**, representing **53%** of the budget. The councillor remuneration expenditure for the first 6 months amounted to **R5,004,428** against an adjusted budget of **R13,360,009**, representing **37%** of the budget. The previous Council's term came to an end during the first 6 months of the financial year and a new Council was elected.

Debt Impairment / Depreciation and asset impairment

These items account for non-cash budgeted items. The fixed asset register module must still be fully implemented at Garden Route DM by the service provider of the financial system. Testing on a test platform was done in September 2021 and will continue in January 2022. (The previous asset management system provider (Market Demand) terminated its services under the mSCOA contract. Phoenix had to develop a new asset register at no additional cost to municipalities, as this was an mSCOA requirement when National Treasury awarded the transversal tender for financial systems.) Full implementation and sign-off will be done after Garden Route DM tested all the required functionalities of the new proposed asset register extensively to ensure it meets the requirements of mSCOA and GRAP and fully integrates seamlessly and correctly with the financial system before it can be implemented. Debt Impairment to the amount of **R98,290** were recorded for the first 6 months ending 31 December 2021, and **R2,075,103** were recorded for depreciation against an adjustment budget of **R4,851,946**, which represents **43%** for the 6 months.

Finance charges

The municipality have no outstanding loans but it is envisioned that a loan will be taken out for the financing of the regional landfill site to be constructed.

Contracted services

Contracted services amounted to **R12,242,787**, against an adjusted budget of **R33,471,658**, which represents **37%** for the first 6 months ending 31 December 2021. It is expected that contracted services expenditure will increase during the second half of the financial year because of easing lockdown levels and more procurement processes that will be finalised.

Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounted to **R30,214,829**, against an adjustment budget of **R61,489,255**, which represents **49%** of the budget for the first 6 months ending 31 December 2021. The other expenditure consists of the following, Operating costs and Operating Projects (own funds).

4.1.5 Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

DC4 Garden Route - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and Council		4 013	-	-	-	-	-	-		-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-		-
Vote 3 - Corporate Services		-	1 500	1 500	99	554	750	(196)	-26%	1 500
Vote 4 - Planning and Development		-	-	-	-	-	-	-		-
Vote 5 - Public Safety		-	200	200	20	286	100	186	186%	200
Vote 6 - Health		-	7 000	7 000	-	-	3 500	(3 500)	-100%	7 000
Vote 7 - Community and Social Services		-	-	-	-	-	-	-		-
Vote 8 - Sport and Recreation		3 000	-	-	-	-	-	-		-
Vote 9 - Waste Management		-	60 000	60 000	99	99	30 000	(29 901)	-100%	60 000
Vote 10 - Roads Transport		-	-	-	-	-	-	-		-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-		-
Vote 12 - Water		-	-	-	-	-	-	-		-
Vote 13 - Environment Protection		-	-	-	-	-	-	-		-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-		-
Vote 15 - Electricity		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	7 013	68 700	68 700	218	938	34 350	(33 412)	-97%	68 700
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		355	30	30	10	10	15	(5)	-32%	30
Vote 2 - Budget and Treasury Office		86	30	30	1	16	15	1	4%	30
Vote 3 - Corporate Services		2 461	5 130	5 130	-	-	2 565	(2 565)	-100%	5 130
Vote 4 - Planning and Development		179	90	90	8	22	45	(23)	-50%	90
Vote 5 - Public Safety		30	-	-	-	-	-	-		-
Vote 6 - Health		50	63	63	24	43	31	11	37%	63
Vote 7 - Community and Social Services		-	-	-	-	-	-	-		-
Vote 8 - Sport and Recreation		2 522	2 130	2 130	6	32	1 065	(1 033)	-97%	2 130
Vote 9 - Waste Management		-	-	-	-	-	-	-		-
Vote 10 - Roads Transport		1 400	-	400	85	85	200	(115)	-57%	400
Vote 11 - Waste Water Management		-	-	-	-	-	-	-		-
Vote 12 - Water		-	-	-	-	-	-	-		-
Vote 13 - Environment Protection		-	-	-	-	-	-	-		-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-		-
Vote 15 - Electricity		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	7 083	7 473	7 873	134	208	3 936	(3 728)	-95%	7 873
Total Capital Expenditure		14 096	76 173	76 573	352	1 146	38 286	(37 140)	-97%	76 573

Variances explained in Supporting Table C5

For the first 6 months, capital expenditure was **R1,145,951**, against an adjusted budget of **R76,572,524** representing **1.5%** of the budget.

4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		143 131	164 643	164 643	6 453	164 643
Call investment deposits					160 000	
Consumer debtors					38 308	
Other debtors		23 956	24 106	24 106	31 585	24 106
Current portion of long-term receivables		3 867	3 733	3 733	4 293	3 733
Inventory		2 731	2 669	2 669	4 601	2 669
Total current assets		173 685	195 152	195 152	245 241	195 152
Non current assets						
Long-term receivables		59 705	52 945	52 945	61 340	52 945
Investments		27	27	27	27	27
Investment property		86 108	51 682	51 682	53 883	51 682
Investments in Associate						
Property, plant and equipment		166 336	227 652	228 052	172 491	227 652
Biological						
Intangible		2 139	2 113	2 113	702	2 113
Other non-current assets						
Total non current assets		314 316	334 418	334 818	288 443	334 418
TOTAL ASSETS		488 001	529 570	529 970	533 684	529 570
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft						
Borrowing					536	
Consumer deposits					1 878	
Trade and other payables		37 449	31 478	31 478	38 292	31 478
Provisions			34 270	34 270	24 647	34 270
Total current liabilities		37 449	65 748	65 748	65 353	65 748
Non current liabilities						
Borrowing		28	60 000	60 000	73	60 000
Provisions		144 823	135 506	135 506	136 744	135 506
Total non current liabilities		144 852	195 506	195 506	136 817	195 506
TOTAL LIABILITIES		182 301	261 254	261 254	202 170	261 254
NET ASSETS	2	305 700	268 316	268 716	331 514	268 316
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		286 727	201 063	201 463	271 001	201 063
Reserves		18 973	67 253	67 253	60 513	67 253
TOTAL COMMUNITY WEALTH/EQUITY	2	305 700	268 316	268 716	331 514	268 316

Table C6 reflects the effect of the combination of the capital and operating implementation of the budget on council's Financial Position.

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Garden Route - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges								-		
Other revenue		204 407	221 849	221 849	34 688	122 569	110 924	11 644	10%	221 849
Transfers and Subsidies - Operational		179 813	187 375	192 940	55 931	129 939	96 470	33 469	35%	192 940
Transfers and Subsidies - Capital		-	-				-	-		-
Interest		15 801	11 470	11 470	887	4 259	5 735	(1 476)	-26%	11 470
Dividends								-		
Payments										
Suppliers and employees		(409 171)	(428 096)	(433 261)	(35 497)	(201 510)	(216 631)	(15 121)	7%	(433 261)
Finance charges		-	(70)	(70)	-	-	(35)	(35)	100%	(70)
Transfers and Grants		(1 965)	-		(200)	(3 405)	-	3 405	#DIV/0!	
NET CASH FROM/(USED) OPERATING ACTIVITIES		(11 114)	(7 472)	(7 072)	55 809	51 852	(3 536)	(55 388)	1566%	(7 072)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		3 652	-					-		
Decrease (increase) in non-current receivables		3 636	-					-		
Decrease (increase) in non-current investments		-	-		(28 632)	(28 632)		(28 632)	#DIV/0!	
Payments										
Capital assets		(6 923)	(76 173)	(76 573)	(352)	(1 146)	(38 286)	(37 140)	97%	(76 573)
NET CASH FROM/(USED) INVESTING ACTIVITIES		366	(76 173)	(76 573)	(28 984)	(29 778)	(38 286)	(8 508)	22%	(76 573)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing			60 000	60 000			15 000	(15 000)	-100%	60 000
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	60 000	60 000	-	-	15 000	15 000	100%	60 000
NET INCREASE/ (DECREASE) IN CASH HELD		(10 748)	(23 644)	(23 644)	26 826	22 074	(26 822)			(23 644)
Cash/cash equivalents at beginning:		169 768	188 287	188 287	144 379	144 379	188 287			144 379
Cash/cash equivalents at month/year end:		159 020	164 643	164 643		166 453	161 465			120 734

The municipal bank balance at 31 December 2021 totals R6 452 947 and the total balance of short-term deposits were R95 000 000, and call account deposits amounted to R65 000 000. Total cash and cash equivalents available at month ends is R166 452 947.

More detailed information regarding the cash position is tabled below that is giving a breakdown of the commitments against the cash of council:

REPORTING MONTH: 31 DECEMBER 2021		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Bank balance as at 31 December 2021	14 378 904,40	6 452 947,25
Other Cash & Cash Equivalents: Short term deposits	75 000 000,00	95 000 000,00
Other Cash & Cash Equivalents: Call accounts	55 000 000,00	65 000 000,00
Total Cash & Cash Equivalents:	144 378 904,40	166 452 947,25
LESS:	77 997 035,06	106 355 041,97
Unspent Conditional Grants	5 319 072,08	5 319 072,08
Provision for staff leave	23 281 235,68	23 281 235,68
Provision for bonus	6 776 192,73	6 776 192,73
Post Retirement Benefits	37 463 916,00	37 463 916,00
Performance Bonus	1 436 040,60	1 436 040,60
Grant received in advance	-	27 446 000,00
Trade Payables	3 147 939,54	2 788 616,04
YTD Unspent Capital budget	572 638,43	1 843 968,84
YTD Unspent Operational budget	-	-
Sub total	66 381 869,34	60 097 905,28
PLUS:	8 962 219,53	8 962 219,53
VAT Receivable	1 937 602,53	1 937 602,53
Receivable Exchange	7 024 617,00	7 024 617,00
	75 344 088,87	69 060 124,81
LESS OTHER MATTERS:		
Capital Replacement Reserve	26 569 752,01	26 569 752,01
Employee Benefits Reserves	34 124 774,00	34 124 774,00
Sub Total	14 649 562,86	8 365 598,80
LESS: CONTINGENT LIABILITIES	5 503 377,00	5 503 377,00
Barry Louis Rae Trust	4 500 000,00	4 500 000,00
Portion of Portion 2 of Farm 238, Hooggekraal	353 441,00	353 441,00
Erf 99, Glentana	197 936,00	197 936,00
Labour disputes	452 000,00	452 000,00
Recalculated available cash balance	9 146 185,86	2 862 221,80
Total monthly commitments	19 895 336,40	20 081 221,17

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

Supporting Table SC3

DC4 Garden Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

Description	NT Code	Budget Year 2021/22										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200									-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	1300									-	-		
Receivables from Non-exchange Transactions - Property Rates	1400									-	-		
Receivables from Exchange Transactions - Waste Water Management	1500									-	-		
Receivables from Exchange Transactions - Waste Management	1600									-	-		
Receivables from Exchange Transactions - Property Rental Debtors	1700								11	11	11		
Interest on Arrear Debtor Accounts	1810	245	239	238	238	235	236	1 549	4 820	7 799	7 077		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	(681)	113	192	74	121	94	3 720	27 570	31 203	31 579		
Total By Income Source	2000	(436)	352	430	312	356	330	5 269	32 401	39 013	38 668	-	-
2020/21 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(244)	14	14	23	34	13	241	1 946	2 040	2 257		
Commercial	2300	-	-	-	-	-	-	-	-	-	-		
Households	2400	2	2	-	-	-	-	-	-	3	-		
Other	2500	(194)	336	416	289	322	316	5 029	30 455	36 969	36 411		
Total By Customer Group	2600	(436)	352	430	312	356	330	5 269	32 401	39 013	38 668	-	-

Long outstanding debtors that mainly consist of old sundry debt and fire accounts, remains a concern for the municipality and management will continue to report in terms of progress made.

The majority of the firefighting accounts are disputed with regards to the origin of the fire and who is responsible for the payment of the account.

The municipality are required to submit debtors aged analysis data strings on a monthly basis.

Currently the debtor section initiated debt collection processes and will report quarterly to the financial services committee on the debt collection process.

Section 6 – Creditors' analysis

Supporting Table C4

DC4 Garden Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment

Description R thousands	NT Code	Budget Year 2021/22									Prior year
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	totals for chart (same period)
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	151	166	69	1	-	421	25	24	858	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	151	166	69	1	-	421	25	24	858	-

The municipality are required to submit creditors aged analysis data strings on a monthly basis.

The reason for long outstanding creditors are due to invoices not submitted by either suppliers or user departments, other reasons also include disputes on certain invoices.

The municipality are continuously working towards resolving outstanding disputes on invoices and obtaining outstanding invoices.

Section 7 – Investment portfolio analysis

7.1 Investment monitoring information

	Balance as at 01 December 2021	Movements for the month		Balance as at 31 December 2021	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made			
Garden Route District Municipality						
Interest Received YTD	-			-		
Standard Bank	29 000 000,00	-10 000 000,00	30 000 000,00	49 000 000,00	203 013,70	1 050 538,01
Investec Bank	-			-		-
ABSA	20 000 000,00	-10 000 000,00		10 000 000,00	193 227,40	457 572,61
Nedbank	26 000 000,00	-10 000 000,00	18 000 000,00	34 000 000,00	192 821,92	653 081,98
FNB	-	-	2 000 000,00	2 000 000,00		26 000,68
Standard Bank - Bank Guarantee investment	-			-		-
BANK DEPOSITS	75 000 000,00	-30 000 000,00	50 000 000,00	95 000 000,00	589 063,02	2 187 193,28

Total invested funds at the end of 31 December 2021 totals R95,000,000 as reflected above.

The municipality invest access funds on a 30 days' short-term investment period in order to maximise the interest received and to have cash readily available when needed and is done in line with the Cash Management and Investment Policy of council.

Section 8 – Allocation and grant receipts and expenditure

8.1 Supporting Table C6

DC4 Garden Route - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		162 568	177 702	178 540	55 823	128 931	89 270	40 921	45,8%	178 540
Local Government Equitable Share		157 370	167 653	167 653	54 892	124 747	83 827	40 921	48,8%	167 653
Finance Management		1 000	1 000	1 000	–	1 000	500			1 000
Municipal Systems Improvement			4 500	4 500			2 250			4 500
EPWP Incentive		1 629	2 071	2 071	931	1 449	1 036			2 071
NT - Rural Roads Asset Management Systems		2 569	2 478	3 316		1 735	1 658			3 316
Fire Service Capacity Building Grant	3							–		
								–		
								–		
								–		
Other transfers and grants [insert description]								–		
Provincial Government:		2 859	8 473	14 000	108	108	7 000	(1 527)	-21,8%	14 000
PT - Integrated Transport Plan		900	900	1 778			889	(889)	-100,0%	1 778
PT - Municipal Accreditation & Capacity Building Grant		–	5 000	5 629			2 815			5 629
PT - Fire Service Capacity Building Grant		–	–	–			–	–		–
PT - Financial Management Capacity Building Grant		–	250	293			146	(146)	-100,0%	293
PT - WC Support Grant		280		–			–			–
PT - Disaster Management Grant				27			14			27
PT - WC Support Grant		379		–			–			–
PT - Safety Plan Implementation (WOSA)		1 300	2 323	5 073			2 537			5 073
PT - Services Seta A21 Bricklaying Apprenticeship				1 200	108	108	600	(492)	-82,0%	1 200
Other transfers and grants [insert description]								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Total Operating Transfers and Grants	5	165 427	186 175	192 540	55 931	129 039	96 270	39 393	40,9%	192 540
Capital Transfers and Grants										
National Government:		–	–	400	–	–	100	(100)	-100,0%	400
NT - Rural Roads Asset Management Systems				400			100	(100)	-100,0%	400
								–		
								–		
								–		
Other capital transfers [insert description]								–		
Provincial Government:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Total Capital Transfers and Grants	5	–	–	400	–	–	100	(100)	-100,0%	400
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	165 427	186 175	192 940	55 931	129 039	96 370	39 293	40,8%	192 940

8.2 Supporting Table C7

DC4 Garden Route - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		162 568	177 702	178 540	55	2 825	89 270	(86 445)	-96,8%	178 540
Local Government Equitable Share		157 370	167 653	167 653		–	83 827	(83 827)	-100,0%	167 653
Finance Management		1 000	1 000	1 000	55	321	500	(179)	-35,9%	1 000
Municipal Systems Improvement		–	4 500	4 500	–		2 250	(2 250)	-100,0%	4 500
EPWP Incentive		1 629	2 071	2 071	–	2 071	1 036	1 036	100,0%	2 071
NT - Rural Roads Asset Management Systems		2 569	2 478	3 316	–	433	1 658	(1 225)	-73,9%	3 316
Fire Service Capacity Building Grant								–		
Other transfers and grants [insert description]								–		
Provincial Government:		2 859	8 473	14 000	284	1 543	7 000	(5 317)	-76,0%	14 000
PT - Integrated Transport Plan		900	900	1 778	–		889	(889)	-100,0%	1 778
PT - Municipal Accreditation & Capacity Building Grant		–	5 000	5 629	245	1 353	2 815	(1 461)	-51,9%	5 629
PT - Financial Management Capicity Building Grant		–	–				–	–		–
PT - WC Support Grant		–	250	293	–		146			293
PT - WC Support Grant		280					–			–
PT - Disaster Management Grant		–		27	–	20	14			27
PT - WC Support Grant		379					–			–
PT - Safety Plan Implementation (WOSA)		1 300	2 323	5 073	–		2 537	(2 537)	-100,0%	5 073
PT - Services Seta A21 Bricklaying Apprenticeship				1 200	39	170	600	(430)	-71,7%	1 200
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total operating expenditure of Transfers and Grants:		165 427	186 175	192 540	339	4 368	96 270	(91 762)	-95,3%	192 540
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		–	–	400	–	–	67	(67)	-100,0%	400
NT - Rural Roads Asset Management Systems				400			67	(67)	-100,0%	400
								–		
								–		
Other capital transfers [insert description]								–		
Provincial Government:		–	–	–	–	–	–	–		–
								–		
								–		
District Municipality:		–	–	–	–	–	–	–		–
								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
								–		
Total capital expenditure of Transfers and Grants		–	–	400	–	–	67	(67)	-100,0%	400
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		165 427	186 175	192 940	339	4 368	96 337	(91 829)	-95,3%	192 940

Performance reporting on grants will be enhanced to ensure compliance with the Division of Revenue Act.

Section 9 – Expenditure on councillor and board members allowances and employee benefits

Supporting Table C8

DC4 Garden Route - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment

Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		11 298	11 298	11 298	1 412	4 953	5 649	(696)	-12%	11 298
Pension and UIF Contributions		242	242	242	–	9	121	(112)	-92%	242
Medical Aid Contributions		78	78	78	–	24	39	(15)	-39%	78
Motor Vehicle Allowance		776	776	776	–	–	388	(388)	-100%	776
Cellphone Allowance		515	–	515	0	19	258	(239)	-93%	–
Housing Allowances		451	451	451	–	–	226	(226)	-100%	451
Other benefits and allowances		–	515	–	–	–	–	–	–	515
Sub Total - Councillors		13 360	13 360	13 360	1 412	5 004	6 680	(1 676)	-25%	13 360
% increase	4		0,0%	0,0%						0,0%
<u>Senior Managers of the Municipality</u>	3									
Basic Salaries and Wages		4 390	4 587	4 587	715	3 253	2 294	959	42%	4 587
Pension and UIF Contributions		161	1 484	1 484	0	1	742	(741)	-100%	1 484
Medical Aid Contributions		105	113	113	5	29	57	(28)	-50%	113
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		804	840	840	41	249	420	(171)	-41%	840
Cellphone Allowance		142	148	148	9	54	74	(20)	-27%	148
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		770	804	804	–	10	402	(392)	-98%	804
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		6 371	7 977	7 977	770	3 595	3 988	(393)	-10%	7 977
% increase	4		25,2%	25,2%						25,2%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		150 980	160 610	161 684	14 927	84 069	80 842	3 227	4%	160 610
Pension and UIF Contributions		24 725	24 941	24 941	2 326	13 704	12 471	1 233	10%	24 941
Medical Aid Contributions		19 890	21 819	21 842	1 933	11 599	10 921	678	6%	21 819
Overtime		4 080	5 011	5 001	197	2 124	2 500	(376)	-15%	5 011
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		9 384	9 909	9 862	832	5 097	4 931	166	3%	9 909
Cellphone Allowance		122	137	137	11	58	69	(11)	-15%	137
Housing Allowances		2 463	2 531	2 531	191	1 752	1 265	487	38%	2 531
Other benefits and allowances		18 195	14 583	14 102	1 915	12 097	7 051	5 047	72%	14 583
Payments in lieu of leave		–	4 724	4 724	650	5 140	2 362	2 778	118%	4 724
Long service awards		–	90	–	–	–	–	–	–	90
Post-retirement benefit obligations	2	9 942	8 586	8 676	–	22	4 338	(4 316)	-99%	8 586
Sub Total - Other Municipal Staff		239 781	252 941	253 500	22 982	135 663	126 750	8 912	7%	252 941
% increase	4		5,5%	5,7%						5,5%
Total Parent Municipality		259 512	274 277	274 837	25 165	144 262	137 418	6 843	5%	274 277

Salary and remuneration of councillors expenditure totals 70% of all operational expenditures for the period ending 31 December 2021.

Section 10 – Material variances to the service delivery and budget implementation plan

The measurement of the performance of the municipality in terms of the implementation of the Service Delivery and Budget Implementation plan are dealt with separately. A separate report will be tabled with regards to the SDBIP.

Information regarding this is not dealt with under this section of the report.

Section 11 – Capital programme performance

The adjusted capital budget for the financial year amounts to **R76,572,524**. For the first 6 months, capital expenditure was **R1,145,951** representing **1.5%** of the budget.

SCOA config	Nr	Project description	Cost centre	Adjusted budget R'000	YTD Expenditure R'	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
71120006635	1	Office furniture: Office MM	1001	30 000,00	10 224,88	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71204240001	2	Office equipment: CFO	1204	30 000,00	15 648,98	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71207230002	3	Replacing ICT Capital Equipment beyond economical repairs	1207	295 000,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71207230004	4	ICT Infrastructure	1207	2 796 980,00		In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71301240001	5	Office furniture: Exec Manager Corporate Services	1301	30 000,00		Order issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104125	6	Monitors	1307	54 750,00	26 745,04	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71308230001	7	Hygiene Equipment	1308	600 000,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71120006639	8	Office Furniture & Equipment: Man Planning&Dev	1401	30 000,00	919,13	Order issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71402400001	9	Air Conditioner	1402	20 000,00	14 689,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71408400001	10	Office Furniture: Human Settlements	1408	40 000,00	6 800,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71801240001	11	Office of the executive manager Community: office equipment	1801	30 000,00	23 710,07	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71801310001	12	Firestation: Mossel bay	1801	6 819 700,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71804310001	13	ODN EHP shadenet insurance	1804	6 164,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71805102408	14	Laminator - Insurance claim	1805	5 000,00	4 710,40	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71805104010	15	Blinds - Insurance claim	1805	5 500,00	3 170,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71805104155	16	IT Equipment - Insurance claim	1805	12 060,00	11 108,52	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71806240001	17	Kynsna EHP insurance claims	1806	3 800,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
72205160001	18	Calltadzorp Spa Roofs	2205	2 000 000,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
72205230001	19	Power Tools	2205	80 000,00	31 682,60	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.

SCOA config	Nr	Project description	Cost centre	Adjusted budget R'000	YTD Expenditure R'	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
72205230002	20	Wet Fuel Generator	2205	50 000,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
72305230001	21	Hazmat Rescue & Fire Equipment	2305	380 300,00	285 682,23	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
74402100901	22	Landfill Site: PPE	4402	60 000 000,00	98 512,50	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104148	23	Laptops (Standard)	1307	476 656,00	260 638,61	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104149	24	Laptops (Small)	1307	22 020,00	22 017,39	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104150	25	Personal Computers (PC's)	1307	145 810,00	145 810,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104151	26	Printers (3-in-1)	1307	21 000,00	17 966,09	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71308102203	27	Office Extension / Office Container - RRAMS	2801	300 000,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
72801104001	28	Office Furniture - RRAMS	2801	100 000,00	85 185,56	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104153	29	A3 Printer (GIS)	1307	22 400,00	22 392,17	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104121	30	Insurance / Uneconomical Repair	1307	30 000,00	5 988,70	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230005	31	ICT Infrastructure: Servers	1207	884 459,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230006	32	ICT Infrastructure: Security	1207	67 624,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230007	33	ICT Infrastructure: Upgrade MS SQL	1207	51 740,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230010	34	ICT Infrastructure: 8 Port Switches	1207	76 544,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230013	35	ICT Infrastructure: 6 U Rack Units	1207	54 261,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230014	36	ICT Infrastructure: 9 U Rack Units	1207	5 392,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230011	37	ICT Infrastructure: Access Points (AP-AC-LR)	1207	33 852,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230015	38	ICT Infrastructure: 1 U Brush Panels	1207	2 348,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230016	39	ICT Infrastructure: 48 Port Patch Panels	1207	2 323,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i. to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.

SCOA config	Nr	Project description	Cost centre	Adjusted budget R'000	YTD Expenditure R'	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
07 120 723 0018	40	ICT Infrastructure: Blanking Plates	1207	9 920,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 120 723 0022	41	Multimedia Group Conferencing Devices	1207	31 131,00	31 130,44	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 120 723 0024	42	Council Chambers - Multimedia	1207	255 629,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 120 723 0021	43	UPS	1207	10 335,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 120 723 0008	44	ICT Infrastructure: 48 Port Switches	1207	191 595,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 120 723 0009	45	ICT Infrastructure: 24 Port Switches	1207	70 859,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 120 723 0012	46	ICT Infrastructure: Access Points (UAP-XG-US)	1207	147 305,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 120 723 0017	47	ICT Infrastructure: 24 Port Patch Panels	1207	11 948,00		Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 120 723 0019	48	ICT Infrastructure: QNAP Storage	1207	143 080,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 120 723 0020	49	TDR Meter	1207	15 969,00		Order Issued to Supplier	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 120 723 0023	50	Webcams	1207	5 870,00	5 569,57	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 120 723 0025	51	Tablets	1207	50 000,00	15 648,70	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 130 710 4155	52	Tripod System	1307	12 000,00	0,00	Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 130 710 4157	53	4-in-1 Printers	1307	13 000,00	0,00	Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 130 710 4158	54	Colour Printer	1307	6 500,00	0,00	Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 130 710 4156	55	USB HDD / SSD Clone Dock	1307	1 700,00	0,00	Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07 130 710 4159	56	Finger Scanner	1307	26 000,00	0,00	Not Started Yet	Not Started Yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
Totals				76 572 524,00	1 145 950,58				

Commitments against capital for the month December 2021				
71120006639	8	Office Furniture & Equipment: Man Planning&Dev	1401	2 130,44
72305230001	21	Hazmat Rescue & Fire Equipment	2305	48 748,02
72801104001	28	Office Furniture - RRAMS	2801	0,01
071207230005	31	ICT Infrastructure: Servers	1207	884 458,26
071207230006	32	ICT Infrastructure: Security	1207	67 624,00
071207230007	33	ICT Infrastructure: Upgrade MS SQL	1207	51 739,13
071207230010	34	ICT Infrastructure: 8 Port Switches	1207	76 544,00
071207230013	35	ICT Infrastructure: 6 U Rack Units	1207	54 260,87
071207230014	36	ICT Infrastructure: 9 U Rack Units	1207	5 391,30
071207230011	37	ICT Infrastructure: Access Points (AP-AC-LR)	1207	33 852,00
071207230015	38	ICT Infrastructure: 1 U Brush Panels	1207	2 347,83
071207230016	39	ICT Infrastructure: 48 Port Patch Panels	1207	2 322,39
071207230018	40	ICT Infrastructure: Blanking Plates	1207	3 920,00
71301240001	5	Office furniture: Exec Manager Corporate Services	1301	1 673,00
72205230001	19	Power Tools	2205	0,01
071207230021	43	UPS	1207	10 335,00
071207230008	44	ICT Infrastructure: 48 Port Switches	1207	191 595,00
071207230009	45	ICT Infrastructure: 24 Port Switches	1207	70 858,44
071207230012	46	ICT Infrastructure: Access Points (UAP-XG-US)	1207	147 304,35
071207230019	48	ICT Infrastructure: QNAP Storage	1207	143 080,00
071207230020	49	TDR Meter	1207	15 968,21
71801240001	11	Office of the executive manager Community: office equipment	1801	5 150,13
		Total Commitments		1 819 302,39

Section 12 – Municipal manager's quality certification



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OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Jan-Willem De Jager
Reference: 6/1/1 – 21/22
Date: 11 January 2022

Provincial Treasury
Local Government Budget Analysis
Private Bag X9165
CAPE TOWN
8000

National Treasury
Local Government Budget Analysis
Private Bag X115
PRETORIA

Sir / Madam

QUALITY CERTIFICATE

I, MG STRATU, the accounting officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**, hereby certify that the–

- ☐ The monthly budget statement
- ☐ Quarterly report on the implementation of the budget and financial state of affairs of the municipality
- ☐ **Mid- year budget and performance assessment**

for the period ended **31 DECEMBER 2021**, has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

Print Name

LUISA MENDY

Accounting Officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**.

Signature

[Signature]

Date

12/1/2022



Section 72

Non Financial Performance Report

2021/2022

MID-YEAR PERFORMANCE ASSESSMENT FOR GARDEN ROUTE DISTRICT MUNICIPALITY

General

Purpose of Report

To submit to the Executive Mayor an assessment report on the Municipality's Performance covering the period

1 July 2021 to 31 December 2021.

1. Summary

In terms of Section 72 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the accounting officer of a municipality must, by 25 January of each financial year, assess the performance of the municipality during the first half of the financial year and submit a report on such an assessment to the Mayor of the municipality, the National Treasury and the relevant provincial treasury. The Mayor must in turn, comply with the provisions of Section 54, which includes submitting the report to Council by 31 January of each year.

2. Constitutional and Policy Implications

The process is currently driven by legislation. A reviewed policy has been approved.

3. Legal Implications

3.1 Section 72 (1), Local Government: Municipal Finance Management Act, 2003 (Act 55 of 2003), **referred to as the MFMA**

3.2 Local Government: Municipal Systems Act, 2000 (Act 32 of 200) (Chapter 6 and sections 16 and 26 of Chapters 4 and 5, respectively), as read with the Local Government: Municipal Systems Amendment Act, 2003 (Act 44 of 2003)

4. Background

4.1 In terms of Section 72 (1) of the MFMA, the accounting officer of a Municipality must by 25 January of each year;

- (a) assess the performance of the municipality during the first half of the financial year, taking into account-
 - (i) the monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and the performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
 - (iv) the performance of every municipal entity under the sole and shared control of the municipality, taking into account report in terms of section 88 from any such entity; and
- (b) submit a report on such assessment to-
 - (i) the Mayor of the municipality
 - (ii) the National Treasury; and
 - (iii) the relevant Provincial Treasury

4.2 Thereafter, the mayor must, in terms of Section 54 (1)-

- (a) consider the report
- (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that the revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustment budget;
- (d) issue any appropriate instructions to the accounting officer to ensure-
 - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and

(ii) that spending of funds and revenue collection proceed in accordance with the budget;

(e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and

(f) submit the report to the council by 31 January of each year

5. Top Level Service Delivery and Budget Implementation Plan (SDBIP)

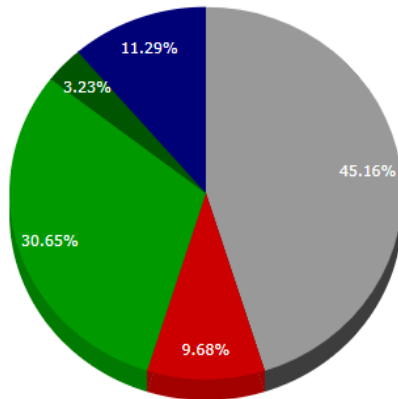
6. Notification for Council

5. Top Level Service Delivery and Budget Implementation Plan (SDBIP)

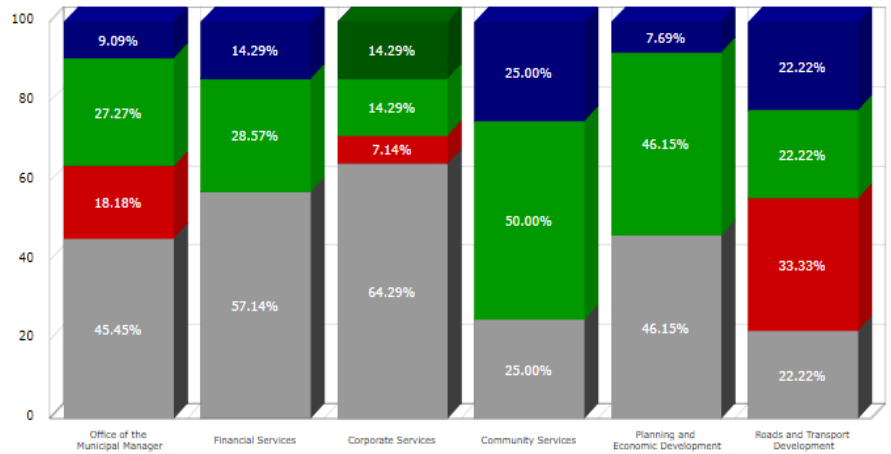
Top Layer KPI Report

Report drawn on 13 January 2022 at 07:53
for the months of Quarter ending September 2021 to Quarter ending December 2021.

Garden Route District Municipality



Responsible Directorate



	Garden Route District Municipality	Responsible Directorate						
		Office of the Municipal Manager	Financial Services	Corporate Services	Community Services	Planning and Economic Development	Roads and Transport Development	[Unspecified]
Not Yet Applicable	28 (45.16%)	5 (45.45%)	4 (57.14%)	9 (64.29%)	2 (25.00%)	6 (46.15%)	2 (22.22%)	-
Not Met	6 (9.68%)	2 (18.18%)	-	1 (7.14%)	-	-	3 (33.33%)	-
Almost Met	-	-	-	-	-	-	-	-
Met	19 (30.65%)	3 (27.27%)	2 (28.57%)	2 (14.29%)	4 (50.00%)	6 (46.15%)	2 (22.22%)	-
Well Met	2 (3.23%)	-	-	2 (14.29%)	-	-	-	-
Extremely Well Met	7 (11.29%)	1 (9.09%)	1 (14.29%)	-	2 (25.00%)	1 (7.69%)	2 (22.22%)	-
Total:	62	11	7	14	8	13	9	-
	100%	17.74%	11.29%	22.58%	12.90%	20.97%	14.52%	-

Explanation of Colour Coding;

- **Grey (N/A)** – KPI's with targets that are not set for the period under review
- **Red (R)** – KPI's which were not met for the period under review, $0\% \leq \text{Actual/Target} \leq 74.9\%$
- **Orange (O)** – KPI's that were almost met, $75\% \leq \text{Actual/Target} \leq 99\%$
- **Green (G)** – KPI's where targets are achieved, $\text{Actual/Target} = 100\%$
- **Dark Green (G2)** - KPI's that are well met,(over achievement) $100\% \leq \text{Actual/Target} \leq 149\%$
- **Dark Blue (B)** – KPI's that are extremely well met,(over achievement) $150\% \leq \text{Actual/Target}$

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Annexure A

OFFICE OF THE MUNICIPAL MANAGER							
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2021 to Quarter ending December 2021		
					Target	Actual	R
TL1	Submit an Operation Clean Audit Report (OPCAR) progress report to the Management Committee (MANCOM) on a quarterly basis	Number of progress reports submitted to MANCOM	Good Governance	5	2	2	G
TL2	Submit the Top Layer SDBIP for 2022/23 for approval to the Mayor within 14 days after the budget has been approved	Top Layer SDBIP for 2022/23 submitted to the Mayor within 14 days after the budget has been approved	Good Governance	1	0	0	N/A
TL3	Submit the draft Annual Performance Report for 2020/21 to the Auditor-General by 31 August 2021	Draft Annual Performance Report for 2020/21 submitted to the Auditor-General by 31 August 2021	Good Governance	1	1	1	G
TL4	Submit a monthly report on Individual Performance Management to MANCOM	Number of reports submitted	Good Governance	New KPI for 2021/22	6	2	R
TL5	Review the Organisational Strategic Risk Register (Top 10) and submit to Council by 31 May 2022	Reviewed Organisational Strategic Risk Register submitted to Council by 31 May 2022	Good Governance	1	0	0	N/A
TL6	Review the Risk-Based Audit Plan (RBAP) for 2022/23 and submit to the Audit Committee for consideration by 30 June 2022	RBAP for 2022/23 reviewed and submitted to the Audit Committee by 30 June 2022	Good Governance	1	0	0	N/A
TL7	Complete 90% of the Risk Based Audit Plan (RBAP) for the 2021/22 financial year by 30 June 2022 [(Number of audits and tasks completed for the period identified in the RBAP/ Number of audits and tasks identified in the RBAP) x 100]	% of the Risk Based Audit Plan completed by 30 June 2022	Good Governance	New KPI for 2021/22	25.00%	41.00%	B

OFFICE OF THE MUNICIPAL MANAGER							
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2021 to Quarter ending December 2021		
					Target	Actual	R
TL8	The percentage of the municipal capital budget spent on capital projects by 30 June 2022 [(Actual amount spent on capital projects /Total amount budgeted for capital projects) x 100]	% of capital budget spent by 30 June 2022	Financial Viability	95.29%	5.00%	2.00%	R
TL9	Compile and submit the final Oversight Report for 2020/21 to Council by 31 March 2022	Final Oversight Report for 2020/21 submitted to Council by 31 March 2022	Good Governance	1	N/A	N/A	N/A
TL10	Submit the Draft Communication Transition Plan to MANCOM by 31 July 2021	Draft Communication Transition Plan submitted	Good Governance	New KPI for 2021/22	1	1	G
TL11	Review the system of delegations and submit to Council by 28 February 2022	Reviewed systems of delegations submitted	Good Governance	New KPI for 2021/22	N/A	N/A	N/A

COMMUNITY SERVICES							
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2021 to Quarter ending December 2021		
					Target	Actual	R
TL12	Submit quarterly reports to the Community Services Portfolio Committee on the progress with regards to the Garden Route Food Pantry	Number of reports submitted	A Skilled Workforce and Communities	New KPI for 2021/22	2	2	G
TL13	Appoint a service provider for the design and construction of a new fire station in Mossel Bay by 31 December 2021	Service provider appointed	Health and public safety	New KPI for 2021/22	1	1	G
TL14	Appoint a service provider for the building, operating and construction of a regional landfill facility in Mossel Bay by 31 December 2021	Service provider appointed	Health and public safety	New KPI for 2021/22	1	1	G
TL15	Approval (ROD) on Design from the Department of Water and Sanitation and the Department of Forestry, Fisheries and the Environment	Approval (ROD) received by March 2022	Health and public safety	New KPI for 2021/22	N/A	N/A	N/A
TL16	Finalise the tender documents on construction tender	Tender Documentation finalised by June 2022	Health and public safety	New KPI for 2021/22	N/A	N/A	N/A
TL17	Execute 2 emergency preparedness exercises and submit reports to the Portfolio Committee by 30 June 2022	Number of reports submitted by 30 June 2022	Health and public safety	New KPI for 2021/22	1	1	G
TL18	Execute 4 emission testing (air quality) initiatives by 30 June 2022	Number of emission testing (air quality) initiatives executed by 30 June 2022	Health and public safety	New KPI for 2021/22	2	5	B
TL19	Spend 90% of the budget for HAZMAT rescue and fire equipment by 30 June 2022 [(Actual expenditure on project/Budgeted amount for project) x 100]	% of budget spent	Health and public safety	New KPI for 2021/22	35%	75%	B

FINANCIAL SERVICES							
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2021 to Quarter ending December 2021		
					Target	Actual	R
TL20	Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2022 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Number of months that available cash is sufficient to cover the monthly operating expenditure(Audit AFS)	Financial Viability	9.12	3	5.8	B
TL21	Submit the Long-Term Financial Plan to Council to address the financial sustainability of Garden Route District Municipality by 31 December 2021	Long Term Financial Plan submitted to Council by 31 December 2021	Financial Viability	1	1	1	G
TL22	Achieve a current ratio of 1.5 (Current assets : Current liabilities) by 30 June 2022	Number of times the Municipality can pay back its short term-liabilities with its short-term assets by 30 June 2022	Financial Viability	2.60	N/A	N/A	N/A
TL23	Financial viability measured in terms of the municipality's ability to meet its service debt obligations by 30 June 2022 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100]	% of debt coverage	Financial Viability	1.47%	0%	0%	N/A
TL24	Compilation of the Annual Financial Statements (AFS) for the 2020/21 financial year and submit to the Auditor-General (AG) by 31 August 2021	Compilation and submission of the AFS to the AG by 31 August 2021	Financial Viability	1	1	1	G
TL25	Review the SCM Policy to consider appropriate amendments to support the EPWP mandate and submit to Council by 31 May 2022	Annual review of the SCM policy submitted to Council by May 2022	A Skilled Workforce and Communities	1	N/A	N/A	N/A
TL26	Compile the Mid-year Financial Statements for the 2021/22 financial year and submit to APAC by 28 February 2022	Compilation and submission of the Mid-year Financial Statements to APAC by 28 February 2022	Financial Viability	New KPI for 2021/22	N/A	N/A	N/A

CORPORATE SERVICES

KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2021 to Quarter ending December 2021		
					Target	Actual	R
TL27	Report quarterly to Council on the revision of the Human Resource Policies of the Organisation	Number of reports submitted to Council	Good Governance	7	2	2	G
TL28	Number of people from employment equity target groups that will be appointed in the three highest levels of management during the 2021/22 financial year in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and associate professionals)	Number of people appointed in the three highest levels of management in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and associate professionals)	A Skilled Workforce and Communities	2	0	0	G
TL29	Spend 1% of personnel budget on training by 30 June 2022 [(Actual total training expenditure/total personnel budget) x 100]	% of the personnel budget spent on training by 30 June 2022	A Skilled Workforce and Communities	2.37%	N/A	N/A	N/A
TL30	Limit vacancy rate to 10% of budgeted post by 30 June 2022 [(Number of funded posts vacant/number of funded posts) x 100]	% vacancy rate	A Skilled Workforce and Communities	7.61%	N/A	N/A	N/A
TL31	Review the organisational structure and submit to Council by 30 June 2022	Organisational structure reviewed and submitted to Council by 30 June 2022	A Skilled Workforce and Communities	1	N/A	N/A	N/A
TL32	Award 18 external bursaries to qualifying candidates by 31 March 2022	Number of external bursaries awarded by March 2022	A Skilled Workforce and Communities	22	N/A	N/A	N/A
TL33	Award 10 internal bursaries to qualifying candidates by 31 March 2022	Number of internal bursaries awarded by March 2022	A Skilled Workforce and Communities	New KPI for 2021/22	N/A	N/A	N/A
TL34	Create training opportunities for EPWP appointees by 30 June 2022	Number of training opportunities created for EPWP appointees by 30 June 2022	A Skilled Workforce and Communities	93	N/A	N/A	N/A

TL35	Submit a quarterly report to Council on the execution of council resolutions	Number of reports submitted to Council on a quarterly basis	Good Governance	New KPI for 2021/22	2	1	R
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CORPORATE SERVICES							
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2021 to Quarter ending December 2021		
					Target	Actual	R
TL36	Spend 90% of the capital budget for ICT by 30 June 2022 [(Actual capital expenditure for ICT/Capital budgeted amount for ICT) x 100]	% of capital budget spent for ICT	Financial Viability	New KPI for 2021/22	N/A	N/A	N/A
TL37	Develop a Deployment/Career Pathing/Staff Rationale Strategy and submit to Council by 30 June 2022	Deployment/Career Pathing/Staff Rationale Strategy submitted	A Skilled Workforce and Communities	New KPI for 2021/22	N/A	N/A	N/A
TL38	Capture 95% of permanent employee records on the Electronic Records System by 31 December 2021 [(Number of permanent employee records captured on the Electronic Records System / Number of permanent employees) x 100]	% of permanent employees captured on the Electronic Records Systems	A Skilled Workforce and Communities	New KPI for 2021/22	95%	100%	G2
TL39	Develop a Gender Mainstreaming Action Plan and submit to Council by 30 June 2022	Number of actions plans submitted	A Skilled Workforce and Communities	New KPI for 2021/22	N/A	N/A	N/A
TL40	Submission of the GRSM Skills Mecca Implementation Plan to Council for approval	Implementation Plan submitted to Council for approval by 30 August 2022	A Skilled Workforce and Communities	New KPI for 2021/22	1	1	G

PLANNING AND ECONOMIC DEVELOPMENT							
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2021 to Quarter ending December 2021		
					Target	Actual	R
TL41	Create job opportunities through the Expanded Public Works Programme (EPWP) for the organisation by 30 June 2022	Number of job opportunities created through the Expanded Public Works Programme (EPWP) by 30 June 2022	Grow and Inclusive District Economy	512	100	272	B
TL42	Compile and submit the Final Annual Report 2020/21 to Council by 31 December 2021	Final Annual Report for 2020/21 submitted to Council by 31 December 2021	Good Governance	1	1	1	G
TL43	Submit an integrated progress report on the implementation of the Growth and Development Strategy to Council by 30 June 2022	Number of integrated progress reports submitted	Local economic Development	New KPI for 2021/22	N/A	N/A	N/A
TL44	Attend the World Travel Market exhibition and submit a report to MANCOM by 31 May 2022	Report submitted to MANCOM by 31 May 2022	Local economic Development	New KPI for 2021/22	N/A	N/A	N/A
TL45	Coordinate and attend the quarterly Garden Route Economic Cluster meetings	Number of meetings coordinated and attended	Local economic Development	New KPI for 2021/22	2	2	G
TL46	Sign a Service Level Agreement with WESGRO Investment Promotion Unit to market the Garden Route Investment Prospectus by 30 November 2021	Signed Service Level Agreement	Local economic Development	New KPI for 2021/22	1	1	G
TL47	Sign a Service Level Agreement (SLA) with the Garden Route Film Commission by 30 November 2021	Signed Service Level Agreement	Grow and Inclusive District Economy	New KPI for 2021/22	1	1	G

PLANNING AND ECONOMIC DEVELOPMENT

KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2021 to Quarter ending December 2021		
					Target	Actual	R
TL48	Review and align the Integrated Human Settlements Strategic Plan and submit to Council by 31 December 2021	the Integrated Human Settlements Strategic Plan submitted	Good Governance	New KPI for 2021/22	1	1	G

PLANNING AND ECONOMIC DEVELOPMENT

KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2021 to Quarter ending December 2021		
					Target	Actual	R
TL49	Submit a Project Initiation Document (PID) on the conceptual development framework and business plan for Social Housing and Finance Linked Individual Subsidy Programme (FLISP) to Council by 31 March 2022	Number of PID's submitted	Good Governance	New KPI for 2021/22	N/A	N/A	N/A
TL50	Complete and submit an application for "Accreditation Level 1" to Provincial Government by 30 June 2022	Application for "Accreditation Level 1" submitted	Good Governance	New KPI for 2021/22	N/A	N/A	N/A
TL51	Develop and submit the new Integrated Development Plan (IDP) for the 2022-2027 period to Council by 31 May 2022	IDP submitted	Good Governance	New KPI for 2021/22	N/A	N/A	N/A
TL52	Install a solar energy powered system in at least one of the Municipal Properties by 30 June 2022	Solar energy powered system installed	Promote sustainable environmental management and public safety	New KPI for 2021/22	N/A	N/A	N/A
TL53	Submit a Turnaround Strategy for Municipal Resorts to Council by 31 December 2021	Turnaround Strategy for Municipal Resorts submitted	Good Governance	New KPI for 2021/22	1	1	G

ROADS AND TRANSPORT SERVICES							
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2021 to Quarter ending December 2021		
					Target	Actual	R
TL54	Job creation through the Roads Services by June 2022	Number of Jobs created by 30 June 2022	A Skilled Workforce and Communities	75	25	75	B
TL55	Spent 95% of the roads budget allocation by 31 March 2022 (Actual expenditure divided by approved allocation received)	% of the roads spent by 31 March 2022	Financial Viability	98%	0%	35%	B
TL56	Reseal 27.84 km of roads by 30 June 2022	Number of km's of roads resealed	Bulk Infrastructure and Co-ordination	32.03	N/A	N/A	N/A
TL57	Regravel 30.38 km of roads by 30 June 2022	Number of km's of roads regavelled by 30 June 2022	Bulk Infrastructure and Co-ordination	18.80	10	3.57	R
TL58	Compile a business plan for the Rural Road Asset Management Systems (RRAMS) and submit to MANCOM by 30 June 2022	RRAMS business plan compiled and submit to MANCOM by 30 June 2022	Bulk Infrastructure and Co-ordination	1	N/A	N/A	N/A
TL59	Develop a complaints management system by 31 December 2021	Complaints management system developed	Good Governance	New KPI for 2021/22	1	1	G
TL60	Submit a quarterly consolidated report on the progress of all projects to MANCOM	Number of reports submitted to MANCOM	Good Governance	New KPI for 2021/22	2	1	R
TL61	Submit a bi-annual report to Council on the replacement value of fleet vehicles	Number of reports submitted	Good Governance	2	1	1	G

ROADS AND TRANSPORT SERVICES

KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2021 to Quarter ending December 2021		
					Target	Actual	R
TL62	Submit a quarterly progress report to MANCOM on issues raised in the "Roads to Recover Report"	Number of progress reports submitted	Good Governance	New KPI for 2021/22	2	0	R

[BACK TO AGENDA](#)

DISTRICT COUNCIL

25 JANUARY 2022

**1. REVISED 2022- 2023 IDP BUDGET & PMS TIME SCHEDULE/ HERSIENE 2022-2023
GOP BEGROTING & PBS TYDSKEDULE / ULWABIWO-MALI IDP KUNYE NOLUHLU
LWEXESHA LE PMS KU 2022-2023**

**REPORT FROM: THE EXECUTIVE MAYOR (M BOOYSEN) /EXECUTIVE MANAGER:
PLANNING & ECONOMIC DEVELOPMENT (L MENZE)**

2. PURPOSE

The purpose of this report is to present the Revised IDP, Budget & PMS Time Schedule of the key deadlines for the 2022/23 IDP& Budget process for Council to adopt.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The IDP Budget and PMS Time schedule must be adopted by Council annually, which sets out the key deadlines of activities that must take place to complete the IDP and Budget processes.

Section 21 of the MFMA states that:

21. (1) The mayor of a municipality must—

(a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;

(b) at least 10 months before the start of the budget year, table in the municipal council —

(i) the preparation, tabling and approval of the annual budget;

(ii) the annual review of— (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and (bb) the budget-related policies;

(iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and

(iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).

The previous Council adopted the 2022/2023 IDP Budget & PMS Time Schedule on 24 August 2021 in accordance with Section 21 of the MFMA as stated above.

5. RECOMMENDATION

That Council adopts the 2022/2023 IDP Budget & PMS Time Schedule.

AANBEVELING

Dat die Raad die 2022/2023 GOP Begroting en PBS Tydschedule goedkeur.

IZINDULULO

Sesokuba iBhunga lamkele uLwabiwo-Mali IDP kunye Oluhlu lwe PMS luka 2022/2023.

6. DISCUSSION / CONTENTS

6.1. Background

On 25 November 2021, the current Council adopted the IDP of its predecessors without amendments after the various options as provided by Department of Local Government were considered. A new IDP will be developed and tabled in May 2023 to reflect the priorities of the current Council.

6.2 Discussion

In order for the 2022/2023 IDP to be tabled by May 2022 the following key dates and activities should be noted by Council:

Dates	Engagement/Activity
22 & 23 February 2022	Institutional Strategic Planning Session
March 2022	Tabling of Draft 2022/2023 IDP
March 2022	IDP to be made public for comments
20 April 2022	IDP Budget & PMS Representative Forum Meeting
May 2022	Tabling of Final 2022/2023 IDP
June 2022	IDP to be made public

Section 28 of the Municipal Systems Act 32 of 2000:

28. (1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the

planning, drafting, adoption and review of its integrated development plan

Section 27 of the Municipal Systems Act 32 of 2000:

27. (1) Each district municipality, within a prescribed period after the start of its 40 elected term and after following a consultative process with the local municipalities within its area, must adopt a framework for integrated development planning in the area as a whole.

The IDP Process Plan and District Framework will be tabled to Council for approval by August 2022 to guide the process to be undertaken with the development of the new term IDP of the 2022-2027 District Council.

Resolutions taken at the Institutional Strategic Planning Session and any public inputs will be considered during the development of the new term IDP

Please see below the different options that were proposed by Department of Local Government. Council adopted Option 1.

Impact of elections possibly taking place in February 2022 – Possible options for dealing with the IDP process as per the Municipal Systems Act

Common activities – Now until new Councils have been constituted and decided on the available options	Timeframe
1. Set out the IDP/Budget process to be followed out Time Schedule of Key Deadlines as per MFMA	August 2021
2. Municipal elections (exact date still to be set and subject to direction from Constitutional Court)	February 2022 +
3. New municipal council's constituted (number of months required TBC)	March 2022 +
4. Proposed workshop with the newly elected Council on Section 25(3) of the Municipal Systems Act (MSA)	April 2022 +
5. Item to new Council on the Time Schedule of Key Deadlines as adopted in August 2021 and the available options	April 2022 +
6. New Council to decide on the available options as elaborated upon below	April 2022 +

OPTION 1: New Council adopts IDP of predecessor without amendment and completes any amendments as per the normal IDP process for tabling in March 2023 and adoption in May 2023		OPTION 2: New Council adopts IDP of predecessor without amendment and makes use of the mid-year budget adjustment process to amend IDP		OPTION 3: New Council adopts IDP of predecessor with amendments thereto by the end of June 2022		OPTION 4: New Council adopts new term IDP by the end of June 2022	
Activities	Timeframe	Activities	Timeframe	Activities	Timeframe	Activities	Timeframe
1. Consult with communities on their development needs and priorities as per section 29(1)(b)(i) of the MSA	March 2022	1. Consult with communities on their development needs and priorities as per section 29(1)(b)(i) of the MSA	March 2022	1. Consultation with local municipalities on and adoption by District Municipality of a District Framework as per section 27 of the MSA	March 2022	1. Consultation with local municipalities on and adoption by District Municipality of a District Framework as per section 27 of the MSA	March 2022
2. Identify all plans and planning requirements binding on the municipality in terms of national and provincial legislation as per section 29(1)(c) of the MSA	March 2022	2. Identify all plans and planning requirements binding on the municipality in terms of national and provincial legislation as per section 29(1)(c) of the MSA	March 2022	2. Compilation of a draft IDP process plan as per section 28 of the MSA	March 2022	2. Compilation of a draft IDP process plan as per section 28 of the MSA	March 2022
3. Adoption of predecessors IDP without amendment - Sec 25(3)(a) of the MSA	May 2022	3. Adoption of predecessors IDP without amendment - Sec 25(3)(a) of the MSA	May 2022	3. Consult community on the draft IDP Process Plan before adoption - Sec 28(2) of the MSA	March 2022	3. Consult community on the draft IDP Process Plan before adoption - Sec 28(2) of the MSA	March 2022
4. Give notice to the public of the adoption of the IDP and that copies or extracts are available for public inspection at specified places (within 14 days of adoption) – Sec 25(4)(a) of MSA	June 2022	4. Give notice to the public of the adoption of the IDP and that copies or extracts are available for public inspection at specified places (within 14 days of adoption) – Sec 25(4)(a) of MSA	June 2022	4. Adoption of IDP Process Plan as per section 28(1) of the MSA	April 2022	4. Adoption of IDP Process Plan as per section 28(1) of the MSA	April 2022
5. Publicise a summary of the IDP- Sec 25(4)(b) of MSA	June 2022	5. Publicise a summary of the IDP- Sec 25(4)(b) of MSA	June 2022	5. Public participation to establish the development needs and priorities of communities	April 2022	5. Public participation to establish the development needs and priorities of communities	April 2022

OPTION 1: New Council adopts IDP of predecessor without amendment and completes any amendments as per the normal IDP process for tabling in March 2023 and adoption in May 2023		OPTION 2: New Council adopts IDP of predecessor without amendment and makes use of the mid-year budget adjustment process to amend IDP		OPTION 3: New Council adopts IDP of predecessor with amendments thereto by the end of June 2022		OPTION 4: New Council adopts new term IDP by the end of June 2022	
Activities	Timeframe	Activities	Timeframe	Activities	Timeframe	Activities	Timeframe
6. Consultation with local municipalities on and adoption by District Municipality of a District Framework as per section 27 of the MSA	July 2022	6. Consultation with local municipalities on and adoption by District Municipality of a District Framework as per section 27 of the MSA	July 2022	6. Draft amended IDP	April/May 2022	6. Drafting of 5-Year IDP following the phases as per the national guidelines and taking into consideration any proposals received from the district/local municipalities	April/ May 2022
7. Compilation of a draft IDP process plan as per section 28 of the MSA	August 2022	7. Compilation of a draft IDP process plan as per section 28 of the MSA	August 2022	7. Table amended IDP in Council by end of May 2022 taking into consideration the requirements of the Municipal Planning and Performance Management Regulations	May 2022	7. Table 5-Year IDP at the end of May 2022	May 2022
8. Consult community on the draft IDP Process Plan before adoption - Sec 28(2) of the MSA	August 2022	8. Consult community on the draft IDP Process Plan before adoption - Sec 28(2) of the MSA	August 2022	8. Advertise proposed amendment for a period of 21 days to allow for public comment	June 2022	8. Consultation on draft 5-Year IDP	June 2022
9. Adoption of IDP Process Plan as per section 28(1) of the MSA	August 2022	9. Adoption of IDP Process Plan as per section 28(1) of the MSA	August 2022	9. Consult district municipality or local municipality on the proposed amendment as per Municipal Planning and Performance Management Regulations	June 2022	9. Final adoption of IDP at the end of June 2022	June 2022
10. Public participation to establish the development needs and priorities of communities	September – October 2022	10. Public participation to establish the development needs and priorities of communities	August 2022	11. Final adoption of IDP amendments taking into consideration input received from public and the district or local municipalities	June 2022	10. Give notice to the public of the adoption of the IDP and that copies or extracts are available for public inspection at specified places (within 14 days of adoption)	July 2022
11. Draft amended IDP	October 2022 – March 2023	11. Draft amended IDP	September – October 2022	12. Give notice to the public of the adoption of the amended IDP and that copies or extracts are available for public inspection at specified places (within 14 days of adoption)	July 2022	11. Publicise a summary of the IDP	July 2022

OPTION 1: New Council adopts IDP of predecessor without amendment and completes any amendments as per the normal IDP process for tabling in March 2023 and adoption in May 2023		OPTION 2: New Council adopts IDP of predecessor without amendment and makes use of the mid-year budget adjustment process to amend IDP		OPTION 3: New Council adopts IDP of predecessor with amendments thereto by the end of June 2022		OPTION 4: New Council adopts new term IDP by the end of June 2022	
Activities	Timeframe	Activities	Timeframe	Activities	Timeframe	Activities	Timeframe
12. Table amended IDP in Council by end of March 2023 taking into consideration the requirements of the Municipal Planning and Performance Management Regulations	March 2023	12. Table amended IDP in Council by end of November 2022 taking into consideration the requirements of the Municipal Planning and Performance Management Regulations	November 2022	13. Publicise a summary of the amended IDP	July 2022	12. Submit copy of adopted 5-Year IDP to the MEC for Local Government (within 10 days of adoption)	July 2022
13. Advertise proposed amendment for a period of 21 days to allow for public comment	April 2023	13. Advertise proposed amendment for a period of 21 days to allow for public comment	December 2022	14. Submit copy of adopted 5-Year IDP to the MEC for Local Government (within 10 days of adoption)	July 2022		
14. Consult district municipality or local municipality on the proposed amendment as per Municipal Planning and Performance Management Regulations	April 2023	14. Consult district municipality or local municipality on the proposed amendment as per Municipal Planning and Performance Management Regulations	December 2022				
15. Final adoption of IDP amendments taking into consideration input received from public and the district or local municipalities	May 2023	15. Final adoption of IDP amendments taking into consideration input received from public and the district or local municipalities	January 2023				
16. Give notice to the public of the adoption of the amended IDP and that copies or extracts are available for public inspection at specified places (within 14 days of adoption)	June 2023	16. Give notice to the public of the adoption of the amended IDP and that copies or extracts are available for public inspection at specified places (within 14 days of adoption)	February 2023				
17. Publicise a summary of the amended IDP	June 2023	17. Publicise a summary of the amended IDP	February 2023				
18. Submit copy of the amended IDP to the MEC for Local Government (within 10 days of adoption)	June 2023	18. Submit copy of the amended IDP to the MEC for Local Government (within 10 days of adoption)	February 2023				

6.3 Financial Implications

None

6.4 Legal Implications

None

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

There are no previous or relevant Council resolutions related to this matter.

6.7 Risk Implications

None

Annexure

2022/2023 IDP Budget & PMS Time Schedule



REVISED 2022-2023 IDP, Budget & PMS Time Schedule of Key Deadlines (In preparation of the 2022/2023 Integrated Development Plan



Month	IDP	Performance	Budget	Legal Reference
PREPARATION & ANALYSIS				
September				
September 2021	Submit 2022/2023 IDP Budget Time Schedule with Council resolution to MEC – DLG NT and PT (GRDM) Advertise IDP Budget & PMS Time Schedule (GRDM)		Submit 2022/2023 IDP Budget Time Schedule with Council resolution to MEC – DLG NT and PT (GRDM) Advertise IDP Budget & PMS Time Schedule (GRDM)	MSA Section 21, 28(3)
September 2021	Council to submit unaudited tabled annual report to MPAC for vetting and verification of councils' directive on service delivery and the committee to evaluate Senior Managers' performance agreement entered into			Circular 63 of the MFMA MFMA Section 127(5)
September 2021	Annual Report is made public and representation is invited			MFMA Section 127(5)
September 2021			Start setting up spreadsheets for budget submissions (Budget Office)	MFMA Section 21(1) (b) MFMA Section 21 (1) (b)
September			Review the Long term Financial Plan	MSA Section 26(h): An integrated

Month	IDP	Performance	Budget	Legal Reference
2021				development plan must reflect a financial plan, which must include a budget projection for at least the next three years.
September 2021	Provincial IDP Managers Forum Meeting			
September 2021	IDP Budget & PMS Representative Forum Meeting	IDP Budget & PMS Representative Forum Meeting	IDP Budget & PMS Representative Forum Meeting	MSA Section 56(2) The executive mayor must - (a) identify the needs of the municipality; (b) review and evaluate those needs in order of Priority MSA Section 29 (1) (b) MSA Section 56 (2)
September 2021	B Municipalities Public Participation Process			MSA Section 16(1)(a) MSA Section 29(1)(b)(i)
September 2021	Knysna Municipality: IDP Budget & PMS Representative Forum Meeting			MSA Section 56(2) The executive mayor must - (a) identify the needs of the municipality; (b) review and evaluate those needs in order of Priority MSA Section 29 (1) (b) MSA Section 56 (2)

October				
11 October 2021	Annual Report: Closing date for comments on Annual Report			MFMA Section 129, 130
October 2021	MPAC Meeting – Oversight Report			Circular 63
October 2021	B Municipalities Public Participation Process			MSA Section 16(1)(a) MSA Section 29(1)(b)(i)
28 October 2021	Oudtshoorn IGR / Stakeholder Representative Forum Meeting Municipality:			MSA, Act 32 of 2000 Section 24(1)(2)(3)(a)(b)(i)(ii)(4)
October 2021	Internal analysis <ul style="list-style-type: none"> critical issues / with respect to every service minimum service levels institutional 		Commence with salary, vehicle and operating budget Send out capital budget spreadsheets to departments	
			Deadline for operating budget inputs, e.g. salary budget and vehicle budget	
October 2021	IDP Budget & PMS Steering Committee to consolidate the analysis Phase	IDP Budget & PMS Steering Committee to consolidate the analysis Phase	IDP Budget & PMS Steering Committee to consolidate the analysis Phase	

STRATEGIES, PROJECTS & PROGRAMME IDENTIFICATION				
November				
1 November 2021	Local Government Elections 2021			
November – March 2022	New Municipal Council constituted			
November			Deadline for capital budget inputs from departments	
November	IGR Stakeholder and Sector Engagements to integrate sector plans into IDP			
November	George Municipality : IGR Engagements to obtain sector budget commitments			
11 November 2021	Join District IDP & Public Managers Forum Meeting			
23 November 2021	Council Induction Workshop			
25 November 2021	Council Inauguration			
December				
December 2021		Finalise first draft of departmental operational plans and SDBIP for review against	Commence with compilation of Adjustments Budget (B Schedule and Report)	

		strategic priorities		
December 2021	Provincial IDP Managers Meeting			
December 2021	Final Annual Report and Oversight Report tabled to Council, submitted to PT NT, AG and made public			Circular 63 of the MFMA
INTEGRATION				
January				
January - March 2022	As part of item to Council obtain decision as to adoption of predecessors IDP with or without amendment Workshop the new Council on the predecessor IDP			
January	Integrate and align to IDP documentation and draft SDBIP	Integrate and align to IDP documentation and draft SDBIP	Finalise in the prescribed formats incorporating National & provincial budget allocations	
January 2022			Finalise budget policies	
January 2022		Section 72 mid-year assessment report: Council Mayco Provincial	Section 72 mid-year assessment report: Council Mayco Provincial Treasury National Treasury	MFMA Section 72(1): The accounting officer of a municipality must by 25 January of each year- (a) assess the performance of the municipality during the first half of the financial year...

		Treasury National Treasury		and (b) submit a report on such assessment to- (i) the mayor of the municipality; (ii) the National Treasury; and (iii) the relevant provincial treasury MFMA Section 54(1)(f): The mayor must, in the case of a section 72 report, submit the report to the council by 31 January of each year.
January 2022		Finalise KPIs and Annual Performance Targets	Adjustments Budget	MFMA Section 28(1): A municipality may revise an approved annual budget through an adjustments budget. MBRR Regulation 23(1): An adjustments budget may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.
January 2022	Post Adjustments Budget, Mid-year Section 72 assessment as well as the Annual Report on the website	Post Adjustments Budget, Mid-year Section 72 assessment as well as the Annual Report on the website	Post Adjustments Budget, Mid-year Section 72 assessment as well as the Annual Report on the website	MBRR Regulation 34(1): Within 5 working days of 25 January each year the municipal manager must make the mid-year budget and performance assessment public by placing it on the municipal website.
FEBRUARY				
February 2022	Technical Strategic Planning session	IDP Budget & PMS Steering	IDP Budget & PMS Steering Committee to prepare for institutional Strategic	

		Committee to prepare institutional Strategic planning session	planning session	
February 2022		Compile draft SDBIP	Finalise the draft capital and operating budget and budget related policies	
February 2022			Finalise detailed operating and capital budgets in the prescribed formats incorporating National and Provincial budget allocations, integrate and align to IDP documentation and draft SDBIP, finalise budget policies including tariff policy Note any provincial and national allocations to municipalities (DORA and Prov Gazette) for incorporation into budget	
February 2022	Technical Integrated Municipal Engagements with Provincial Sector Departments			
9 February 2022	Joint District IDP & Public Participation Managers Forum			
10 February 2022	MMF & DCF			
February 2022			Advertise Adjustments Budget and Mid-year Section 72 assessment in local newspapers	MBRR Regulation 26
22 & 23 February	Institutional Strategic Planning Session	Institutional Strategic	Institutional Strategic Planning Session	

2022		Planning Session		
Before February 2022			Submit the approved adjustments budget to Provincial Treasury and National Treasury	MBRR Regulation 24(1)
Before February 2022			Receive notification of any transfers that will be made to the municipality from other municipalities in each of the next three fin years (by no later than 120 days before the start of its budget year)	MFMA Section 37(2)
February 2021	Knysna Municipality Technical Integrated Municipal Engagements with Provincial Sector Departments			
APPROVAL				
March				
March 2022	Provincial IDP Managers Forum Meeting			
March 2022	Table draft IDP and budget in Council (at least 90 days before the start of the budget year)		Table draft IDP and budget in Council (at least 90 days before the start of the budget year)	MFMA Section 16:
April				
April 2022	Make public the IDP, annual budget and supporting		Make public the IDP, annual budget and supporting documentation and invite	MFMA Section 22(a)

	documentation and invite the community to submit representations		the community to submit representations	
April 2022	Submit the draft IDP and budget to the Local Government, Provincial Treasury, National Treasury and other affected organs of state		Submit the draft IDP and budget to the Local Government, Provincial Treasury, National Treasury and other affected organs of state	MFMA Section 22(b)
20 April 2022	IDP Budget & PMS Rep Forum	IDP Budget & PMS Rep Forum	IDP Budget & PMS Rep Forum	MFMA Section 23(1): When the annual budget has been tabled, the municipal council must consider any views of – (a) the local community.
April 2022	Knysna Municipality IDP Budget & PMS Rep Forum			MFMA Section 23(1): When the annual budget has been tabled, the municipal council must consider any views of – (a) the local community.
May				
May 2022	Table final IDP and budget in Council (at least 30 days before the start of the budget year)		Completion of Annual Budget amendments / Refinements Table final IDP and budget in Council (at least 30 days before the start of the budget year)	MFMA Section 24(1):
June				
June 2022	Give notice to the public of the adoption of the IDP and that copies or extracts are		Make public the approved annual budget and supporting documentation (including tariffs) (within 10 working days after approval of the budget)	MSA Section 25(4)(a) MSA Section 25(4)(b)

	available for public inspection at specified places (within 14 days of adoption)			
June 2022		Submit to the Executive Mayor the draft SDBIP and draft annual performance agreements for the next year (within 14 days after approval of the budget)		MFMA Section 69(3):
June 2022		Place the performance agreements and all service delivery agreements on the website		MFMA Section 75(1):
June 2022		Submit copies of the performance agreements to the MEC for local government Submit the SDBIP to National and Provincial Treasury (within		MFMA Section 53(1)(c)(ii) MFMA Section 53(3)(b): MBRR Reg 20(2)(b): MFMA Section 53(3)(a):

		10 working days approval of the plan)		
June 2022		Make public the performance agreements of Municipal Manager and Senior Managers		MFMA Section 53(3)(b):
7 June 2022	Joint District IDP & Public Managers Forum meeting to discuss the District Framework and IDP Budget & PMS Process Plan			
9 June 2022	MMF & DCF			
	Provincial IDP Managers Forum Meeting			
Preparation/Planning				
July 2022	District IDP Budget & PMS Alignment Working Session	District IDP Budget & PMS Alignment Working Session	District IDP Budget & PMS Alignment Working Session	MFMA Section 75(1) 21, 53, 68, 77 MFMA Section 53(3)(b) Municipal Structures Act, 1998 Part 4 & S83, 88 Municipal Systems Act, 2000, Sections 17, 34, 76-81, 105
July 2022	IDP Budget & PMS Steering Committee to outline the IDP Review Process	IDP Budget & PMS Steering Committee to outline the IDP Review Process	IDP Budget & PMS Steering Committee to outline the IDP Review Process	
August 2022		Panel		

		evaluation of the previous financial year's performance		
August 2022		External Audit Committee: Evaluation of the annual financial statements and Annual Performance Report	Budget Steering Committee to discuss rollovers, savings declarations and new applications	
5 August 2022	MMF & DCF			
			Submit annual financial statements and annual performance report to the Auditor- General for auditing (within two months after the end of the financial year)	
August 2022	Council adopts 2022 - 2027 IDP Process Plan and District Framework			

August 2022	Unaudited Annual Report tabled to Council	Unaudited Annual Report tabled to Council	Unaudited Annual Report tabled to Council	MSA Section 126(1)(a): The accounting officer of a municipality must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing MFMA Section 21(1)(b) Circular 63 of the MFMA
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Dates provided in this time schedule are preliminary dates and subject to change.

BACK TO AGENDA

DISTRICT COUNCIL

25 JANUARY 2022

1. REPORT – REQUESTED/SUGGESTED ADJUSTMENTS ON THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN OF 2021/2022 / VERSLAG - AANGEVOERDE AANPASSINGS AAN DIE DIENSLEWERING EN BEGROTINGPLAN VIR 2021/2022 /

17 January 2022

REFER REPORT FROM THE MUNICIPAL MANAGER (MG STRATU)

2 PURPOSE

The report is tabled to Council in terms of section 54 (1) (c) as required in terms of the Municipal Finance Management Act 56 of 2003.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The requested adjustments must be read in conjunction with the section 52 and section 72 reports.

5. RECOMMENDATION

That Council approves the requested/suggested adjustments for the 2021/2022 financial year.

AANBEVELING

Dat die Raad die aangepaste veranderings vir die 2021/2022 finansiële jaar goedkeur.

ISINDULULO

6. DISCUSSION / CONTENTS

6.1 Background

Municipal Finance Management Act 56 of 2003

Section 54 (1) (c) *On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must –*

(c) consider and, if necessary, make any provisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;

6.2 Discussion

During our first quarter review in conjunction with our system development of Individual Performance Management, a number of Top Level reference linkages crashed and resulted in the non alignment of certain KPI's.

Correcting these references, in conjunction with the adjustments will ensure proper strategic reporting.

The adjustments consists of the following categories:

- Top Layer References need to be adjusted to align with the references on the Top Layer SDBIP
 - Certain KPI's are linking to the National Objectives instead of the Municipality's Strategic objectives as stipulated within the IDP
 - Adjustments on certain KPI's, inclusive of the moving of certain KPI's to the Departmental SDBIP will ensure a much more strategic approach in addressing what is required from the Municipality
- The detailed report for these requests are attached for perusal.

After approval, a Revised SDBIP will be placed on our website for perusal

6.3 Financial Implications

There will be no financial implications for the municipality adjusting the KPI's on the SDBIP

6.4 Legal Implications

None

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

There are no previous or relevant Council resolutions related to this matter.

6.7 Risk Implications

There are no foreseen risks associated with the proposed request for Council

Annexure

GARDEN ROUTE DISTRICT MUNICIPALITY**Performance Amendments/Adjustment - February: 2021/2022****1. PURPOSE**

The purpose of this report is to present the requested amendments/adjustments on the Top Level Service Delivery and Budget Implementation Plan for the 2021/2022 financial year

2. LEGAL

With reference to the MFMA section 54 (1), the implementation of the SDBIP must be reviewed, problems need to be identified and amended. This report be submitted to Council and any amendments to the SDBIP must be made public

3. PERIOD UNDER REVIEW

The period under review as follows;

- July 2021 – December 2021

4. IMPLEMENTATION PERIOD

The implementation of these amendments/adjustments will reflect retrospectively over a period of six months.

5. AMENDMENTS/ADJUSTMENTS PER DEPARTMENT**A. OFFICE OF THE MUNICIPAL MANAGER**

REF	KPI	Unit of Measurement	Strategic Objective	Target	Changes	Reason/Explanation
TL 4	Submit a monthly report on Individual Performance Management to MANCOM	Number of reports submitted	Good Governance	12	1. The KPI must be adjusted to reflect a quarterly submission 2. The Target must be adjusted to read 4 (1 per quarter)	The Individual Performance Management must run parallel with the quarterly reviews processes of the Municipality

B. CORPORATE SERVICES

REF	KPI	Unit of Measurement	Strategic Objective	Target	Changes	Reason/Explanation
TL27						
TL28	Number of people from employment equity target groups that will be appointed in the three highest levels of management during the 2021/22 financial year in compliance with the municipality's approved employment equity plan (senior officials & managers, professional, technicians and associate professionals)	Number of people appointed in the three highest levels of management in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and associate professionals)	A Skilled Workforce and Communities	0	Target to be adjusted to "1"	Target cannot be 0 based on the previous performance. Must link to the Employment Equity targets for the organization
TL37	Develop a Deployment/Career Pathing/Staff Rationale Strategy and submit to Council by 30 June 2022	Deployment/Career Pathing/Staff Rationale Strategy submitted	A Skilled Workforce and Communities	1	KPI and Unit of Measurement must be adjusted to read the following: Effective Staff Utilisation Policy	Remove the following from both KPI and Unit of Measurement: Deployment/Career pathing/Staff Rationale
TL40	Submission of the GRSM Skills Mecca Implementation Plan to Council for approval	Implementation Plan submitted to Council for approval by 30 August 2022	A Skilled Workforce and Communities	1	Date within the Unit of measurement must be changed to 2021	Incorrect date. Document was submitted in 2021

C. PLANNING AND ECONOMIC DEVELOPMENT

REF	KPI	Unit of Measurement	Strategic Objective	Target	Changes	Reason/Explanation
TL 43	Submit an integrated progress report on the implementation of the Growth and Development Strategy to Council by 30 June 2022	Number of integrated progress reports submitted	Local Economic Development	1	Strategic Objective must be changed to Grow an Inclusive District Economy	The current strategic objective links to the National objective and not the Municipality's approved objective.
TL 44	Attend the World Travel Market exhibition and submit a report to MANCOM by 31 May 2022	Report submitted to MANCOM by 31 May 2022	Local Economic Development	1	Strategic Objective must be changed to Grow an Inclusive District Economy	The current strategic objective links to the National objective and not the Municipality's approved objective.
TL45	Coordinate and attend the quarterly Garden Route Economic Cluster meetings	Number of meetings coordinated and attended	Local Economic Development	4	Strategic Objective must be changed to Grow an Inclusive District Economy	The current strategic objective links to the National objective and not the Municipality's approved objective.
TL 46	Sign a Service Level Agreement with WESGRO Investment Promotion Unit to market the Garden Route Investment Prospectus by 30 November 2021	Signed Service Level Agreement	Local Economic Development	1	Strategic Objective must be changed to Grow an Inclusive District Economy	The current strategic objective links to the National objective and not the Municipality's approved objective.
TL 44	Attend the World Travel Market exhibition and submit a report to MANCOM by 31 May 2022	Report submitted to MANCOM by 31 May 2022	Local Economic Development	1	Move to the Departmental SDBIP	Not Strategic. Discussed at MANCOM
TL 45	Coordinate and attend the quarterly Garden Route Economic Cluster meetings	Number of meetings coordinated and attended	Local Economic Development	4	Move to the Departmental SDBIP	Not Strategic. Discussed at MANCOM

D. COMMUNITY SERVICES

REF	KPI	Unit of Measurement	Strategic Objective	Target	Changes	Reason/Explanation
TL 15	Approval (ROD) on Design from the Department of Water and Sanitation and the Department of Forestry, Fisheries and the Environment	Approval (ROD) received by March 2022	Health and public safety	1	KPI must be removed from Top Level	No control measures for the GRDM Municipality. Process driven externally
TL 16	Finalise the tender documents on construction tender	Tender Documentation finalised by June 2022	Health and public safety	1	KPI and Unit of Measurement must change	It must read as follows: Final tender document submitted and approved by GRDM tender specifications committee

E. ROADS AND TRANSPORT SERVICES

REF	KPI	Unit of Measurement	Strategic Objective	Target	Changes	Reason/Explanation
TL 57	Regravel 30.38 km of roads by 30 June 2022	Number of km's of roads regavelled by 30 June 2022	Bulk Infrastructure and Coordination	30.38	Target must be adjusted to 15.72	Decision and approval communicated to the Auditor General – Due to the Lack of borrowpits

F. OVERALL SDBIP ADJUSTMENTS**Background**

During the development and loading of our Individual Performance Management system, some of our Key Performance Indicator References deactivated. This resulted in the following;

- Incorrect Top Level KPI References
- Some KPI's not reported on, however these KPI's were not due for monitoring and evaluation for the period of July – September 2021.

With our system operational, these linkages and KPI's were correct and listed within our current Section 52 and Section 72 non-financial reports.

Request

With this in mind, it is hereby requested that the referencing corrections/adjustments be accepted in order to assist in consistent and correct reporting.

6. APPROVAL

It is hereby requested that Council approve the requested adjustments for the 2021/2022 financial year.

7. WAY FORWARD

The following to be noted with matters relating to performance management;

- All approved adjustments must be implemented after the approval of the Adjustment Budget as per the legislative requirements
- A revised SDBIP will be made public after approval
- The IDP must be adjusted to reflect the correct revised SDBIP

BACK TO AGENDA

DISTRICT COUNCIL

25 JANUARY 2022

1. **SUBJECT: REPORT ON ORGANISATIONAL STRUCTURE AMENDMENTS IN THE MUNICIPAL MANAGER DEPARTMENT / *VERSLAG RAKENDE ORGANISASIE STRUKTUUR AANPASSINGS IN DIE MUNISIPALE BESTUURDER DEPARTEMENT /* INGXELO NGOLUNGISO KWISIMO SOLAWULO KWISEBE LOMPHATHI MASIPALA**

(9/8/2)

REPORT FROM THE MUNICIPAL MANAGER: (MONDE STRATU)

2 PURPOSE

The purpose of this report is to consider the organisational structure proposals for the Municipal Manager Department.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

In terms of section 66(1) of the Municipal Systems Act, Act 32 of 2000 the Municipal Manager must develop a staff establishment for the municipality and submit the staff establishment to the municipal council for approval.

It is the responsibility of the Municipal Manager to periodically review the staff establishment to ensure that it is always in line of with the objectives, plans and functions of the Municipality.

The Municipal Manager has assessed the functions and operations of the Municipality and decided to add a position of the Chief Operations Officer on the current structure. The reasons are discussed below in the discussion paragraph.

The functions of this position will include the:

- ☐ Facilitate effective implementation of business strategies, plans and procedures
- ☐ Assist the Municipal Manager in setting comprehensive goals for performance and growth
- ☐ Establish policies that promote institutional culture and vision
- ☐ Oversee daily operations of the Municipality and the work closely with Executives.
- ☐ Encourage employee maximum performance and dedication
- ☐ Assist the Municipal Manager in evaluating performance, by analysing and interpreting data and metrics
- ☐ Write and submit reports to the Municipal Manager in all matters of importance

- ☐ Assist the Municipal Manager in ensuring that the Municipality is financially viable
- ☐ Participate in activities that will ensure that the Municipality perform all its legislated functions.
- ☐ Manage relationships with parties, suppliers, and other stakeholders
- ☐ Ensure that the Municipality complies with relevant laws and regulation

5. RECOMMENDATIONS

1. That the new Section 56 position of Chief Operations Officer in the Municipal Manager's Office be approved on the Organizational Structure
2. That it be noted that the position of Chief Operations Officer must be budgeted for.
3. That approval be granted to commence with filling of the position of the Chief Operations Officer.
4. That the position be advertised in accordance with the Regulations on appointment and conditions of service of Senior Managers and be advertised within fourteen (14) days of this Resolution.
5. That the Executive Manager: Corporate Services be mandated to administer the Selection process including the appointment of a Service Provider.
6. That a Service Provider be appointed to facilitate the Selection process.
7. That a Selection Panel be appointed as follows:
 - a. The Municipal Manager as Chairperson of the Selection Panel
 - b. Mayco Member designated by the Executive Mayor
 - c. A person who is not a councilor or a staff member of the Municipality and who has expertise or experience in the advertised post.
 - d. Appointed Service Provider
 - e. The Executive Manager: Corporate Services and Manager: Human Resources to serve in an advisory capacity, but not to form part of the Selection Panel.
8. That the appointment process be done in accordance with the Regulations on Appointment and Conditions Of Employment Of Senior Managers, Government Notice No 37245.
9. That the attached process plan for the appointment of the Chief Operations Officer and the advertisement be approved.

AANBEVELINGS

1. *Dat die nuwe Artikel 56 pos van Hoof Operasionale Beampte in die Kantoor van die Munisipale Bestuurder goedgekeur word op die struktuur.*
2. *Dat kennis geneem word dat daar begroot moe wees vir die Hoof Operasionale Beampte pos.*
3. *Dat goedkeuring verleen word om voort te gaan met die vulling van die Hoof Operasionale Beampte pos.*
4. *Dat die pos geadverteer moet word in terme van die Regulasies op die aanstelling en indiensneming van senior bestuurders en geadverteer word binne veertien (14) dae vanaf hierdie besluit.*
5. *Dat die Uitvoerende Bestuurder: Korporatiewe Dienste gemandaat word om die keuringsproses, insluitend die aanstelling van 'n Diensverskaffer, te administreer.*
6. *Dat 'n Diensverskaffer aangestel moet word om die keuringsproses te fasiliteer.*
7. *Dat die Keuringspaneel aangestel word as volg:*
 - a. *Die Munisipale Bestuurder as Voorsitter van die Keuringspaneel*
 - b. *Mayco lid aangewys deur die Uitvoerende Burgemeester*
 - c. *'n Persoon wat nie 'n raadslid of personeellid van die Munisipaliteit is nie, wat die nodige kundigheid of ondervinding in die gebied van die geadverteerde pos het.*
 - d. *Aangestelde Diensverskaffer*
 - e. *Die Uitvoerende Bestuurder: Korporatiewe Dienste en die Bestuurder: Menslike Ontwikkeling om in 'n adviserende kapasiteit te dien, maar wat nie deel vorm van die Keuringspaneel nie.*
8. *Dat die aanstellingsproses sal geskied in terme van die Regulasies.*
9. *Dat die aangehegte prosesplan vir die aanstelling van die Hoof Operasionale Beampte en advertensie goedgekeur word.*

IZINDULULO

1. Sesokuba isikhundla esitsha soMhlathi 56 Igosa Eliyintloko Lenkqubo Zomsebenzi kwiOfisi yoMphathi Masipala siphunyezwe kwisimo solawulo.
2. Sesokuba kuthathelwe ingqalelo ukuba isikhundla Segosa Eliyintloko Kwinkqubo Zolawulo silungiselelwe kulwabiwo-mali.
3. Sesokuba kunikezwe imvume yokuqhubeka ngokuvalwa kwesisikhundla seGosa Eliyintloko Yenqubo Zomsebenzi.
4. Sesokuba isikhundla sibhengezwe ngokuthotyelwa iMimiselo yokuqeshwa kunye nolawulo lwenkonzo Zabaphathi Abaphezulu kwaye zibhengezwe kwisithuba sentshuku ezilishumi elinesine(14) yesi siNdululo.
5. Sesokuba uMphathi Oyintloko: Iknozo Yezolawulo anikwe igunya lokuququzelela inkqubo Yezokuchonga kuquka kokuqeshwa koMncedisi Wenkonzo.
6. Sesokuba uMncedisi Nkonzo achongwe ukuze aququzelele ukuChongwa.
7. Sesokuba iQela laBachongi limiselwe ngokulandelayo:
 - a. UMphathi Masipala njengo Sihlalo Weqela laBachongi
 - b. iLungu leMayco elichongwe nguSodolophu Obekekileyo
 - c. Umntu nongekho kwibhunga okanye njengomsebenzi woMaisipala nonamava nesakhono kuhobo lomsebenzi obhengeziweyo.
 - d. Ukhuchongwa koMncedisi Nkonzo
 - e. UMphathi Ophezulu: Inkono Yezolawulo kunye noMphathi: Imicimbi Yezabasebenzi bachongwe njengabasebenzi, kodwa bengayonxalenye Yeqela Labachongi.
8. Sesokuba inkqubo yezokuqasha izakwenziwa ngokulandelwa iMimiselo.
9. Sesokuba inkqubo edityanisiweyo ngokuqeshwa kweGosa Eliyintloko Kwinkqubo Zolawulo kunye nokubhengezwa kwesisikhundla kuphunyezwe.

6. DISCUSSION / CONTENTS

6.1 Background

In terms of section 66(1) of the Municipal Systems Act, Act 32 of 2000 the Municipal Manager must develop a staff establishment for the municipality and submit the staff establishment to the municipal council for approval.

It is the responsibility of the Municipal Manager to periodical reviews the staff establishment to ensure that it is always in line of with the objectives, plans functions of the Municipality.

After Council gets elected, it delegates power to a Municipal Manager to deliver on the service delivery imperatives as demanded by the members of the public. The Municipal Manager is assisted by Executive Managers (section 56 appointees) to deliver on the mandate given by Council.

The Municipal Manager from time to time reviews the effectiveness of the staff establishment to ensure that it can deliver services to the public.

It has been identified that more capacity is required to assist the Municipal Manager, specifically to deal with the technical aspects that are currently solely lying with the Municipal Manager. That capacity challenge can be dealt with by moving certain function to the position that will oversee all operations within the municipality.

A new position is proposed, as a section 56 position to be called, the Chief Operations Officer, who will report directly to the Municipal Manager.

Currently there are six sections or units within the office of the Municipal Manager of which four (4) of those are directly reporting the Strategic Manager in the office of the Municipal Manager and two reporting Directly to the Municipal Manager. The Strategic Manager in the Office of the Municipal Manager is also responsible to co-ordinate and act on all matters that emanates from five various departments, that requires the attention of the Municipal Manager. This means that the Strategic Manager deals with day-to-day operations of the institution as well as other responsibilities that are assigned to the position. In essence he is also dealing with the responsibilities that should be done by a Chief Operations Officer.

It is against this background that the Municipal Manager request council to approve a position of the Chief Operations Officer within this office. The Strategic Manager will now report to the new COO position.

The overview of the duties will include the following:

- ☐ Facilitate effective implementation of business strategies, plans and procedures
- ☐ Assist the Municipal Manager in setting comprehensive goals for performance and growth
- ☐ Establish policies that promote institutional culture and vision
- ☐ Oversee daily operations of the Municipality and the work closely with Executives.
- ☐ Encourage employee maximum performance and dedication
- ☐ Assist the Municipal Manager in evaluating performance, by analysing and interpreting data and metrics
- ☐ Write and submit reports to the Municipal Manager in all matters of importance
- ☐ Assist the Municipal Manager in ensuring that the Municipality is financially viable
- ☐ Participate in activities that will ensure that the Municipality perform all its legislated functions.
- ☐ Manage relationships with parties, suppliers, and other stakeholders
- ☐ Ensure that the Municipality complies with relevant laws and regulation

Section 68(1) of the Municipal Systems Act, Act 32 of 2000, a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient, and accountable way.

The Recruitment and Selection process will be aligned to the Regulations on Appointment and Conditions of Employment of Senior Managers.

6.2 Discussion

1 x Chief Operations Officer new Section 56 position be created to report directly to the Municipal Manager as discussed in the preceding paragraph.

6.3 Financial Implications

This position will not bring additional burden to the current salary budget. The Municipal Manager will ensure that this is financed from savings in salary budget.

6.4 Legal Implications

Municipal Systems Act, 2000 (Act 32 Of 2000)

The Regulations on Appointment and Conditions Of Employment Of Senior Managers, Government Notice No 37245, Dated 17 January 2014

6.5 Staff Implications

1 x Chief Operations Officer new Section 56 position.

6.6 Previous / Relevant Council Resolutions:

Previous Council resolution on approved 2021/2022 Organisational Structure, 25 May 2021 (E1/05/21).

6.7 Risk Implications

None compliance to applicable regulations on appointment of Senior Managers

ANNEXURES:

PROCESS PLAN ANNEXURE A.

ADVERT ANNEXURE B

STRUCTURE OF MM DEPARTMENT ANNEXURE C.



DEPARTMENT CORPORATE SERVICES

RECRUITMENT PROCESS PLAN FOR APPOINTMENT OF CHIEF OPERATIONS OFFICER

No	Action	Due date
1	Approval for commencement of appointment process	25 January 2022
2	Approval of advertisement	25 January 2022
3	Approval of process plan	25 January 2022
4	Appointment of Selection / Interview Panel	25 January 2022
5	Placement of Advertisement	27 January 2022
6	Request quotations from Service Providers for selection process	27 January 2022
7	Appointment of the service provider for the selection process	03 February 2022
8	Closing date for advertisement within 30 days	16 February 2022
9	Shortlisting date	17 February 2022
10	Interview date	22 February 2022
11	Appointment report presented to Council	28 February 2022
12	MEC confirmation	15 March 2022
13	Present Employment Offer	21 March 2022
14	Possible notice period	22 April 2022

CAREER OPPORTUNITY



Garden Route District Municipality, the leading, enabling and inclusive district, characterised by equitable and sustainable development, high quality of life and equal opportunities for all.

15

Commencement date

23 April 2022

Garden Route District Municipality is fully committed to Employment Equity.

Garden Route District Municipality is situated in George and serves the people in the Southern Cape and Little Karoo. Garden Route District Municipality seeks to achieve the integrated, sustainable and equitable socio economic development of its area as a whole by: • Ensuring integrated development planning; Promoting bulk infrastructure development • Building the capacity of local municipalities in its areato perform their functions and exercise their powers where such capacity is lacking • Promoting the equitable distribution of resources between local municipalities in its area to ensure appropriate levels of municipal services.

Preference will be given to suitably qualified Applicants who are members of the designated groups in line with the Employment Equity Plan and Targets of the Organisation.

Applications are invited for the following vacancy in the Office of the Municipal Manager.

CHIEF OPERATIONS OFFICER (GEORGE)

A total remuneration package, negotiable within the prescribed upper limits for Senior Management, will apply for this 5-year performance-based contract. Appointment is subject to compliance with the minimum educational qualification, experience and attainment of demonstrated evidence of competent, advance or superior competency level as set out in the Regulations on Appointment and Conditions of Employment of Senior Managers 2014, GG 37245 dated 17 January 2014.

Minimum requirements

- B degree in Public Administration / Finance / Law • Compliance with the Municipal Regulations on Minimum Competency levels as prescribed in GG 29967 dated 15 June 2007 and regulations on appointment and conditions of employment of Senior Managers
- At least 5 years' experience at senior management level • Must have proven record of successful institutional transformation within public or private sector • The required core competencies and minimum competency requirements as stipulated in Annexures A and B of the regulations for Senior Managers • Proven successful management experience in administration • Advance knowledge and understanding of relevant policies and legislation • Advance understanding of institutional governance systems and performance management • Advance understanding of council operations and delegation of powers • Good governance • Audit and risk management establishment and functionality • Budget and finance management • Excellent facilitation and communication skills in at least two of the three official languages of the Western Cape • A valid Code B driver's licence • Own transport • An aptitude for strategic operational planning and implementation management, decision making, leadership, innovation and motivation • The ability to engage strategically with the Executive Mayor and Councilors.

Duties

- Development and management of an economically effective, efficient and accountable administration that is equipped to carry out the task of implementing the municipality's Integrated Development Plan • Operating in accordance with the municipality's performance management system responsive to the needs of the local community to participate in the affairs of the municipality
- Assist the Municipal Manger in ensuring effective management of the municipality's administration in accordance with the applicable legislation • The appointment, management, effective utilisation, training and maintenance of staff • Promoting sound labour relations and compliance with applicable labour legislation
- Managing communication between the municipality's administration, political structures and political office bearers • Carrying out the decisions of the political structures and political office bearers of the municipality • Administration and implementation of the municipality's by-laws and other legislation • Exercise any powers and the performance of duties delegated by the municipal manager or sub-delegated by other delegating authorities of the municipality
- Compliance with National and Provincial legislation applicable to the municipality • Performance of any other function that may be assigned by the municipal manager • Facilitate effective implementation of business strategies, plans and procedures - Assist in setting comprehensive goals for performance and growth - Establish policies that promote institutional culture and vision - Oversee daily operations of the Municipality and the work of executives. -Encourage employee maximum performance and dedication – assist in evaluating performance by analysing and interpreting data and metrics -Write and submit reports to the Municipal Manager in all matters of importance - Assist the Municipal Manager in ensuring that the Municipality is financially viable - Participate in activities that will ensure that the Municipality perform all its legislated functions -Manage relationships with partners, suppliers and other stakeholders

Please note

1. The Municipality reserves the right not to make an appointment.
2. It would be expected of candidates to be subjected to thorough evaluations. References will be contacted. Verification will be done on qualifications, criminal and credit records. The candidates will be required to disclose all financial interests. Original qualification certificates must be produced at any resultant interviews.
3. All applications should be submitted on a fully completed application form, available from the municipal website at www.gardenroute.gov.za or the Human Resources Department, together with a detailed CV, certified copies of qualification(s), identity document, driver's licence and the names of three references from current and previous employers. Incomplete applications will not be considered.
4. Applications must be sent to the following address: Garden Route District Municipality, Registration Section, 54 York Street, George or e-mail: Rekords@edendm.co.za or fax 086 555 6303 or PO Box 12, George, 6530.
5. The successful applicant will be stationed in George and his/her appointment is subject to the signing of an employment contract and a performance agreement; disclosure of financial interest; and security vetting.
6. No late applications will be considered • If you have not heard from us within 30 days of the closing date, please accept that your application has been unsuccessful • Candidates wishing to have their CVs returned, should provide a self-addressed envelope with the required postage stamps
7. Canvassing with Councillors or any other decision-maker is not permitted and proof thereof will result in disqualification • Fraudulent qualifications or documentation, will immediately disqualify any applicant.

Contact Person: Mr. Monde Stratu 044-803 1315

Closing date: Wednesday, 16 February 2022 on / before 16:00

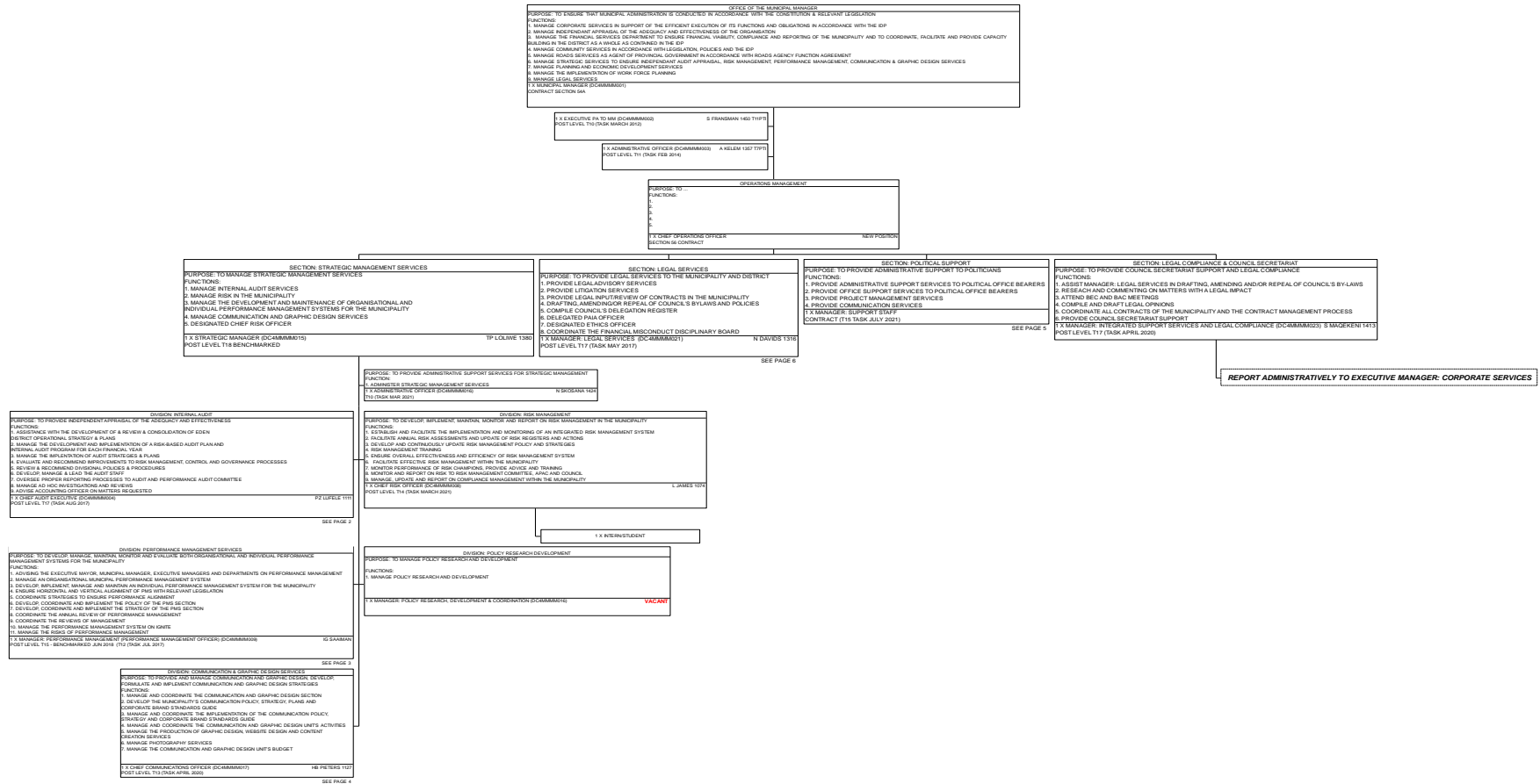
Notice no: 121/2021



MONDE STRATU
MUNICIPAL MANAGER

Candidates with disabilities are encouraged to apply.

MUNICIPAL MANAGER DEPARTMENT



BACK TO AGENDA

DISTRICT COUNCIL

25 JANUARY 2022

1. **DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 OCTOBER 2021 TO 31 OCTOBER 2021 / AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 OKTOBER 2021 TOT 31 OKTOBER 2021 / INGXELO YOYSESELO: UKUMISELWA KOMGAQO WOLAWULO LWENCITHO KWIXESHA LOMHLA 1 KWEYDWARHA 2021 UKUYA 31 KWEYEDWARHA 2021**

REPORT FROM THE EXECUTIVE MANAGER FINANCIAL SERVICES: J-W DE JAGER

2 PURPOSE

To inform the Council of the deviations approved for the period 1 October 2021 to 31 October 2021.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) & (b) and report them to the next meeting of council. The report is for the month of October 2021.

5. RECOMMENDATIONS

1. That the implementation of Section 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 October 2021 up to 31 October 2021, be noted.
2. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.

AANBEVELINGS

1. *Dat die kennis geneem word van die implementering van Artikel 36 van die Voorsieningskanaal beleid in terme van die afwykings vir die periode van 1 Oktober 2021 tot 31 Oktober 2021.*

2. *Dat kennis geneem word dat in terme van Artikel 114 van die Munisipale Finansiële Bestuurswet, Wet 56 van 2003, dat daar geen goedkeuring was van tenders wat toegeken is in die normale implementering van die Voorsieningskanaalbeleid van die munisipaliteit nie.*

IZINDULULO

1. Sesokuba ukumiselwa komhlathi 36 woMgaqo Wolawulo Lwencitho yoMasiapala ngokwemimiselo yezotyeshelo kwixesha lomhla 01 ngeyeDwarha 2021 ukuya 31 ngeyeDwarha 2021, kuthathelwe ingqalelo.
2. Sesokuba kuthathelwe ingqalelo ngokwemimiselo yoMhlathi 114 woMthetho Wolawulo Lwemali zoMasipala, uMthetho 56 wango 2003, akukhange kubekho ziniki maxabiso ezingandululwanga kwinkqubo eqhelekileyo yokumiselwa uMgawo Wolawulo Lwezencitho zomasipala.

6. DISCUSSION / CONTENTS

6.1 Background

Section 36 of the Municipal Supply Chain Regulation states:

- 1) *A supply chain management policy may allow the accounting officer –*
 - a) *To dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
 - i) *In an emergency*
 - ii) *If such goods or services are produced or available from a single provider only.*
 - iii) *For the acquisition of special of special works of art or historical objects where specifications are difficult to compile.*
 - iv) *Acquisition of animals for zoos; or*
 - v) *In any other exceptional case where it is impractical or impossible to follow the official procurement processes.*
 - b) *To ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.*
- 2) *The accounting officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity and include as a note to the annual financial statements."*

6.2 Discussion

Section 114 of the Municipal Finance Management Act, Act 56 of 2003 states:

- (1) If a tender other than the one recommended in the normal course of implementing the supply chain management policy of a municipality or municipal entity is approved, the accounting officer of the municipality or municipal entity must, in writing, notify the Auditor General, the relevant provincial treasury and the National Treasury and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.
- (2) Subsection (1) does not apply if a different tender was approved to rectify an irregularity.

6.3 Financial Implications

The total deviations for the period 1 October to 31 October 2021 amounts to **R 317846.37** Refer to **Annexure A**

6.4 Legal Implications

None

Main Expenditure for Deviation in October 2021

None

Trend Analysis Based on Successive Month to Month Comparison

APPROVED DEVIATIONS			
DEVIATIONS AS PER SECTION 36 OF THE SCM REGULATIONS			
Sep-21		Oct-21	
Department	Amount	Department	Amount
Community Services	43 028,36	Community Services	29 512.00
Corporate Services	63 759,52	Corporate Services	9 839.60
Financial Services	5 948,00	Financial Services	4 717.00
Office of the MM	38 551,80	Office of the MM	0
Planning and Economic Development	5 288,00	Planning and Economic Development	8 382.50
Roads and Transport Planning Services	23 453,51	Roads and Transport Planning Services	265 398.27
Total Deviations	180 029.19	Total Deviations	317846.37

6.5 Staff Implications

None, failure to report to council will result in non-compliance.

6.6 Previous / Relevant Council Resolutions:

None

6.7 Risk Implications

None

Oct-21

APPROVED DEVIATIONS

ANNEXURE: A
DEVIATIONS AS PER SECTION 36 OF THE SCM REGULATIONS

COMMUNITY SERVICES

No	Ref Nr	Name	Req Date	Deviation Category	Deviation Motivation	Deviation Approval Date	Payment Amt	Order Number
1	1748561	ARTHURS WORKSHOP	2021-10-26	Emergency	Payment for the Tow In of vehicle Caw 72574 (B4) from Anysberg at 03H00 on Sunday morning after the vehicle broke down on route to Ladismith after attending to a Motor Vehicle Accident Call Out.	2021-10-27	2 800,00	E0001592
2	1726762	WESSA	2021-10-11	Single Supplier	WESSA (Wildlife and Environmental Society of South Africa) is the sole service provider, as they are the National Operator of the Blue Flag Programme in South Africa for the international Blue Flag label owners, the fee.	2021-10-25	26 712,00	E0001664

CORPORATE SERVICES

No	Ref Nr	Name	Req Date	Deviation Category	Deviation Motivation	Deviation Approval Date	Payment Amt	Order Number
3	1722235	Die Burger	2021-10-11	Impractical Procurement Process	This is an Erratum Advert and must be published in the same newspaper as the Original Advert was placed. (Die Burger).	2021-10-11	2 070,00	E0001355
4	1722228	IMPISA	2021-10-11	Impractical Procurement Process	Approval granted for Mr. C Scheepers to attend the Institute of Municipal People Practitioners of Southern Africa Conference in Cape Town.	2021-10-21	5 350,00	E0001542

5	1740704	Leadership Academy	2021-10-18	Impractical Procurement Process	As members of the IIA, there are certain learnerships that internal auditors must do for career growth that IIA offers such as IAT, PIA and CIA. In order to maintain the designations within the IIA, we need to attend CPD courses as facilitated by the Institute to earn hours. Ethics training is also a compulsory training that Internal Auditors needs to do on an annual basis.	2021-10-21	2 419,60	E0001539
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FINANCIAL SERVICES

No	Ref Nr	Name	Req Date	Deviation Category	Deviation Motivation	Deviation Approval Date	Payment Amt	Order Number
6	1666017	Bradian Logistics Solutions	2021-09-28	Impractical Procurement Process	The device has been repaired through Bradian as Telkom Mobile is not an authorized repair center, only a service provider. Telkom Mobile outsourced the repair of the device to Bradian.	2021-10-21	4714,00	

PLANNING AND ECONOMIC DEVELOPMENT SERVICES

No	Ref Nr	Name	Req Date	Deviation Category	Deviation Motivation	Deviation Approval Date	Payment Amt	Order Number
7	1650393	Grassnyer en Kettingsaag	2021-09-22	Impractical Procurement Process	Quotations were obtained for strip and quote.	2021-10-20	1682,5	E0001501
8	1659655	Topsaw	2021-09-22	Impractical Procurement Process	Strip and quote process was followed and order Number E0000775 issued to Topsaw, as they were the cheapest per hour.	2021-10-01	6700,00	E0001257

ROADS AND TRANSPORT PLANNING SERVICES

No	Ref Nr	Name	Req Date	Deviation Category	Deviation Motivation	Deviation Approval Date	Payment Amt	Order Number
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9	1748916	Bidvest Steiner	2021-10-26	Impractical Procurement Process	The 15% expansion that the MM can approve has been exhausted and we will be seeking approval from Council for further expansion. The OHS Act requires that we provide for the health & safety of all employees. Hygiene is a vital part in well-being of our employees especially now during Covid. The period for this will be from 01 November 2021 - 30 November 2021 and will be done monthly. It will be a deviation up until we have the necessary approval is in place.	2021-10-28	6 866,74	E0001624
10	1708201	iPatch	2021-10-12	Impractical Procurement Process	Contract with successful bidder had to be terminated (fraud allegation). iPatch is the cheapest on quotation basis. SCM process in progress to get new contract in place.	2021-10-14	30 613,00	E0001574
11	1708120	iPatch	2021-10-11	Impractical Procurement Process	Contract with successful bidder had to be terminated (fraud allegation). iPatch is the cheapest on quotation basis. SCM process in progress to get new contract in place.	2021-10-11	131 048,25	E0001406
12	1708082	Stanmar Motors	2021-10-07	Single Supplier	Vehicle must be serviced at Stanmar because of still being under warranty.	2021-10-12	4 892,94	E0001399
13	1699122	Steiner	2021-10-04	Impractical Procurement Process	The OHS Act requires that we provide for the health & safety of all employees. Hygiene is a vital part in well-being of our employees especially now during Covid. A process will be started to seek approval for the expansion of the current Steiner tender that we have in place.	2021-10-06	6 866,74	E0001295
14	1738707	iPatch	2021-10-15	Impractical Procurement Process	Contract with successful bidder had to be terminated (fraud allegation). iPatch is the cheapest on quotation basis. SCM process in progress to get new contract in place.	2021-10-20	38 266,25	E0001554

15	1695376	Air Liquid	2021-10-04	Single Supplier	These cylinders are not sold to the municipality, but the municipality is paying for the gas that is provided as and when the gas is needed. 1. To procure Industrial gas for workshop purpose you need to rent the empty cylinder and buy the content etc. Mig gas, Oxygen and Acetylene. The rented price will be monthly, and the cylinders will stay on the premises of G.R.D.M. 2. The tender for the supply and rentals for gas already submitted to supply chain office on Tuesday 01 September 2020 .3. All outstanding accounts (Air Liquide) must be paid in full within the next month which will still be deviations until a market related award could be made. 4. Our Mechanical Departments depend on Industrial gas to do repair work on the fleet.	2021-10-05	2 160,67	E0001283
16	1742725	iPatch	2021-10-20	Impractical Procurement Process	Contract with successful bidder had to be terminated (fraud allegation). iPatch is the cheapest on quotation basis. SCM process in progress to get new contract in place.	2021-10-27	37 748,75	E0001659
17	1742697	Stanmar Motors	2021-10-20	Impractical Procurement Process	Vehicle is still under warranty.	2021-10-22	2 341,23	E0001560
18	1641653	Bidvest Steiner	2021-10-05	Impractical Procurement Process	Steiner delivered the service, and the equipment is already installed at the outlying depots.	2021-10-05	4 593,70	E0001289
							317856.37	

[BACK TO AGENDA](#)

DISTRICT COUNCIL

25 JANUARY 2022

1. **DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 NOVEMBER 2021 TO 30 NOVEMBER 2021 / AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 NOVEMBER 2021 TOT 30 NOVEMBER 2021 / INGXELO YOYSESEHELO: UKUMISELWA KOMGAQO WOLAWULO LWENCITHO KWIXESHA LOMHLA 1 KWEYENKANGA 2021 UKUYA 30 KWEYENKANGA 2021**

EXECUTIVE MANAGER FINANCIAL SERVICES: J-W DE JAGER (1786764)

2 PURPOSE

To inform the Council of the deviations approved for the period 1 November 2021 to 30 November 2021.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) & (b) and report them to the next meeting of council. The report is for the month of November 2021.

5. RECOMMENDATIONS

1. That the implementation of Section 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 November 2021 up to 30 November 2021, be noted.
2. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.

AANBEVELINGS

1. *Dat die kennis geneem word van die implementering van Artikel 36 van die Voorsienskanaal beleid in terme van die afwykings vir die periode van 1 November 2021 tot 30 November 2021.*

2. *Dat kennis geneem word dat in terme van Artikel 114 van die Munisipale Finansiële Bestuurswet, Wet 56 van 2003, daar geen goedkeuring was van tenders wat toegeken is in die normale implementering van die Voorsieningskanaalbeleid van die munisipaliteit nie.*

IZINDULULO

1. Sesokuba ukumiselwa komhlathi 36 woMgaqo Wolawulo Lwencitho yoMasiapala ngokwemimiselo yezotyeshelo kwixesha lomhla 01 ngeyeNkanga 2021 ukuya 30 ngeyeNkanga 2021, kuthathelwe ingqalelo.
2. Sesokuba kuthathelwe ingqalelo ngokwemimiselo yoMhlathi 114 woMthetho Wolawulo Lwemali zoMasipala, uMthetho 56 wango 2003, akukhange kubekho ziniki maxabiso ezingandululwanga kwinkqubo eqhelekileyo yokumiselwa uMgawo Wolawulo Lwezencitho zomasipala.

6. DISCUSSION / CONTENTS

6.1 Background

Section 36 of the Municipal Supply Chain Regulation states:

- 3) *A supply chain management policy may allow the accounting officer –*
 - a) *To dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
 - i) *In an emergency*
 - ii) *If such goods or services are produced or available from a single provider only;*
 - iii) *For the acquisition of special of special works of art or historical objects where specifications are difficult to compile;*
 - iv) *Acquisition of animals for zoos; or*
 - v) *In any other exceptional case where it is impractical or impossible to follow the official procurement processes;*
 - b) *To ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.*
- 4) *The accounting officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements."*

6.2 Discussion

Section 114 of the Municipal Finance Management Act, Act 56 of 2003 states:

- (3) If a tender other than the one recommended in the normal course of implementing the supply chain management policy of a municipality or municipal entity is approved, the accounting officer of the municipality or municipal entity must, in writing, notify the Auditor General, the relevant provincial treasury and the National Treasury and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.
- (4) Subsection (1) does not apply if a different tender was approved in order to rectify an irregularity.

6.3 Financial Implications

The total deviations for the period 1 November to 30 November 2021 amounts to **R 97417.90** Refer to **Annexure A**

6.4 Legal Implications

None

Main Expenditure for Deviation in November 2021

None

Trend Analysis Based on Successive Month to Month Comparison

APPROVED DEVIATIONS			
DEVIATIONS AS PER SECTION 36 OF THE SCM REGULATIONS			
Oct-21		Nov-21	
Department	Amount	Department	Amount
Community Services	29 512.00	Community Services	0.00
Corporate Services	9 839.60	Corporate Services	0.00
Financial Services	4 717.00	Financial Services	0.00
Office of the MM	0.00	Office of the MM	0.00
Planning and Economic Development	8 382.50	Planning and Economic Development	6 400.00
Roads and Transport Planning Services	272 598.27	Roads and Transport Planning Services	91 017.90
Total Deviations	<u>317846.37</u>	Total Deviations	<u>97417.90</u>

6.5 Staff Implications

None, failure to report to council will result in non compliance.

6.6 Previous / Relevant Council Resolutions:

None

6.7 Risk Implications

None

Nov-21								
APPROVED DEVIATIONS								
ANNEXURE: A DEVIATIONS AS PER SECTION 36 OF THE SCM REGULATIONS								
PLANNING AND ECONOMIC DEVELOPMENT SERVICES								
No	Ref Nr	Name	Req Date	Deviation Category	Deviation Motivation	Approval Date	Payment Amount	Order Number
1	1761418	South African Tourism Services	2021-11-08	Impractical Procurement Process	SATSA (Southern Africa Tourism Services Association) is a member-driven credibility association that strives to set the highest standards in the Tourism Industry. This roadshow is organised by SATSA for the Garden Route and Klein Karoo Regions Tourism public and private stakeholders. This platform will provide the region the opportunity to engage with tour operators, travel agents and travel writers to direct more tours and travels to the Garden Route & Klein Karoo. This is a crucial initiative especially with the devastation the Covid-19 pandemic had on the economy, specifically on the Tourism Sector. With initiatives like these, we aim to focus and speed up the recovery of the Tourism Sector.	2021-11-09	6 400,00	E0001767
ROADS AND TRANSPORT PLANNING SERVICES								
No	Ref Nr	Name	Req Date	Deviation Category	Deviation Motivation	Approval Date	Payment Amount	Order Number
2	1754126	PNB Civils and Safety	2021-10-29	Impractical Procurement Process	Contract cancelled due to fraud as reported to SAPS. New SLA will be concluded shortly, but service delivery must continue in the interim.	2021-11-11	37 375,00	E0001943

3	1759322	Airl Liquid	2021-11-05	Single Supplier	These cylinders are not sold to the municipality but the municipality is paying for the gas that is provided as and when the gas is needed. 1. To procure Industrial gas for workshop purpose you need to rent the empty cylinder and buy the content etc Mig gas,Oxygen and Acetylene. The rented price will be on a monthly bases and the cylinders will stay on the premises of G.R.D.M. 2. The tender for the supply and rentals for gas already submitted too supply chain office on Tuesday 01 September 2020. 3. All outstanding accounts(Air Liquide) must be paid in full within the next month which will still be deviations until a market related award could be made. 4. Our Mechanical Departments depend on Industrial gas to do repair work on the fleet.	2021-11-09	2 160,67	E0001769
4	1772693	PNB Civils and Safety	2021-11-19	Impractical Procurement Process	Contract cancelled due to fraud as reported to SAPS. New SLA will be concluded shortly, but service delivery must continue in the interim.	2021-11-23	37 748,75	E0002060
5	1777476	Bidvest Steiner	2021-11-24	Impractical Procurement Process	The OHS Act requires that we provide for the health & safety of all employees. Hygiene is a vital part in well-being of our employees especially now during Covid. The period for this will be from 01 December 2021 - 31 January 2022. It will be a deviation up until we have the necessary approval is in place. Bidvset Steiner is the current supplier for the rest of the District Municipality.	2021-11-26	13 733,48	E0002056
TOTAL							97417.90	

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DISTRICT COUNCIL

25 JANUARY 2022

1. **DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 DECEMBER 2021 TO 15 DECEMBER 2021 / AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 DESEMBER 2021 TOT 15 DESEMBER 2021 / NGXELO YOYSESEHELO: UKUMISELWA KOMGAQO WOLAWULO LWENCITHO KWIXESHA LOMHLA 1 KWEYENMNGA 2021 UKUYA 15 KWEYEMNGA 2021**

REFER REPORT FROM THE EXECUTIVE MANAGER FINANCIAL SERVICES: J-W DE JAGER

2 PURPOSE

To inform the Council of the deviations approved for the period 1 December 2021 to 15 December 2021.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) & (b) and report them to the next meeting of council. The report is for the month of December 2021.

5. RECOMMENDATIONS

1. That the implementation of Section 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 December 2021 up to 15 December 2021, be noted.
2. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.

AANBEVELINGS

1. *Dat die kennis geneem word van die implementering van Artikel 36 van die Voorsieningskanaal beleid in terme van die afwykings vir die periode van 1 Desember 2021 tot 15 Desember 2021.*

2. *Dat kennis geneem word dat in terme van Artikel 114 van die Munisipale Finansiële Bestuurswet, Wet 56 van 2003, dat daar geen goedkeuring was van tenders wat toegeken is in die normale implementering van die Voorsieningskanaalbeleid van die munisipaliteit nie.*

IZINDULULO

1. Sesokuba ukumiselwa komhlathi 36 woMgaqo Wolawulo Lwencitho yoMasiapala ngokwemimiselo yezotyeshelo kwixesha lomhla 01 ngeyoMnga 2021 ukuya 15 ngeyoMnga 2021, kuthathelwe ingqalelo.
2. Sesokuba kuthathelwe ingqalelo ngokwemimiselo yoMhlathi 114 woMthetho Wolawulo Lwemali zoMasipala, uMthetho 56 wango 2003, akukhange kubekho ziniki maxabiso ezingandululwanga kwinkqubo eqhelekileyo yokumiselwa uMgawo Wolawulo Lwezencitho zomasipala

6. DISCUSSION / CONTENTS

6.1 Background

Section 36 of the Municipal Supply Chain Regulation states:

- 5) *A supply chain management policy may allow the accounting officer –*
 - a) *To dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
 - i) *In an emergency*
 - ii) *If such goods or services are produced or available from a single provider only;*
 - iii) *For the acquisition of special of special works of art or historical objects where specifications are difficult to compile;*
 - iv) *Acquisition of animals for zoos; or*
 - v) *In any other exceptional case where it is impractical or impossible to follow the official procurement processes;*
 - b) *To ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.*
- 6) *The accounting officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements."*

6.2 Discussion

Section 114 of the Municipal Finance Management Act, Act 56 of 2003 states:

- (5) If a tender other than the one recommended in the normal course of implementing the supply chain management policy of a municipality or municipal entity is approved, the accounting officer of the municipality or municipal entity must, in writing, notify the Auditor General, the relevant provincial treasury and the National Treasury and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.
- (6) Subsection (1) does not apply if a different tender was approved in order to rectify an irregularity.

6.3 Financial Implications

The total deviations for the period 1 December to 15 December 2021 amounts to **R 65 830.10** Refer to **Annexure A**

6.4 Legal Implications

None

Main Expenditure for Deviation in December 2021

None

Trend Analysis Based on Successive Month to Month Comparison

APPROVED DEVIATIONS			
DEVIATIONS AS PER SECTION 36 OF THE SCM REGULATIONS			
Nov-21		Dec-21	
Department	Amount	Department	Amount
Community Services	0.00	Community Services	7214.90
Corporate Services	0,00	Corporate Services	15 874,38
Financial Services	0,00	Financial Services	0,00
Office of the MM	0,00	Office of the MM	0,00
Planning and Economic Development	6 400,00	Planning and Economic Development	0,00
Roads and Transport Planning Services	91017.90	Roads and Transport Planning Services	42 740.82
Total Deviations	97417.90	Total Deviations	65830.10

6.5 Staff Implications

None, failure to report to council will result in non compliance.

6.6 Previous / Relevant Council Resolutions:

None

6.7 Risk Implications

None

Dec-21								
APPROVED DEVIATIONS								
ANNEXURE: A DEVIATIONS AS PER SECTION 36 OF THE SCM REGULATIONS								
COMMUNITY SERVICES								
No	Ref Nr	Name	Req Date	Deviation Category	Deviation Motivation	Approval Date	Payment Amount	Order Number
1	1791975	Arthurs Towing	2021-12-07	Emergency	Towing of vehicle Caw 68054, Vehicle broke down en route to George. Vehicle overheated.	2021-12-14	2 900,00	E0002324
2	1777630	TATA Garden Route	2021-11-24	Impractical Procurement Process	Upon repairing rear spring packs and inspecting the suspension, it was noticed that the rear shock absorbers as well as the front stabilizer bushes are also worn to maximum and in need of urgent replacement. Supply and replace rear shock absorbers and stabilizer bushes in front.	2021-12-01	4 314,90	E0002137
CORPORATE SERVICES								
No	Ref Nr	Name	Req Date	Deviation Category	Deviation Motivation	Approval Date	Payment Amount	Order Number
3	1782140	Candidas Event Management	2021-11-29	Impractical Procurement Process	Council inauguration meeting for additional 50 people for refreshment. Rehana	2021-12-02	8 500,00	E0002147
4	1799048	Toyota George	2021-12-14	Single Supplier	Agent. Vehicle still under warantee. Andisiwe	2021-12-15	7 374,38	E0002355

ROADS AND TRANSPORT PLANNING SERVICES								
No	Ref Nr	Name	Req Date	Deviation Category	Deviation Motivation	Approval Date	Payment Amount	Order Number
5	1789885	Air Liquid	2021-12-06	Impractical Procurement Process	These cylinders are not sold to the municipality but the municipality is paying for the gas that is provided as and when the gas is needed. 1. To procure Industrial gas for workshop purpose you need to rent the empty cylinder and buy the content etc Mig gas,Oxygen and Acetylene. The rented price will be on a monthly bases and the cylinders will stay on the premises of G.R.D.M. 2. The tender for the supply and rentals for gas already submitted too supply chain office on Tuesday 01 September 2020 . 3. All outstanding accounts(Air Liquide) must be paid in full within the next month which will still be deviations until a market related award could be made. 4. Our Mechanical Departments depend on Industrial gas to do repair work on the fleet.	2021-12-07	2 640,82	E0002213
6	1798239	GH Wolmarans t/a GH Towing Emergency	2021-12-13	Emergency	The accident happened after hours and the vehicle was recovered.	2021-12-13	2 600,00	E0002320
7	1771346	Kleinbooi Stoffels	2021-11-18	Impractical Procurement Process	GRDM has a tender with METRIC, but they want to increase the price. See attached email that the HOD suggested the source of quotations. Norman	2021-12-07	37 500,00	E0002246
TOTAL							65830.10	

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DISTRICT COUNCIL

25 JANUARY 2022

1. **REPORT ON THE PROPOSED SCHEDULE OF COUNCIL AND COMMITTEE MEETINGS FOR THE PERIOD JANUARY UNTIL JUNE 2022 / VERSLAG RAKENDE DIE KONSEP VOORGESTELDE SKEDULE VAN VERGADERINGS VIR 2021 VIR DIE TYDPERK JANUARIE TOT JUNIE 2022 TEN OPSIGTE VAN RAAD EN KOMITEES / INGXELO NGESIPHAKAMISO SOLUHLU LWENTLANGANISO ZEBHUNGA KUNYE NEEKOMTI KWIXESHA LENYANGA YOMQUNGU UKUYA KWEYESILIMELA 2022**

17 JANUARY 2022

REFER REPORT FROM THE EXECUTIVE MANAGER: CORPORATE SERVICES (B HOLTZHAUSEN)

2 PURPOSE

The purpose of this report is to obtain Council approval of the proposed schedule of meetings for the period January until June 2022.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

In order for Garden Route District Municipality to determine the meeting dates for 2022, this Council has to obtain the meeting dates of the B-municipalities, other Intergovernmental structures as well as SALGA. The meeting dates of all the local municipalities have been received. SALGA has not been able to determine dates for the year and this report is submitted with that in mind.

5. RECOMMENDATIONS

1. That the proposed schedule of dates for Council and Committee meetings for the period January until June 2022, be approved.

2. That the closing dates for submission of reports be strictly adhered to.
3. That it be noted that the schedule is subject to changes due to the awaiting of dates from SALGA.
4. That it be noted that the Speaker may call Special meetings from time to time which are not included in this calendar.

AANBEVELINGS

1. *Dat die konsep voorgestelde skedule van vergaderingdatums vir Raad en komiteevergaderings vir 2022, goedgekeur word.*
2. *Dat die sluitingsdatums vir die indiening van verslae streng nagekom word.*
3. *Dat kennis geneem word dat die skedule onderhewig is aan veranderinge weens die afwagterende datums vir SALGA se vergaderings.*
4. *Dat kennis geneem word dat die speaker van tyd tot tyd Spesiale vergaderings kan belê wat nie in hierdie jaarboek ingesluit is nie.*

IZINDULULO

1. Sesokuba isiphakanyisweyo seentlanganiso zeBhunga kunye neKomiti kwixesha elisusela kwinyanga yoMqungu ukuya kweyeSilimela 2022, siphunyezwe.
2. Sesokuba intsuku zokuvalwa kokungeniswa kwengxelo ukuthoyelwa kwawo ubengqongqo.
3. Sesokuba kuthathelwe ingqalelo ukuba uluhlu luxhomekeke kwinguqu nokuxhomekele kwimihla esalindiweyo ka SALGA.
4. Sesokuba kuthathelwe ingqalelo ukuba uSomlomo angabiza intlanganiso Ekhethekileyo yeBhunga ngamaxesha athile, nengabandakanywanga koluluhlu.

6. DISCUSSION / CONTENTS

6.1 Background

The proposed calendar for this year's meetings is informed by the meeting dates of the Local Municipalities in our district. The local municipalities in the district have compiled the schedules for their meetings, and that enables the Garden Route District Municipality to be in a position to compile its schedule of meetings.

6.2 Discussion

During November and December of 2021, all the Local Municipalities in the district were approached for their approved meeting schedules. These schedules were gathered and collated in order to determine the appropriate meeting dates (as per attached annexure) for the Garden Route District Municipality. It has to be noted that the proposed dates are subject to change due to outstanding meeting schedule from SALGA.

It must also be noted that the Rules of order authorises the Speaker to call meetings outside the approved schedule times.

6.3 Financial Implications

The approved schedule assists Councillors to plan their schedules in order to avoid non attendance which may lead to meetings not quorating. If decisions cannot be taken because of lack of quorums, that has a financial implication for the municipality as costs must still be incurred for such things as travelling costs of Councillors.

6.4 Legal Implications

Local Government: Municipal Structures Act 117 of 1998

Local Government: Municipal Finance Management Act 56 of 2003

6.5 Staff Implications

A decision to not implement will have no Staff implications.

6.6 Previous / Relevant Council Resolutions:

E.1 – COUNCIL MEETING THAT TOOK PLACE ON 22 JAN 2021

6.7 Risk Implications

The risks involved are primary related to delayed decision making, i.e If meetings do not take place there are very real implications for Council which includes IDP related deadlines being missed as well as financial implications relating to the approval of the budget and the continuity of Council with regards to projects that are not approved.

ANNEXURE

- GRDM proposed schedule of meetings for the period January until June 2021.



JANUARY 2022

<i>Sunday</i>	<i>Monday</i>	<i>Tuesday</i>	<i>Wednesday</i>	<i>Thursday</i>	<i>Friday</i>	<i>Saturday</i>
						1
2	3 COUNCIL RE- OPENS	4	5	6	7	8
9	10	11	12 SPECIAL COUNCIL MEETING	13	14	15
16	17 CLOSING DATES FOR MAYCO AND COUNCIL	18 PRELIM AT 14:30	19	20 POLICY WORKSHOP AT 10:00	21	22
23	24 Special Education, Training & Development at 10:00	25 MAYCO AT 09h00 COUNCIL AT 11H00	26	27 Closing date for items for Portfolio Committee meetings at 12:00	28	29
30	31					

FEBRUARY 2022						
<i>Sunday</i>	<i>Monday</i>	<i>Tuesday</i>	<i>Wednesday</i>	<i>Thursday</i>	<i>Friday</i>	<i>Saturday</i>
		1	2	3	4 Closing date for items for Council meeting at 12:00	5
6	7 Closing date for items for LLF meeting at 12:00	8	9 Roads & Transport at 08:00; Community Serv at 09:00, Strategic Serv at 10:00, Property Man at 11:00, Economic Dev at 12:00	10 MMF & DCF	11 Finance at 08:00, Corporate Serv at 09:00 PRELIM (TBC)	12
13	14 Technical Strategic Planning	15 Technical Strategic Planning	16 LLF at 10:00	17	18 BUDGET STEERCOM at 10:00	19
20	21 MAYCO at 09H00 COUNCIL MEETING at 11H00	22 INSTITUTIONAL STRATEGIC PLANNING SESSION	23 INSTITUTIONAL STRATEGIC PLANNING SESSION	24 Closing date for items for Training & Development and OHS meetings at 12:00	25 APAC at 09:00	26
27	28 MPAC at 14:00					

MARCH 2022						
<i>Sunday</i>	<i>Monday</i>	<i>Tuesday</i>	<i>Wednesday</i>	<i>Thursday</i>	<i>Friday</i>	<i>Saturday</i>
		1	2	3	4	5
6	7	8 Education, Training & Development at 10:00	9	10 Occupational Health & Safety at 10:00	11 Closing date for items for council meeting at 12:00	12
13	14	15 Closing date for items for Governance meeting at 12:00	16	17 PRE-LIM	18	19
20	21 Public Holiday: Humans Rights Day	22 BUDGET STEERCOM AT 14:00	23 GOVERNANCE AT 10:00	24 Closing date for items for Portfolio Committee Meeting 11 12:00	25	26
27	28	29 Mayco at 09:00 Council Meeting at 11:00	30	31		

APRIL 2022						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4 Closing date for items for Policy Workshop at 12:00	5 Roads & Transport at 08:00; Community Serv at 09:00, Strategic Serv at 10:00, Property Man at 11:00, Economic Dev at 12:00,	6 Finance at 09:00, Corporate Serv at 10:00 Closing date for items for council meeting at 12:00	7	8	9
10	11	12 PRE-LIM	13	14 POLICY WORKSHOP	15 Public Holiday: Good Friday	16
17	18 Public Holiday: Family day	19 Closing date for items for APAC & MPAC	20 IDP, BUDGET & PMS REP FORUM	21	22	23
24	25	26 MAYCO AT 09:00 COUNCIL MEETING AT 11:00	27 Public Holiday: Freedom day	28 MPAC at 10:00 Closing date for items for ETDC & OHS meetings at 12:00	29 APAC AT 10:00	30

MAY 2022						
<i>Sunday</i>	<i>Monday</i>	<i>Tuesday</i>	<i>Wednesday</i>	<i>Thursday</i>	<i>Friday</i>	<i>Saturday</i>
1 Public Holiday: Workers day	2 Public Holiday	3	4	5	6 Closing date for items for LLF 12:00	7
8	9	10 Education, Training & Development at 10:00	11 Closing date for items for council meeting and Budget Steercom at 12:00	12 Occupational Health & Safety at 10:00	13	14
15	16 PRE-LIM	17	18	19 Local Labour Forum at 10:00	20	21
22	23 Budget Steercom at 14:00	24 MAYCO AT 09:00 COUNCIL MEETING AT 11:00	25	26 Closing date for items for Portfolio Committee meetings at 12:00	27	28
29	30	31				

JUNE 2022						
<i>Sunday</i>	<i>Monday</i>	<i>Tuesday</i>	<i>Wednesday</i>	<i>Thursday</i>	<i>Friday</i>	<i>Saturday</i>
			1	2	3	4
5	6 Closing date for items for Mayco & Council meeting at 12:00	7 Closing date for items for Mayco & Council meeting at 12:00	8 Roads & Transport at 08:00; Community Serv at 09:00, Strategic Serv at 10:00, Property Man at 11:00, Economic Dev at 12:00,	9 MMF & DCF	10 Finance at 09:00, Corporate Serv at 10:00	11
12	13 PRELIM	14	15 POLICY WORKSHOP AT 09:00	16 Public Holiday: Youth day	17	18
19	20	21	22 MAYCO AT 09:00 & COUNCIL MEETING AT 11:00	23	24 APAC AT 09:00	25
26	27 MPAC AT 14:00	28	29	30		

[BACK TO AGENDA](#)

DISTRICT COUNCIL**25 JANUARY 2022****1. REPORT ON PROGRESS ON HUMAN RESOURCE POLICIES / VORDERINGSERSLAG RAKENDE MENSLIKE HULPBRON BELEIDE / INGXELO NGOMSEBENZE OSELE WENZIWE NGEMIGAQO YECANDELO LEMICIMBI YEZABASEBENZI**

(9/3/1)

13 January 2022

REPORT FROM THE EXECUTIVE MANAGER: CORPORATE SERVICES (B. HOLTZHAUSEN) MANAGER: HUMAN RESOURCES (N. KLAAS)**2 PURPOSE**

For Council to note the progress on various Human Resource Policies regarding compiling new HR policies, amending existing policies and submitting them to Council for approval.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The following Policy were approved by Council on 10 December 2021.

1	CONTRACT APPOINTMENT POLICY / KONTRAK AANSTELLINGS BELEID
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The following Policies are due for revision and will be workshopped via the Local Labour Forum before submission to Council workshop for consideration in March 2022:

1	• Amended Recruitment and Selection Policy
2	• Motor Perk Scheme Policy
3	• Essential User Scheme policy

4	<ul style="list-style-type: none"> • Criminal Record Policy
5	<ul style="list-style-type: none"> • Redeployment Policy
6	<ul style="list-style-type: none"> • Secondment Policy
7	<ul style="list-style-type: none"> • Critical and Scarce Skills Policy
8	<ul style="list-style-type: none"> • SOP/Policy on the Transfer of Skills
9	<ul style="list-style-type: none"> • Various SOP's on labour related matters
10	<ul style="list-style-type: none"> • Amended Gender Transformation Policy

IMPORTANCE OF POLICIES

Human Resource Policies serve a very critical role in the Garden Route District Municipality. Relevant and updated policies are important for the following reasons:

- To ensure compliance with legislation
- To ensure compliance with Bargaining Council Agreements
- To align with strategic organisational objectives
- To ensure equitable, fair, and standard practices
- To achieve optimisation
- To drive corporate governance
- To adapt to market trends and best practice
- To achieve overall service delivery excellence

NECESSITY FOR POLICY UPDATES

There are various occurrences that necessitate the review, update or development of policies. The Municipality shall review, update, or develop policies as per events in the table below:

OCCURRENCE	DESCRIPTION
New / updated legislation	New legislation may impact conditions of service, which require updates to policies and procedures. As legislation is passed, the impact on policies should immediately be assessed.
Bargaining Council resolutions	Bargaining Council resolutions impact internal conditions of service, which require updates to policies and procedures. Impact on policies should be assessed once an agreement is signed.
Organisational objectives / strategy	A change in organisational strategy and objectives can also influence HR policies. Example: organisational transformation or restructuring.
Periodic review	Regular scheduled review of policies should take place to ensure alignment and compliance. This should happen annually, at the start of the new financial year.
Operational issues	Operational process issues can highlight inadequacies in existing policies. This can happen on an <i>ad hoc</i> basis.
Risk assessment / audit	Risk assessments or policy implementation audits can identify policy issues.

5. RECOMMENDATION

That Council takes note of the report.

AANBEVELING

Dat die Raad kennis neem van die verslag.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo lengxelo.

6. DISCUSSION / CONTENTS

As outlined in the executive summary.

6.1 Background

As outlined in the executive summary.

6.2 Discussion

As outlined in the executive summary.

6.3 Financial Implications

As per approved budget

6.4 Legal Implications

The absence of policies or outdated policies have serious Legal implications.

6.5 Staff Implications

A decision to implement above HR Policies will currently have no additional staff implications.

6.6 Previous / Relevant Council Resolutions:

None.

6.7 Risk Implications

There are no foreseen risks associated with the proposed decision to implement the HR Policies. The absence of HR Policies and outdated policies can impose serious risks on the municipality.

BACK TO AGENDA

DISTRICT COUNCIL

25 JANUARY 2022

1. **SUBJECT: UPDATE REPORT ON THE ACTIONS TAKEN BY THE DISTRICT COVID-19 COMMAND CENTRE TO ADDRESS THE COVID-19 PANDEMIC / OPDATERINGS VERSLAG RAKENDE DIE AKSIE STAPPE WAT REEDS DEUR DIE COVID-19 DISTRIK BEHEERSENTRUM IN PLEK GESTEL IS OM DIE COVID-19 PANDEMIE AAN TE SPREEK/ INGXELO ENTSHA NGAMANYATHELO ATHATYATHIWEYO LIZIKO LENKUMANDA LESITHI LE COVID-19 UKUJONGANA NOBHUBHANE WE COVID-19**

(18/3/2/2/6)

REPORT FROM EXECTIVE MANAGER COMMUNITY SERVICES / C AFRICA

MANAGER: DISASTER MANAGEMENT / G OTTO

2. PURPOSE

To inform Council about the actions taken by The Garden Route District COVID-19 Command Centre to address the COVID-19 Pandemic, as well as the amended regulations promulgated in terms of the Disaster Management Act, 2002 (Act no 57 of 2002, as amended).

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Dr Mmpahaka Tau, the Head of the National Disaster Management Centre (NDMC), classified the COVID-19 pandemic as a national disaster on 15 March 2020.

The Minister of Cooperative Governance and Traditional Affairs declared a national state of disaster recognizing the need to augment the existing legislation and contingency arrangements to deal with the pandemic on 15 March 2020. After the initial three months period this declaration has been extended on monthly intervals.

	International	South Africa	Western Cape Province
Total Cases	331 612 022	3 560 921	637 270
Recovered	269 163 085	3 375 859	593 524
Deaths	5 564 089	93 451	22 520

Table 1: COVID-19 figures on 18/01/2022

5. DISCUSSION / CONTENTS

On the 17th of January 2022 the Department of Health reported that the total number of positive patients for the district according to the latest data is 79 059, 1 177 more than a week ago when it was 77 882. However, the weekly increase is less than the 1 663 in the previous week.

There is a 50% district decrease in total number of new cases over the last 7 days compared to 7-14 days ago. It is the 3rd decrease in a row since mid-November 2021, and all Local Municipalities within the GRDM is showing decreases of 40% and more.

The district had a 50% decrease compared the Provincial decrease of 44% and currently there is 450 active cases per 100 000 of population compared to the 639 of one week ago. The Western Cape Provincial figure is currently on 320 per 100 000 of population.

The total fatalities are currently on 2613, this is 44 than the 2 569 a week ago.

With regards to hospital services the number of confirmed COVID positive patients in the general ward in George Regional Hospital is currently on 24 these 15 patients less than a week ago. There are 2 patients in the High Care Unit, none is on a ventilator.

Oxygen supply to all hospitals is sufficient and poses no challenges. The current position with regards to COVID-19 hospital admissions is as follows:

- Riversdale: 3, decreased from 16 a week ago
- Mossel Bay: 5
- Uniondale: 2
- Knysna: 4
- Ladismith: 1
- Oudtshoorn: 9, decreased from 21 a week ago

Table 2: Position in terms of COVID-19 positive cases within the GRDM as on 17/01/2022

Date	Description	Oudtshoorn	Bitou	Knysna	George	Mossel Bay	Hessequa	Kannaland	GRDM
Monday 17/01/2022	Positive Cases	9389	5503	9571	28528	18005	6018	2045	79059
	Deaths	519	140	278	881	490	227	78	2613
	Active Cases	230	260	362	889	687	278	80	2786
	Recoveries	8640	5103	8931	26758	16828	5513	1887	73660

Table 3: Vaccinations administered in the GRDM until the 17th of January 2022

J&J Program	70 517
Pfizer first dose	169 090
Total people with at least one dose	239 607
Total people with second dose Pfizer	136 918

Even though there are sufficient vaccinations available there is slowdown in the number of vaccinations. 55.9% of Garden Route population over 18 years have received at least a one dose vaccine, and 38% of the total Garden Route Population have received at least a one dose vaccine.

Table 4: Weekly municipal public health activities report (01 Jan – 14 Jan 2022)

FOOD PREMISES						
Type of Premises	Number of premises inspected	Number of premises compliant	Number of premises non-compliant	Number of legal actions taken	Number of premises closed/ Issued a closure notice	Comply to COVI-19 regulations (sanitizing, social distancing and wearing of masks)
Food manufacturing facilities (dairy, biltong, juice & cool drink production)	5	5	-	-	-	5
Supermarkets/ Superettes	34	30	4	2	-	32
Restaurants	58	56	2	-	-	58
Spaza shops	102	66	36	-	-	78
Take Away	29	25	4	-	-	29
Informal Food traders	12	11	1	-	-	12
Butcheries	13	11	2	1	-	11
Soup kitchens	-	-	-	-	-	-
School feeding schemes	4	4	-	-	-	4
Tshisanyamas	-	-	-	-	-	-
Food premises - Other	2	1	1	-	-	2
Totals	259	97	50	3	-	233

Compliance rate	83%		90%
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HEALTH SURVEILLANCE OF PREMISES						
Name Premises	Number of premises inspected	Number of premises compliant	Number of premises non-compliant	Number of legal actions taken	Number of premises closed/ Issued a closure notice	Comply to COVI-19 regulations (sanitizing, social distancing and wearing of masks)
Shopping centres/ Malls	15	15	-	-	-	15
Funeral undertakers	4	4	-	-	-	4
Taverns/Pubs /Bottle stores	-	-	-	-	-	-
Crèches	10	6	4	-	-	5
Guest houses /Accommodation establishment (B&B, Hotels & Self-catering)	5	5	-	-	-	5
Schools	2	2	-	-	-	2
School Hostels	2	2	-	-	-	2
Churches	-	-	-	-	-	-
Hair salons/Barber shop	14	3	-	-	-	3

Informal settlements	14	18	6	-	-	20
Public toilets	38	37	-	-	-	34
Garages/ Petrol Stations	5	9	1	-	-	10
Retail shops	5	5	-	-	-	5
Taxi ranks	3	3	-	-	-	2
Prisons	-	-	-	-	-	-
SAPS Holding cells	1	1	-	-	-	1
Health Care Risk Waste facilities & Generator	7	7	-	-	-	7
Keeping of animals (excluding small holding farmers & on residential premises)	2	2	-	-	-	1
Illegal Dumping	14	5	9	-	-	4
Health Establishments						
Clinics	13	13	-	-	-	13
Hospitals	1	1	-	-	-	1
Old Age homes	6	6	-	-	-	6
Nursing homes	-	-	-	-	-	-
Funeral Gatherings	2	2	-	-	-	2
Recreational Facilities	24	24	-	-	-	24

(Waterslides, caravan parks, Gymnasiums, Play parks, Swimming pools)						
Other	5	3	2	-	-	1
TOTAL	197	173	24	-	-	160
Compliance rate	90%					82%

HEALTH AND HYGIENE EDUCATION/AWARENESS	
Type of community	Number of awareness sessions conducted
Formal Food Premises	145
Spaza Shops	102
Informal Food traders	12
Health Hygiene education (Funeral undertakers, Crèches, Churches, Hair salons/Barbershop, Clinics, Old Age homes, Taverns/Pubs/Bottle stores)	145
Surveillance and prevention of Communicable diseases	43
Total number of awareness sessions	447

SAMPLING (DRINKING WATER/ FINAL EFFLUENT/FOOD)				
Sample type	Number of samples	Compliance		Outstanding results
		Compliant	Non- compliant	
Drinking water (WSA)	64	34	10	20
Drinking water (NWSA)	16	6	3	7

Final effluent (WSA)	9	1	3	5
Final effluent (Private)	1	-	-	1
Recreational water	58	8	8	39
Food	25	6	2	17
Surface swabs	-	-	-	-
River	-	-	-	-
TOTALS	173	55	26	89

DISINFECTION ACTIVITIES – GOVERNMENT AND PRIVATE OWNED BUILDINGS AND PUBLIC SPACES

Type of premises	Number of Deep cleansing activities	
	Conducted by GRDM	Conducted by private entities and/or B-municipality
Business premises (Food premises, Old Age Homes, Clinics, Spaza shops, Police stations, Retails stores, etc.)	-	4
Government premises (Police station, Prisons, Municipality buildings etc.)	-	3
Taxi ranks	-	-
Sidewalks	-	-

COVID-19 - CASE INFORMATION

Number of home visit to COVID-19 positive cases	14
Number of COVID-19 cases contacted per telephone	27
Number of contacts traced: via phone	1
Number of contacts traced: via physical visits	-
Number of untraceable cases/contacts	-

DECEDENT INFORMATION	
Number of deaths (all deaths) (information to be obtained from funeral undertakers)	378
Number of COVID-19 deaths (information to be obtained from funeral undertakers)	42
Number COVID-19 funerals attended	2
Number of COVID-19 cremations	-

FUNERAL UNDERTAKER INFORMATION		
Number of registered Funeral Undertakers	47	
Total number of shelves at all Funeral undertakers	493	
Weekly statistics (01 Jan – 14 Jan 2022)		
Take note: Information used is only from undertakers that submitted reports		
	Total	%
Number of Funeral undertakers that submitted reports during reporting period	44	90%
Number of shelves/spaces of those that submitted reports	461	88%
Available shelves/ space	273	59%

6. RECOMMENDATION

That the GRDM Council takes note of the report.

AANBEVELING

Dat die Raad kennis neem van die verslaag.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo lengxelo.

7. COVID-19 Legislation and Regulations

Since the 25th of March 2020, Dr Mmaphaka Tau, in his capacity as the Head of the National Disaster Management Centre, after assessing the potential magnitude and severity of the COVID- 19 pandemic in the country, in terms of section 23(1) (b) of the Disaster Management Act, 2002 (Act No. 57 of 2002, as amended), classified the COVID-19 pandemic as a national disaster.

Emanating from the classification of this occurrence as a national disaster, in terms of section 26, read with section 23(8) of the above-mentioned Act, the primary responsibility to co-ordinate and manage the disaster, in terms of existing legislation and contingency arrangements, is designated to the national executive.

In terms of Section 15(2) (aA) of the Act, read with sections 23(8), Dr Tau called upon all organs of state to further strengthen and support the existing structures to implement contingency arrangements and to ensure that measures are put in place to enable the national executive to effectively deal with the effects of this disaster.

On the 15th of March 2020, Dr Nkosazana Dlamini Zuma, the Minister of Cooperative Governance and Traditional Affairs as designated under section 3 of the Disaster Management Act, 2002 (Act no 57 of 2002, as amended) in terms of section 27 (1) of the Act declared a national state of disaster. In terms of section 27(2) of the act the minister may, when required, make regulations or issue directions, since the onset of the COVID-19 pandemic the regulations as well as disaster management guidelines and notices have been published.

The Declaration of a National state of Disaster has again been extended till the 15th of February 2022 by the Minister of Cooperative Governance and Traditional Affairs, Dr Nkosazana Dlamini Zuma.

The New Provincial Circular H221/2021: National revision of contract tracing, quarantine & isolation protocols dated 23 December 2021 are still in place, unless otherwise specified and direction given from Provincial Office to amend.

This directive received changed the face of actions to be taken:

Contact Tracing:

- All contact tracing to be stopped with immediate effect.
- The exception would be in congregate settings, cluster outbreak situations or self-contained settings.

Quarantine:

- All quarantine for both vaccinated and unvaccinated contacts is stopped with immediate effect.
- No testing for COVID-19 is required unless contacts become symptomatic.

Isolation:

- Asymptomatic: No isolation is required. These could be individuals who have been tested on admission to hospital or have had pre-travel testing.
- Mild Disease: Isolate for 8 days from date of onset of symptoms (which is day 1) and return to work on Day 9.
 - Severe Disease: Isolate for 10 days from date of onset of symptoms (which is day 1) and return to work on Day 11.

7.1 Financial Implications

Thus far, all the COVID-19 related expenses have been funded from:

Council's cash reserves.

7.2 Legal Implications

Disaster Management Act, 2002 (Act No. 57 of 2002, as amended), sections as outlined in the above-mentioned discussion.

7.3 Staff Implications

No direct staff implications

7.4 Previous / Relevant Council Resolutions:

Monthly COVID-19 update reports have been submitted to Council since April 2020.

7.5 Risk Implications

There are no foreseen risks associated with the proposed decision for Council to not implement the directive.

BACK TO AGENDA

DISTRICT COUNCIL

25 JANUARY 2021

1. **QUARTERLY REPORT REGARDING THE PROGRESS OF THE ROADS DEPARTMENT AND THE FINANCIAL PROJECTIONS / KWAARTAALVERSLAG RAKENDE DIE VORDERING VAN DIE PAAIE DEPARTEMENT EN DIE FINANSIËLE VOORUITSKATTINGS / INGXELO YEKOTA YOKWAZISA IBHUNGA MALUNGA NOMSEBENZI OSELE WENZIWE LISEBE LEZENDLELA KUNYE NENGQIKELELO ZEZEMALI**

17 January 2022

REFER REPORT FROM THE EXECUTIVE MANAGER: ROADS AND TRANSPORT SERVICES (JG DANIELS)

2 **PURPOSE**

The report is tabled to Council to present a quarterly report for the first quarter of the 2021/2022 financial year.

3. **DELEGATED AUTHORITY**

Council

4. **EXECUTIVE SUMMARY**

This report is submitted to inform Council about the Roads Department quarterly activities, performance and achievements.

5. **RECOMMENDATION**

That Council takes note of the report.

AANBEVELING

Dat die Raad kennis neem van die verslag.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo ingxelo.

6. **DISCUSSION / CONTENTS**

6.1 **Background**

The Roads Department is responsible for normal maintenance on Provincial Rural roads in the Garden Route District Municipal area. The Department is also responsible for the following capital projects, namely construction, re-gravel and reseal work.

6.2 Discussion

Construction: Slangrivier Project

The Slangrivier project started in January 2020 and is scheduled to be completed by 31 March 2022. As of beginning of September 2021 the project is 76% complete and on schedule for completion on 31st March 2022. Training for the 61 EPWP contract workers is ongoing.

Jongensfontein Slip Failure

Construction has started on this slip failure, with the site establishment completed. Excavation has started to remove the damaged pipes. The replacement pipes are already on site and we are awaiting the final design from Province, where after the installation of the new pipes will commence. Due to the floods this project is scheduled for completion in February 2022.

Re-Gravel.

After completion of Swartberg Pass the re-gravel team moved to Saasveld/Keytersnek road. Problems with the material quality of the identified borrow pit prompted us to move to another borrow pit

Reseal

The planned reseal work are on schedule. We were instructed by Province not to do the Souwesia road, as the status of the road (belonging to Mosselbay or PGWC) is in question. We proposed to reseal a section of the Witsand road in its place, awaiting approval from Province.

Short Section Regravel

Commenced with a short section regravel program that concentrates on bad roads that we receive undated complaints. (See attached program)

Blading

We have bladed 2099.88 km for the month of October & November.

Black topping (Pothole repair)

We have completed 562.9 m² for the month of October & November.

Yellow Construction Fleet

We have received 5 X 10 m³ tipper trucks and 1 X 4 m³ tipper truck for a total value of R 9.06 million

6.3 FINANCIAL IMPLICATIONS

The budget allocation in respect of the Capital and Current Expenditure for the Roads Department for the 2021/2022 financial year is as follows:

Total Budget : R 177 340 million
 The Expenditure : R 47 805 127.10 million

The expenditure for the quarter is as follows:

- October 2021 :R 13 490 532.80
- November 2021 :R 19 836 539.64
- December 2021. :R 14 478 054.66
- Total expenditure :R 47 805 127.10**

Highlights:

The MAYCO and management visited the Slangrivier project on the 14 October 2021.

6.4 Legal Implications

None

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

There are no previous or relevant Council resolutions related to this matter.

6.7 Risk Implications

There are no foreseen risks associated with the proposed recommendation

BACK TO AGENDA

DISTRICT COUNCIL

25 JANUARY 2022

1. **REPORT ON THE FLOOD DAMAGES THAT OCCURRED IN NOVEMBER 2021 /VERSLAG RAKENDE DIE VLOEDSKADES WAT TYDENS NOVEMBER 2021 PLAASGEVIND HET / INGXELO NGOMONAKALO WEZIKHUKULA EZIQHUBEKE NGENYANGA YENKANGA 2021**

17 January 2022

REFER REPORT FROM THE EXECUTIVE MANAGER: ROADS AND TRANSPORT SERVICES (JG DANIELS)

2 **PURPOSE**

The purpose of the report is to inform Council about the flood damages that occurred in November 2021 around Garden Route District.

3. **DELEGATED AUTHORITY**

Council

4. **EXECUTIVE SUMMARY**

During the month of November and December 2021, the Garden Route area had severe floods that included a flash flood on the 22nd of November 2021. These floods constitute severe damages on our structures and roads that includes a sinkhole on the Airport Road and an arm core failure in Madiba Road that collapsed the whole road 8 metres deep. This has put a lot of strain on our infrastructure and staff as the capacity of staff had to be reprioritised. We are currently busy with flood damages repair to make roads safe for the public and prevent possible claims.

5. **RECOMMENDATION**

That Council takes note of the report.

AANBEVELING

Dat die Raad kennis neem van die verslaag.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo ingxelo.

6. DISCUSSION / CONTENTS

6.1. Background

The Garden Route District area had severe flash floods that occurred on the 22nd of November 2021. These floods constitute severe damages on our structures and roads that includes a sinkhole on the Airport Road and an arm core failure in Madiba Road that collapsed the whole road 8 metres deep. The Roads Department compiled a repair strategy with cost estimation for each road.

6.2 Financial Implications

As per the attached available budget

6.3 Legal Implications

None

6.5 Staff Implications

None

Document attached

Annexure A - Repair Strategy & Cost Estimation Report.

6.6 Previous / Relevant Council Resolutions

There are no previous or relevant Council resolutions related to this matter.

6.7 Risk Implications

None



**Western Cape
Government**
Transport and Public Works

Structures Damage Report Form

LOCALITY

Region: Garden Route District Municipality

District Municipality: Garden Route DM

Local Municipality: George

Maintenance Ward: George East

Road Number: MR00355

KM Distance Start: 3.7

KM Distance End:

LHS	Centre	RHS
X	X	X

GPS Coordinate:

DESCRIPTION OF DAMAGE

Structure caved in, 2 meter diameter armco washed away



PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Description of works: Replace pipe structure and reinstate layers.

TOTAL COST ESTIMATE: R4 500 000

	Western Cape Government Transport and Public Works	Structures Damage Report Form										
CALITY												
Region: Garden Route District Municipality	District Municipality: Garden Route DM											
Local Municipality: George	Maintenance Ward: George East											
Road Number: MR00355	<table border="1"> <tr> <td>LHS</td> <td>Centre</td> <td>RHS</td> </tr> <tr> <td></td> <td></td> <td>X</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>	LHS	Centre	RHS			X					
LHS	Centre	RHS										
		X										
KM Distance Start: 7,95												
KM Distance End:												
GPS Coordinate:												
DESCRIPTION OF DAMAGE												
Cracks on the road indicating a possible slip failure.												
PHOTO RECORD												
												
REPAIR STRATEGY & COST ESTIMATE												
Description of works: Construct retaining wall / rock anchors and Rework layerworks.												
TOTAL COST ESTIMATE: R5 000 000												



**Western Cape
Government**

Transport and Public Works

Structures Damage Report Form

CALITY

Region: Garden Route District Municipality

District Municipality: Garden Route DM

Local Municipality: George

Maintenance Ward: George East

Road Number: DR1618

KM Distance Start: 6,6

KM Distance End: 6,8

LHS	Centre	RHS
X	X	X

GPS Coordinate:

DESCRIPTION OF DAMAGE

Low water drift washed away



PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Description of works: Replace low-water bridge/drift

TOTAL COST ESTIMATE: R4 000 000

	Western Cape Government Transport and Public Works	Structures Damage Report Form								
LOCALITY										
Region: Garden Route District Municipality		District Municipality: Garden Route DM								
Local Municipality: George		Maintenance Ward: George West								
Road Number: DR1639		<table border="1"> <tr> <td>LHS</td> <td>Centre</td> <td>RHS</td> </tr> <tr> <td>X</td> <td>X</td> <td>X</td> </tr> </table>			LHS	Centre	RHS	X	X	X
LHS	Centre	RHS								
X	X	X								
KM Distance Start: 1,62										
KM Distance End:										
GPS Coordinate:										
DESCRIPTION OF DAMAGE										
Low water bridge damaged. Approach slab collapsed										
PHOTO RECORD										
										
REPAIR STRATEGY & COST ESTIMATE										
Replace low water bridge										
TOTAL COST ESTIMATE: R2 500 000										



**Western Cape
Government**
Transport and Public Works

Structures Damage Report Form

LOCALITY

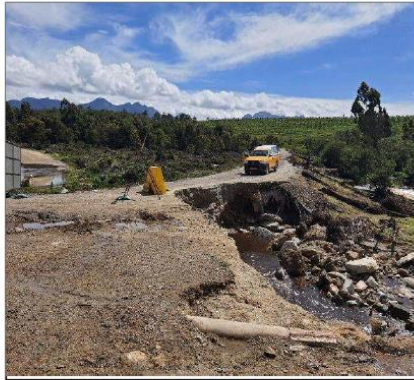
Region: Garden Route District Municipality
Local Municipality: George
Road Number: DR1599
KM Distance Start: 15.8 km 14 and the bridge
KM Distance End:
GPS Coordinate:

District Municipality: Garden Route DM		
Maintenance Ward: George West		
LHS	Centre	RHS
	X	

DESCRIPTION OF DAMAGE

Road under water at km 14 and Km 15.8, bridge with fallen branches and gabions and bridge railings damaged

PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Install new guardrails on three bridges, fix gabions and spot gravelling

TOTAL COST ESTIMATE: R1 800 000



**Western Cape
Government**

Transport and Public Works

Structures Damage Report Form

LOCALITY

Region: Garden Route District Municipality

District Municipality: Garden Route DM

Local Municipality: George

Maintenance Ward: George

Road Number: DR1524

KM Distance Start: 3,24

KM Distance End:

LHS	Centre	RHS
	X	

GPS Coordinate:

DESCRIPTION OF DAMAGE

600mm pipe crossing broken at 2 spots.

PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Remove and replace the existing 600mm pipe

TOTAL COST ESTIMATE: R450 000



**Western Cape
Government**

Transport and Public Works

Structures Damage Report Form

LOCALITY

Region: Garden Route District Municipality

District Municipality: Garden Route DM

Local Municipality: George

Maintenance Ward: George

Road Number: DR1633

KM Distance start: 3.3

KM Distance End:

GPS Coordinate:

LHS	Centre	RHS
X	X	X

DESCRIPTION OF DAMAGE

Gravel washed away against the structure, and the structure failed.

PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Rebuild Structure, backfill and reinstate layerworks

TOTAL COST ESTIMATE: R4 000 000



**Western Cape
Government**
Transport and Public Works

Structures Damage Report Form

LOCALITY

Region: Garden Route District Municipality	District Municipality: Garden Route DM	
Local Municipality: George	Maintenance Ward: George	
Road Number: DR1602		
KM Distance Start: 6.2		
KM Distance End: 8.5		
GPS Coordinate:		

LHS	Centre	RHS
X	X	X

DESCRIPTION OF DAMAGE

At km 6.2 there is a road slip failure. At Km 8.5 there is a structure foundations failure

PHOTO RECORD



Km 6,2


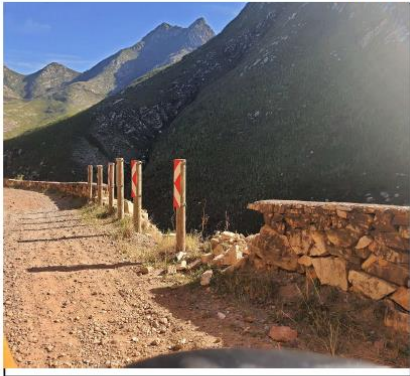



Km 8,5

REPAIR STRATEGY & COST ESTIMATE

Backfill road edge, open drainage at KM 6,2. At KM 8,5 rebuild structure.

TOTAL COST ESTIMATE: R4 000 000

	Western Cape Government Transport and Public Works	<h2 style="margin: 0;">Structures Damage Report Form</h2>
LOCALITY		
Region: Garden Route District Municipality		District Municipality: Garden Route DM
Local Municipality: George		Maintenance Ward: Harold
Road Number: DR1640		
KM Distance Start: 0		
KM Distance End: 15,7		
GPS Coordinate:		
DESCRIPTION OF DAMAGE		
Gravel loss and washaways across road, retaining dry pack stone walls damaged. Full bridge inspection needed. Part of heritage site.		
PHOTO RECORD		
		
REPAIR STRATEGY & COST ESTIMATE		
Description of works : Reinststate gravel wearing course, repair stone walls and repair bridge		
TOTAL COST ESTIMATE: R12 500 000		



**Western Cape
Government**
Transport and Public Works

Structures Damage Report Form

LOCALITY

Region: Garden Route District Municipality

District Municipality: Garden Route DM

Local Municipality: Bitou

Maintenance Ward: Knysna

Road Number: DR1791

LHS	Centre	RHS
X	X	X

KM Distance Start: 1.3

KM Distance End:

GPS Coordinate:

DESCRIPTION OF DAMAGE

Drift partly failed / collapsed

PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Rebuild drift

TOTAL COST ESTIMATE: R3 500 000



**Western Cape
Government**
Transport and Public Works

Structures Damage Report Form

LOCALITY

Region: Garden Route District Municipality

District Municipality: Garden Route DM

Local Municipality: Bitou

Maintenance Ward: Knysna

Road Number: OP7218

KM Distance Start: 0,02

KM Distance End: 3,04

LHS	Centre	RHS
X	X	X

GPS Coordinate:

DESCRIPTION OF DAMAGE

Side drains washed away, pipe and headwall damage




PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Reinstate side drains, reinstate pipes and headwalls, reinstate gravel wearing course

TOTAL COST ESTIMATE: R1 500 000

#VALUE!	 Western Cape Government Transport and Public Works	<h2>Structures Damage Report Form</h2>										
LOCALITY												
Region: Garden Route District Municipality		District Municipality: Garden Route DM										
Local Municipality: Plettenbergbaai		Maintenance Ward: Plettenbergbaai										
Road Number: DR1783		<table border="1"> <tr> <td>LHS</td> <td>Centre</td> <td>RHS</td> </tr> <tr> <td></td> <td>X</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>		LHS	Centre	RHS		X				
LHS	Centre	RHS										
	X											
KM Distance start: 10												
KM Distance End: 14												
GPS Coordinate:												
DESCRIPTION OF DAMAGE												
Km 10-14 there is a severe gravel loss, Km 11.8-12.7 there is a damaged concrete pipe and broken headwalls. Concrete road slabs at steep incline washed away												
PHOTO RECORD												
												
REPAIR STRATEGY & COST ESTIMATE												
provision of concrete slab and reinstallation of damaged concrete pipes and headwalls												
TOTAL COST ESTIMATE: R 3 300 000.00												



**Western Cape
Government**

Transport and Public Works

Flood Damage Report Form

LOCALITY

Region: Garden Route District Municipality	District Municipality: Garden Route DM
Local Municipality: Oudtshoorn	Maintenance Ward: Oudtshoorn East
Road Number: OP6478	
KM Distance Start:	
KM Distance End:	
GPS Coordinate:	

LHS	Centre	RHS
x	x	x

DESCRIPTION OF DAMAGE

Structures damaged

PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Replace pipes and head and wingwall and box culvert structure

TOTAL COST ESTIMATE: R 1 500 000



**Western Cape
Government**
Transport and Public Works

Flood Damage Report Form

LOCALITY

Region: Garden Route District Municipality	District Municipality: Garden Route DM	
Local Municipality: Oudtshoorn	Maintenance Ward: Oudtshoorn East	
Road Number: DR 1713		
KM Distance Start: 26,5		
KM Distance End:		
GPS Coordinate:		

LHS	Centre	RHS
x	x	x

DESCRIPTION OF DAMAGE

Structures damaged

PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Replace pipes and head and wingwall structure

TOTAL COST ESTIMATE: R 2 000 000



**Western Cape
Government**
Transport and Public Works

Flood Damage Report Form

LOCALITY

Region: Garden Route District Municipality	District Municipality: Garden Route DM
Local Municipality: Oudtshoorn	Maintenance Ward: Oudtshoorn East
Road Number: DR 1713	
KM Distance Start: 27,5	
KM Distance End:	
GPS Coordinate:	

LHS	Centre	RHS
x	x	x

DESCRIPTION OF DAMAGE

Structures damaged

PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Replace pipes and head and wingwall structure

TOTAL COST ESTIMATE: R 3 000 000



**Western Cape
Government**
Transport and Public Works

Structures Damage Report Form

LOCALITY

Region: Garden Route District Municipality

District Municipality: Garden Route DM

Local Municipality: George

Maintenance Ward: George East

Road Number: MR0347

KM Distance Start: 9,7

KM Distance End:

GPS Coordinate:

LHS	Centre	RHS
X	X	X

DESCRIPTION OF DAMAGE

Armco Failure at George Airport

PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Description of works: Replace pipe structure and reinstate layers.

TOTAL COST ESTIMATE: R4 000 000



**Western Cape
Government**
Transport and Public Works

Structures Damage Report Form

LOCALITY

Region: Garden Route District Municipality

District Municipality: Garden Route DM

Local Municipality: George

Maintenance Ward: George

Road Number: OP6914

LHS	Centre	RHS
x		

KM Distance Start: 1,5

KM Distance End: 1,8

GPS Coordinate:

DESCRIPTION OF DAMAGE

Erosion along the estuary, road currently closed as it is unsafe.

PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Description of works: Construct gabions at two critical spots, and place biodegradable bags at non-critical sections.

TOTAL COST ESTIMATE: R2 000 000



**Western Cape
Government**
Transport and Public Works

Structures Damage Report Form

LOCALITY

Region: Garden Route District Municipality

District Municipality: Garden Route DM

Local Municipality: Bitou

Maintenance Ward: Knysna

Road Number: DR 1782

KM Distance Start: 1,3

KM Distance End: 1,3

LHS	Centre	RHS
x	x	x

GPS Coordinate:

DESCRIPTION OF DAMAGE

Pipes cracked and no headwalls, road width has decreased due to accidents at this point.

PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Description of works: Install low level structure and permanent surfacing of incline.

TOTAL COST ESTIMATE: R3 000 000



**Western Cape
Government**
Transport and Public Works

Structures Damage Report Form

LOCALITY

Region: Garden Route District Municipality

District Municipality: Garden Route DM

Local Municipality: Knysna

Maintenance Ward: Knysna

Road Number: DR 1772

LHS	Centre	RHS
x	x	x

KM Distance Start: 1,1

KM Distance End: 1,1

GPS Coordinate:

DESCRIPTION OF DAMAGE

Slip failure

PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Description of works: Rehabilitation of road.

TOTAL COST ESTIMATE: R3 000 000



**Western Cape
Government**
Transport and Public Works

Structures Damage Report Form

LOCALITY

Region: Garden Route District Municipality

District Municipality: Garden Route DM

Local Municipality: George

Maintenance Ward: Uniondale

Road Number: DR1845

KM Distance Start: 1

KM Distance End: 7,5

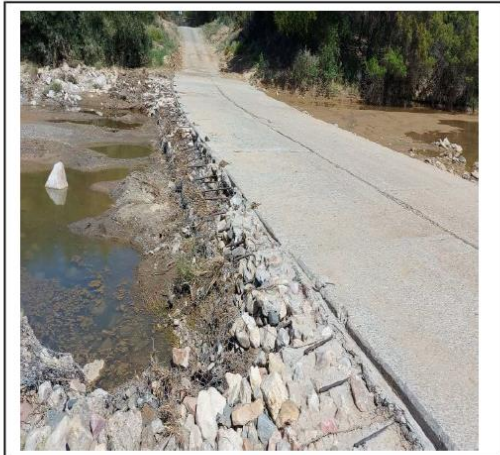
LHS	Centre	RHS
X	X	X

GPS Coordinate:

DESCRIPTION OF DAMAGE

Damaged structures

PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Description of works: Reinstatate gaions and low level structures x2

TOTAL COST ESTIMATE: R1 500 000



**Western Cape
Government**
Transport and Public Works

Structures Damage Report Form

LOCALITY

Region: Garden Route District Municipality

District Municipality: Garden Route DM

Local Municipality: George

Maintenance Ward: Uniondale

Road Number: DR1704

LHS	Centre	RHS
x		x

KM Distance Start: 1,8

KM Distance End: 14

GPS Coordinate:

DESCRIPTION OF DAMAGE

Pipe broken and exposed, no headwalls, school bus route

PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Description of works: Remove and relay pipe, and construct headwalls. Needs new low level structure.

TOTAL COST ESTIMATE: R3 000 000



**Western Cape
Government**
Transport and Public Works

Structures Damage Report Form

LOCALITY

Region: Garden Route District Municipality	District Municipality: Garden Route DM
Local Municipality: Ladismith	Maintenance Ward: Ladismith
Road Number: DR1433	
KM Distance Start: 41,8	
KM Distance End:	
GPS Coordinate:	

LHS	Centre	RHS
		x

DESCRIPTION OF DAMAGE

Gabions damaged

PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Description of works: Construct new low water structure
TOTAL COST ESTIMATE: R3 200 000



**Western Cape
Government**
Transport and Public Works

Structures Damage Report Form

LOCALITY

Region: Garden Route District Municipality

District Municipality: Garden Route DM

Local Municipality: Oudtshoorn

Maintenance Ward: Oudtshoorn

Road Number: DR1649

LHS	Centre	RHS
x		x

KM Distance Start: 21,85

KM Distance End: 21,85

GPS Coordinate:

DESCRIPTION OF DAMAGE

Pipe structure not adequate for stormwater in river. Community frequently cut off.

PHOTO RECORD



REPAIR STRATEGY & COST ESTIMATE

Description of works: Construct new structure

TOTAL COST ESTIMATE: R1 200 000

Flood damage schedule: 22 November 2021					
Road No	Road Name	Maintenance Ward	KM Distance	Damages	Amount
MR00355	Saasveld / Keytersnek	George East	3,7	Road caved in, ammo washed away	R4 500 000,00
MR00355	Saasveld / Keytersnek	George East	7,95	Cracks indicating failure	R5 000 000,00
DR1618	Owayang	George West	6,6-6,8	Water overflow, low level structure flooding	R4 000 000,00
DR1636	Geelhoutboomberg	George West	0,37	Water overflowing, road under water	R150 000,00
DR1636	Geelhoutboomberg	George West		Low water bridge approach slip collapsed	R3 500 000,00
DR1599	Grootbrakrivier	George West	14 and 15,8	Road under water, bridge with fallen branches and not safe for use	R1 800 000,00
DR1624	Kleinfontein	George West	3,24	600mm pipe crossing broken at 2 spots	R450 000,00
DR1633	Jonkersberg	George West	3,3	Structure failure	R4 000 000,00
DR1602	Kleinplaas	George West	6,2 & 8,5	At km 6,2 there is a road slip failure. At Km 8,5 there is a structure failure	R4 000 000,00
DR1640	Montagapas	George West/ Harold	0-15,7	road, bridge(stone) need attention southern side (KM 1, 13).	R12 500 000,00
DR1721	Redford	Knysna	1,3	Drift partly failed	R3 500 000,00
OP7218	Keurbomshoogte	Knysna		Side drain, gravel, headwall washed away	R1 500 000,00
DR1783	Gouna	Knysna	10 - 14	Km 10-14 there is a severe gravel loss, Km 11,8-12,7 there is a damaged concrete pipe and broken headwalls	R3 300 000,00
OP8478	Slange rivier	Oudtshoorn Wes		Sides of pipe structure washed away, pipe structure damaged	R1 500 000,00
DR1713		Oudtshoorn	26,5	Structures damaged	R2 000 000,00
DR1713		Oudtshoorn	27,5	Structures damaged	R3 000 000,00
MR0347	Herolds/Blanco	George East	9,7	Armo Failure	R4 000 000,00
OP8914		George East	1,5 - 1,8	Road erosion	R2 000 000,00
DR1762		Knysna	1,3	Pipes cracked and no headwalls	R3 000 000,00
DR1772		Knysna	1,1	Slip failure	R3 000 000,00
DR1845		Unionsdale	1 - 7,5	Damaged structures	R1 500 000,00
DR1704		Oudtshoorn East	1,8 - 14	Pipe broken and exposed	R3 000 000,00
DR1433		Ladsmith	41,8	Gabions damaged	R3 200 000,00
DR1649		Oudtshoorn West		Box culvert needed	R1 200 000,00
					R74 600 000,00

[BACK TO AGENDA](#)

DISTRICT COUNCIL

25 JANUARY 2022

1. **2021 GARDEN ROUTE DISTRICT MUNICIPAL ECONOMIC REVIEW OUTLOOK REPORT (MERO) /2021 GARDEN ROUTE DISTRIKSMUNISIPALITEIT MUNISIPALE EKONOMIESE OORSIGVERSLAG /INGXELO YOQWALASELO BANZI LOBUME BEZOQOQOSHO KUMASIPALA WESITHILI SE GARDEN ROUTE 2021**

17 January 2022

REFER REPORT FROM THE EXECUTIVE MANAGER: ECONOMIC DEVELOPMENT AND PLANNING (L MENZE)

2. **PURPOSE**

The purpose of this report is to submit the 2021 Municipal Economic Review and Outlook (MERO) report to Council for noting.

3. **DELEGATED AUTHORITY**

Council

4. **EXECUTIVE SUMMARY**

The Municipal Economic Review and Outlook (MERO) is a socio-economic research publication produced annually by the Western Cape Provincial Treasury since 2012. Together with its sister publication, the Provincial Economic Review and Outlook (PERO), the MERO informs the Western Cape Government's (WCG) evidence-based approach towards integrated planning and budgeting by guiding the fair, equitable and sustainable distribution of financial resources.

5. **RECOMMENDATION**

That Council notes the 2021 Garden Route Municipal Economic Review and Outlook (MERO) from Provincial Treasury.

AANBEVELING

Dat die Raad kennis neem van die verslag van die Garden Route Distriksmunisipaliteit se 2021 Munisipale Ekonomiese Oorsig Verslag van die Provinsial Tesourie.

ISINDULULO

Sesokuba iBhunga liyithathele ingqalelo ingxelo Yoqwalaselo Banzi Lwendlela Yezoqoqosho yoMasipala Wesithili se Garden Route nesuka kuNondyebo Wephondo.

6. DISCUSSION / CONTENTS

6.1 Background

The Municipal Economic Review and Outlook (MERO) provides a reliable and accurate situation analysis of the Garden Route District at a glance.

The information provided is meant to influence planning and budgeting of the district entirely, as informed by extents of development in the following areas:

- Demographics
- Education
- Health
- Poverty
- Basic service delivery
- The economy and
- Public infrastructure

There are various sources of information for the aforementioned fields, which are contained in the report.

6.2 Discussion

The MERO starts off by providing an analysis of macroeconomic performance, a future growth outlook and labour market trends at a district level. It then proceeds with a more in-depth regional economic analysis by considering the trends in sectoral growth, skills and employment for each of the Western Cape's municipal areas.

The MERO is not only a planning and budgeting tool for the public sector, but aims to support private sector developments by reflecting on investment potential and comparative advantages for each local municipal area i.e. unpacking levels of specialisation in different sectors and discussing whether certain regions are importing, self-sufficient or exporting its surpluses. Importantly, the MERO also attempts to consider the influence of exogenous factors on the future growth outlook (sectoral forecasting) of local economies.

An overview of each District is provided as follows:

Chapter 1: Regional economic review and outlook - Broad overview of the Provincial macroeconomic context of each District by focusing on GDP performance and labour trends. The period under review for MERO 2021 is 2015 to 2019, with 2020 figures being estimated. This chapter also provides GDP forecasts for 2021 and 2022.

Chapter 2: Sectoral growth, employment and skills per municipal area - This chapter provides a more in-depth macroeconomic outlook by considering the trends in GDP, employment and skill levels between 2010 and 2020 for each of the municipal areas.

Chapter 3: Trade, tourism and investment - This section explores trade, tourism and investment dynamics at a District level and analyses the comparative advantages of the various economic sectors within the District to identify growth opportunities and potential risks.

Chapter 4: Municipal socio-economic analysis - This chapter provides an overview of the economic and social circumstances of households by analysing population, human development, housing, crime and access to basic services. More specifically, human development in the region is assessed by exploring education levels, health and income.

6.3 Financial Implications

None

6.4 Legal Implications

None, but the following legislation states that the socio-economic analysis of a municipality is a core component of its Integrated Development Plan

- Local Government: Municipal Systems Act (2000), (MSA),

6.5 Staff Implications

The tabling of this report to Council has no staff implications.

6.6 Previous / Relevant Council Resolutions:

There are no previous or relevant Council resolutions related to this matter. This report is tabled to Council annually.

6.7 Risk Implications

There are no foreseen risks associated with this report.

ANNEXURE

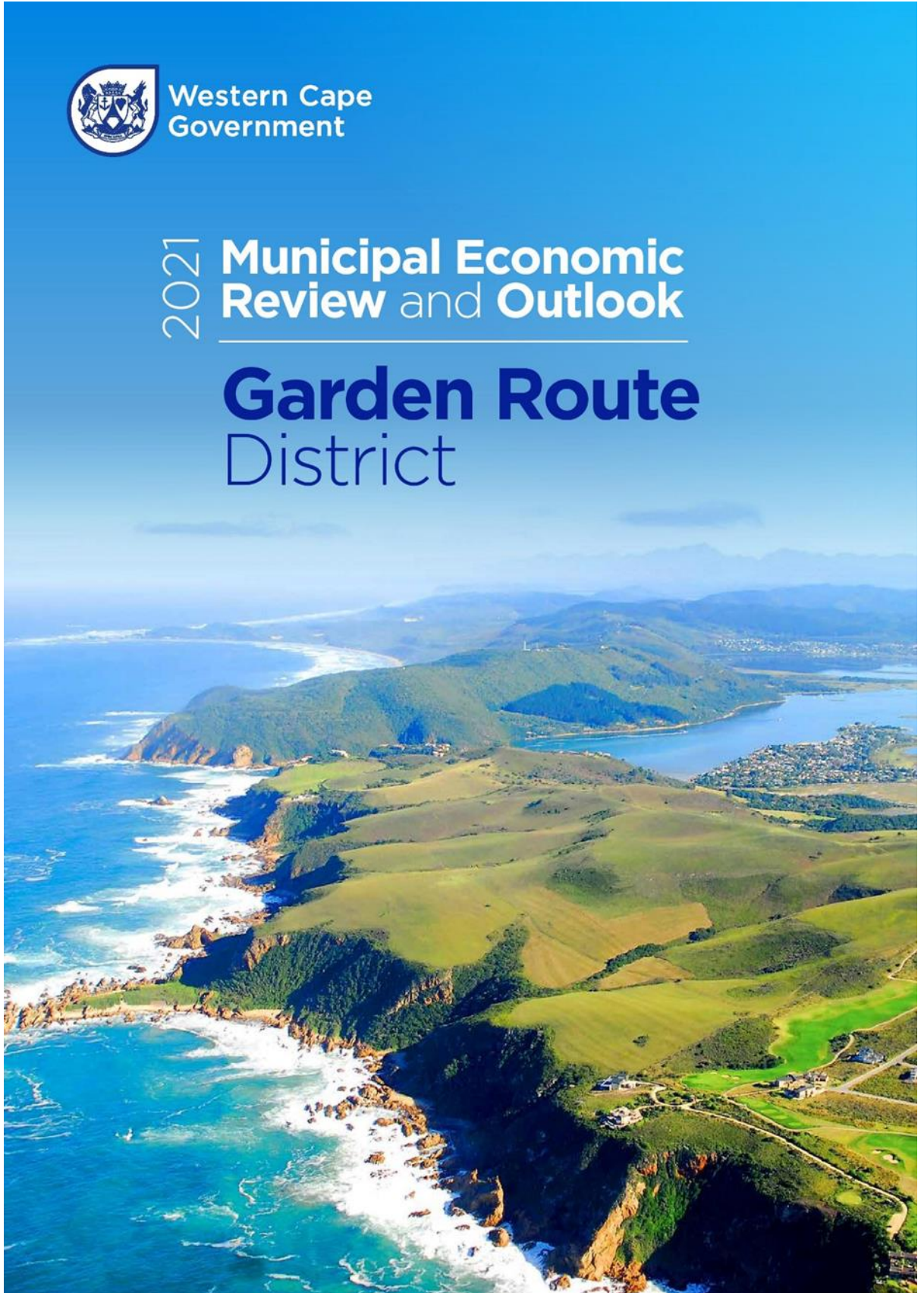
2021 Municipal Review and Outlook Report



Western Cape
Government

2021 **Municipal Economic
Review and Outlook**

**Garden Route
District**





Western Cape
Government

2021 **Municipal Economic Review and Outlook**

Garden Route District



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www.westerncape.gov.za



PR366/2021
ISBN: 978-0-621-49944-5

ABOUT THE MUNICIPAL ECONOMIC REVIEW AND OUTLOOK (MERO)

The Municipal Economic Review and Outlook (MERO) is a socio-economic research publication produced annually by the Western Cape Provincial Treasury since 2012. Together with its companion publication, the Provincial Economic Review and Outlook (PERO), the MERO informs the Western Cape Government's (WCG) evidence-based approach towards integrated planning and budgeting by guiding the equitable and sustainable distribution of financial resources.

The PERO provides policy-makers, sector departments and municipalities with a high-level review and outlook of past and forecasted economic developments that influence the national and sub-national spheres of government. In turn, the MERO disaggregates economic intelligence at a municipal level which feeds into municipal integrated development plans (IDPs), local economic development strategies (LEDs) and budgets.

The MERO starts off by providing an analysis of macroeconomic performance, a future growth outlook and labour market trends at a district level. It then proceeds with a more in-depth regional economic analysis by considering the trends in sectoral growth, skills and employment for each of the Western Cape's municipal areas. The MERO is not only a planning and budgeting tool for the public sector, but aims to support private sector developments by reflecting on investment potential and comparative advantages for each local municipal area i.e. unpacking levels of specialisation in different sectors and discussing whether certain regions are importing, self-sufficient or exporting its surpluses. Importantly, the MERO also attempts to consider the influence of exogenous factors on the future growth outlook (sectoral forecasting) of local economies. Lastly, the document assesses the extent to which economic developments impact on the social and living conditions of households and individuals per district.

The 2021 MERO is the 10th edition since its inception in 2012 and can be accessed on Provincial Treasury's website by using your mobile device to scan the QR code on the adjacent page.

FOREWORD

This year, the Municipal Economic Review and Outlook (MERO) is published shortly after the 2021 Local Government Elections. It provides the information needed for new councillors to set out a vision for their municipalities through the integrated development plans (IDPs), local economic development strategies and budgets.

In support of the Joint District and Metro Approach, the 2021 MERO has been disaggregated into separate district-specific publications to provide a more focussed overview of the challenges facing district structures while simultaneously acknowledging the development potential and bespoke offerings of each district. I am confident that the new district publications will contribute towards the notion of co-planning, co-budgeting and co-implementation as well as empower decision makers in their strategic policy responses aimed at ensuring a rapid and sustainable economic recovery in the post-COVID-19 environment.

The Western Cape Government, together with its municipalities, remain committed to the evidence-based approach towards planning and budgeting whereby credible research and a well-defined set of budget policy principles guide the equitable, sustainable allocation of scarce resources. The MERO contributes towards this cause by collating reliable data sources into regional-specific research publications.

Lastly, I wish to extend a sincere word of appreciation to the research and development team and their partners for compiling a research publication of the highest standard. Your commitment and dedication to develop an innovative publication of such quality, amidst trying times, has not gone unnoticed.



Mr David Maynier
Minister of Finance and Economic Opportunities
6 December 2021

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THE OTHER DISTRICTS



MERO 2021 ALL DISTRICTS

ACRONYMS AND ABBREVIATIONS

ACSA	Airports Company South Africa
AGOA	African Growth and Opportunity Act
AIDS	acquired immunodeficiency syndrome
ART	antiretroviral treatment
ASEZ	Atlantis Special Economic Zone
AVAT	African Vaccine Acquisition Trust
B&B	bed and breakfast
BER	Bureau for Economic Research
BFAP	Bureau for Food and Agricultural Policy
BPO	business processing outsourcing
CBO	community-based organisation
CKD	Central Karoo District
COVID-19	coronavirus disease 2019
CPF	Community Police Forum
CPI	Consumer Price Index
CSD	Central Supply Database
CSIR	Council for Scientific and Industrial Research
CTCP	Clothing and Textiles Competitiveness Programme
CWD	Cape Winelands District
DAFF	Department of Agriculture, Forestry and Fisheries
DFFE	Department of Forestry, Fisheries and the Environment
DOH	Department of Health
DoHS	Department of Human Settlements
DSD	Department of Social Development
DSD MYPE PPU	Department of Social Development Mid-year Population Estimate Provincial Population Unit
DTIC	Department of Trade, Industry and Competition
DTPW	Department of Transport and Public Works
e	estimate
ECD	early childhood development
EME	exempted micro enterprise
EPWP	Expanded Public Works Programme
ERRP	Economic Reconstruction and Recovery Plan
EU	European Union
f	forecast
FIFA	Fédération Internationale de Football Association

FPL	food poverty line
FTE	full-time equivalent
GBS	Global Business Service
GDP	gross domestic product
GDPR	gross domestic product per region
GPS	Growth Potential Study
GRD	Garden Route District
GSP	Generalised System of Preferences
HDI	Human Development Index
HIV	human immunodeficiency virus
HSRC	Human Sciences Research Council
ICCA	International Congress and Convention Association
ICT	information and communications technology
IDP	Integrated Development Plan
IDZ	Industrial Development Zone
ILO	International Labour Organization
IMF	International Monetary Fund
IPP	Independent Power Producer
IRM	Infrastructure Reporting Model
J&J	Johnson & Johnson
JDMA	Joint District and Metro Approach
JOC	Joint Operations Centre
kl	kilolitre
km	kilometre
kWh	kilowatt-hour
LBPL	lower-bound poverty line
LEAP	Law Enforcement Advancement Plan
LED	local economic development
LNG	liquefied natural gas
MDB	Municipal Demarcation Board
MDR	multidrug-resistant
MERO	Municipal Economic Review and Outlook
MOD	Mass Participation, Opportunity and Access, Development and Growth
mSCOA	Municipal Standard Chart of Accounts
MTEF	Medium Term Expenditure Framework
MYPE	Mid-year Population Estimate

NAMC	National Agricultural Marketing Council
NGO	non-governmental organisation
NHLS	National Health Laboratory Service
NHW	Neighbourhood Watch
NICD	National Institute For Communicable Diseases
NIDS-CRAM	National Income Dynamics Study – Coronavirus Rapid Mobile Survey
OD	Overberg District
OPEC+	Organization of the Petroleum Exporting Countries and their allies
OPMII	Overview of Provincial and Municipal Infrastructure Investment
PERO	Provincial Economic Review and Outlook
PGM	platinum group metal
PHC	primary healthcare
PPE	personal protective equipment
PPI	Producer Price Index
PPP	purchasing power parity
PPU	Provincial Population Unit
PSP	Provincial Strategic Plan
PV	photovoltaic
QES	Quarterly Employment Statistics
QLFS	Quarterly Labour Force Survey
QSE	qualifying small enterprise
REIPPPP	Renewable Energy Independent Power Producer Procurement Programme
RMB	Rand Merchant Bank
RSP	Rural Safety Plan
SA	South Africa
SACU	Southern African Customs Union
SAPS	South African Police Service
SARB	South African Reserve Bank
SARS	South African Revenue Service
SAWIS	SA Wine Industry Information and Systems
SBIDZ	Saldanha Bay Industrial Development Zone
SEZ	Special Economic Zone
SMME	small, medium and micro enterprise
SOE	state-owned enterprise
SRD	Social Relief of Distress
Stats SA	Statistics South Africa
TB	tuberculosis
TDA	Transport and Urban Development Authority

TERS	Temporary Employer/Employee Relief Scheme
TIPS	Trade & Industrial Policy Strategies
TVET	Technical Vocational Education and Training
UBPL	upper-bound poverty line
UIF	Unemployment Insurance Fund
UK	United Kingdom
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
US	United States
USD	United States dollar
VFR	visiting friends and/or relatives
VIP	vision-inspired priority
WCD	West Coast District
WCED	Western Cape Education Department
WCG	Western Cape Government
WCRP	Western Cape Recovery Plan
WHO	World Health Organization
ZAR	South African rand

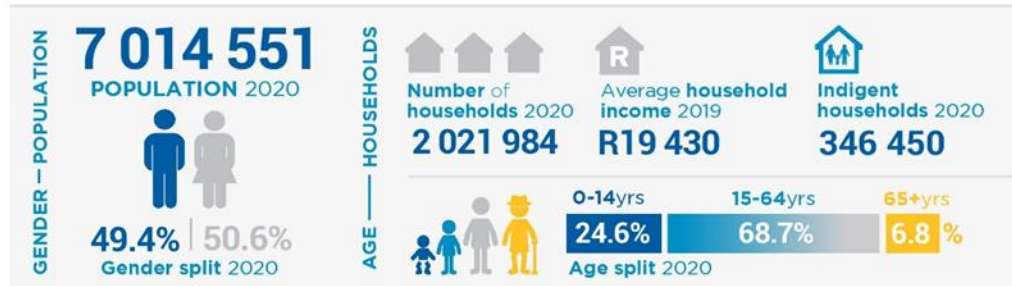


WC WESTERN CAPE

SEAT | AREA | DENSITY
Cape Town | 129 462 KM² | 52.9 / KM²

CAPE METRO, WEST COAST DISTRICT, CAPE WINELANDS DISTRICT, OVERBERG DISTRICT, GARDEN ROUTE DISTRICT, CENTRAL KAROO DISTRICT

DEMOGRAPHICS



GROSS DOMESTIC PRODUCT



SERVICES



EMPLOYMENT



TRADE



TOURISM






GDPR

2019

2020

GDPR
CONTRIBUTIONGDPR
GROWTH

EMPLOYMENT

2019

2020

EMPLOYMENT
CONTRIBUTIONEMPLOYMENT
GROWTH

PRIMARY SECTOR

3.5%



11.2%

10.0%



-5.6%

AGRICULTURE,
FORESTRY & FISHING

3.2%



13.3%

10.0%



-5.6%

MINING &
QUARRYING

0.3%



-19.4%

0.1%



-8.4%

SECONDARY SECTOR

23.6%



-11.9%

16.1%



-9.3%

MANUFACTURING

15.3%



-10.0%

9.9%



-7.2%

ELECTRICITY,
GAS & WATER

2.9%



-6.8%

0.3%



-3.2%

CONSTRUCTION

5.3%



-21.1%

5.8%



-13.2%

TERTIARY SECTOR

72.9%



-6.2%

73.9%



-5.6%

WHOLESALE &
RETAIL TRADE,
CATERING &
ACCOMMODATION

17.7%



-10.3%

23.9%



-6.7%

TRANSPORT,
STORAGE &
COMMUNICATION

10.9%



-15.3%

4.6%



-5.1%

FINANCE,
INSURANCE,
REAL ESTATE
& BUSINESS
SERVICES

25.3%



-4.4%

19.1%



-5.3%

GENERAL
GOVERNMENT

12.1%



0.7%

11.5%



1.1%

COMMUNITY,
SOCIAL &
PERSONAL
SERVICES

7.0%



-2.2%

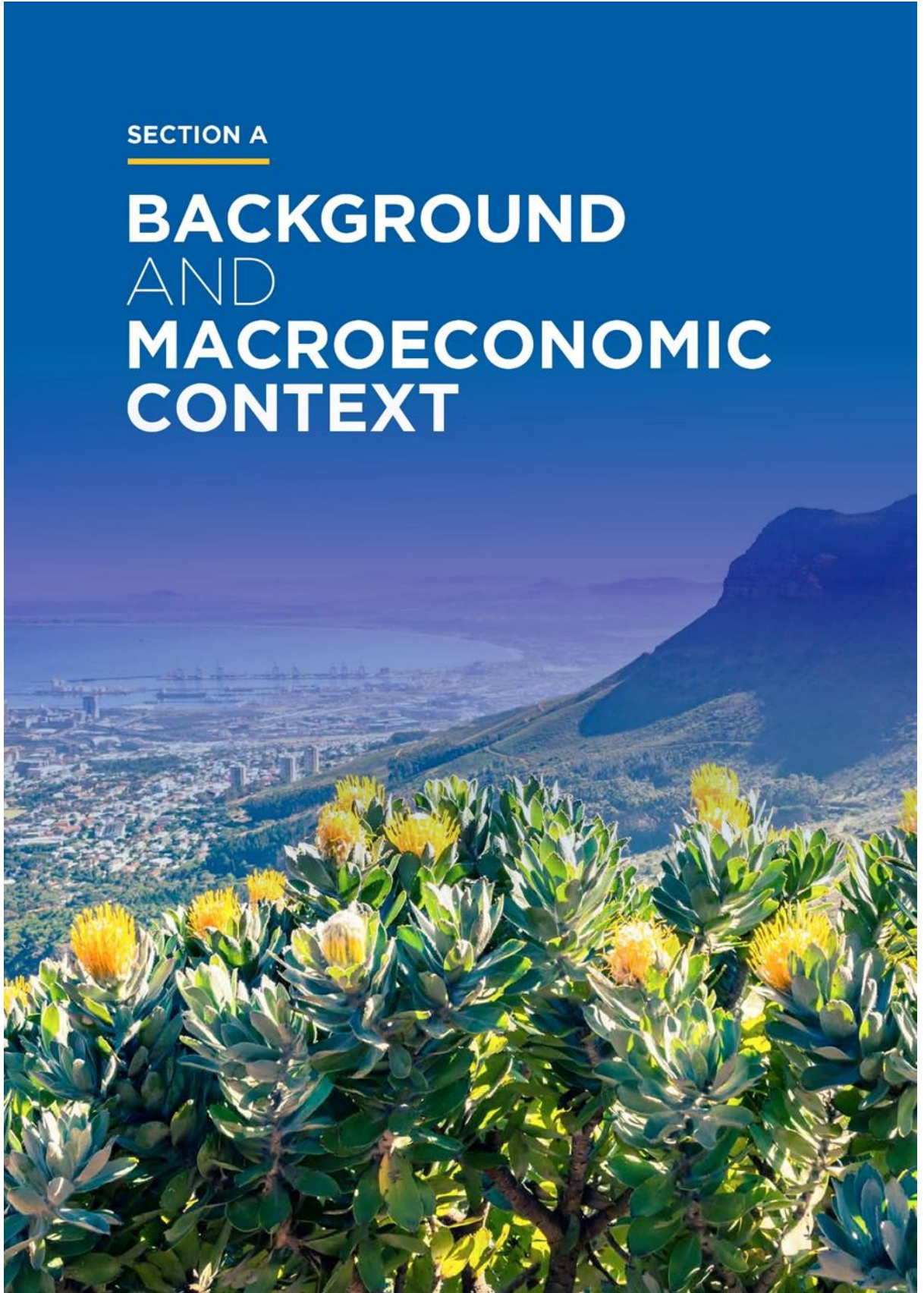
14.8%



-9.4%

SECTION A

BACKGROUND AND MACROECONOMIC CONTEXT



1. INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

The Municipal Economic Review and Outlook (MERO) provides detailed economic intelligence disaggregated at a metro, district and municipal level to help inform policy intervention and budgeting at local government. The MERO is a complementary publication to the Provincial Economic Review and Outlook (PERO), which provides detailed economic intelligence at a Provincial level.

The publication utilises a variety of data sources in order to provide an in-depth analysis of the economic and social trends across the various municipal areas of the Western Cape. National economic and employment data is sourced from Statistics South Africa (Stats SA), while the gross domestic product per region (GDPR) data utilised in this report is sourced from Quantec Research. The publication aims to utilise the most recent data sources for the numerous indicators. However, regional GDPR data is only available up to 2019, while 2020 data is estimated. Forecasts for 2021 and 2022 are based on the national forecast from the South African Reserve Bank (SARB), as well as the agriculture sector forecast from the Bureau for Food and Agricultural Policy (BFAP). Data sources for the various socio-economic indicators are sourced from Provincial departments such as Health, Education and Social Development, while tourism data is sourced from Wesgro and crime data from the South African Police Service (SAPS).

1.2 OBJECTIVE OF THE RESEARCH

The main objective of the research is to generate economic intelligence at a municipal level, to inform the municipal integrated development plans (IDPs), municipal budgets, local economic development strategies (LEDs), municipal reporting and the budget process of municipalities.

1.3 REPORT OUTLINE

The MERO 2021 publication is structured as follows:

SECTION A: Background and macroeconomic context - Introduction to the study and a broad overview of the macroeconomic performance and outlook of South Africa and the Western Cape.

SECTION B: Western Cape regions - More detailed information for the Cape Metro area and the five Districts in the Western Cape, namely the West Coast District (WCD), Cape Winelands District (CWD), Overberg District (OD), Garden Route District (GRD) and Central Karoo District (CKD). Additionally, the 24 local municipal areas are also discussed. An overview of each District is provided as follows:

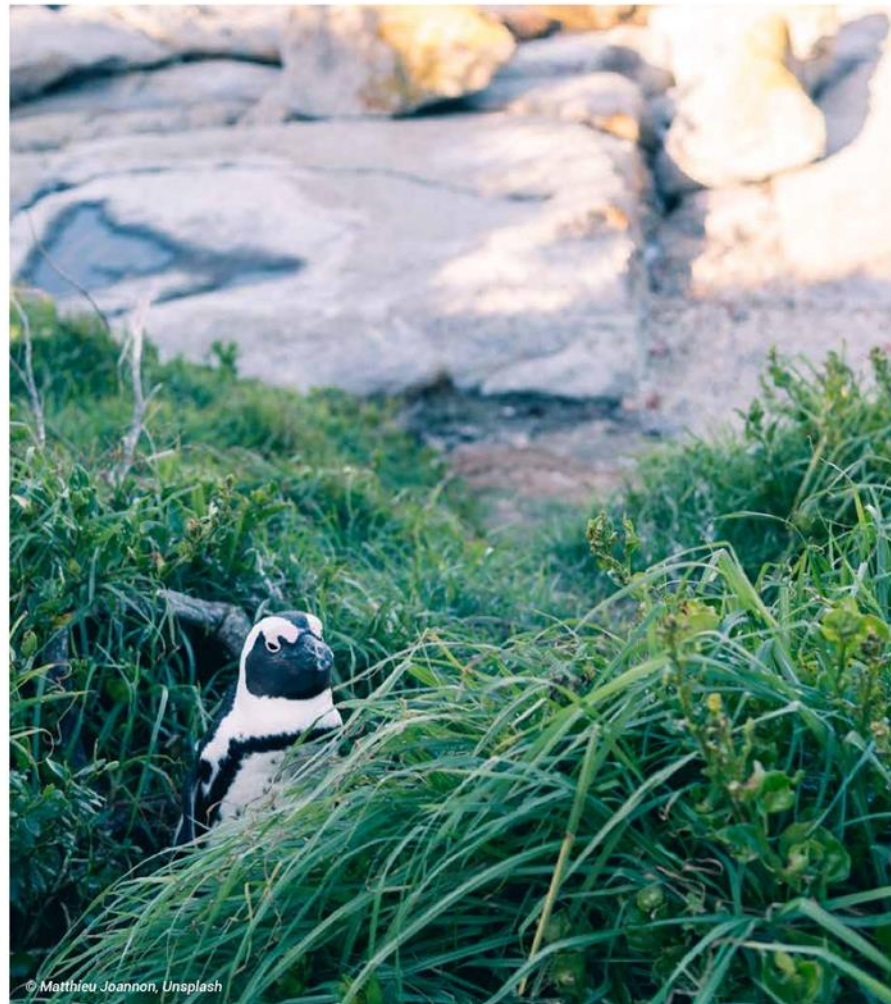
Chapter 1: Regional economic review and outlook - Broad overview of the Provincial macroeconomic context of each District by focusing on GDPR performance and labour trends. The period under review for MERO 2021 is 2015 to 2019, with 2020 figures being

estimated. This chapter also provides GDP forecasts for 2021 and 2022.

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Chapter 4: Municipal socio-economic analysis - This chapter provides an overview of the economic and social circumstances of households by analysing population, human development, housing, crime and access to basic services. More specifically, human development in the region is assessed by exploring education levels, health and income.



2. MACROECONOMIC PERFORMANCE AND OUTLOOK

2.1 INTRODUCTION

This section provides an overview of the recent economic performance and medium-term prospects of the Western Cape. The overview is informed by global and national economic expectations and performances. **This section is an extract of Chapter 2 of the PERO. To read the full PERO:**



2.2 GLOBAL ECONOMIC PERFORMANCE

2.2.1 Global economic outlook¹

The International Monetary Fund (IMF) expects the global economy to rebound to 5.9 per cent in 2021 from a low base in 2020, before easing to a growth of 4.9 per cent in 2022 (see Table 2.1). The 2022 forecast for advanced economies has been revised down by 0.4 percentage points from the July forecast, while the forecast for emerging market and developing economies has been marked up by 0.1 percentage points. The divergence can be supply disruptions in advanced economies and improved commodity prices benefiting commodity-exporting emerging and developing economies. There are risks to the rebound – there may be further virus mutations, social unrest, geopolitical tensions, cyberattacks on critical infrastructure and natural disasters associated with climate change.



¹ As released in October 2021.

Table 2.1
**GLOBAL ECONOMIC
OUTLOOK,
2021 – 2022**



	Size of global GDP in 2020	GDP growth (%)		GDP forecast (%)	
	(%)	2019	2020	2021	2022
World output	100.0	2.8	-3.1	5.9	4.9
Advanced economies	59.8	1.6	-4.5	5.2	4.5
United States	24.8	2.2	-3.4	6.0	5.2
Euro area	15.3	1.3	-6.3	5.0	4.3
Germany	4.5	0.6	-4.6	3.1	4.6
France	3.1	1.8	-8.0	6.3	3.9
Italy	2.2	0.3	-8.9	5.8	4.2
Spain	1.5	2.0	-10.8	5.7	6.4
Japan	6.0	0	-4.6	2.4	3.2
United Kingdom	3.2	1.4	-9.8	6.8	5.0
Canada	1.9	1.9	-5.3	5.7	4.9
Other advanced economies	8.7	1.9	-1.9	4.6	3.7
Emerging and developing economies	40.2	3.7	-2.1	6.4	5.1
Sub-Saharan Africa	1.9	3.2	-1.7	3.7	3.8
Nigeria	0.5	2.2	-1.8	2.6	2.7
Middle East and Central Asia	4.4	1.4	-2.8	4.1	4.1
Emerging and developing Europe	4.3	2.5	-2.0	6.0	3.6
Russia	1.7	2.0	-3.0	4.7	2.9
Emerging and developing Asia	24.5	5.4	-0.8	7.2	6.3
China	17.4	6.0	2.3	8.0	5.6
India	3.2	4.0	-7.3	9.5	8.5
Latin America and the Caribbean	5.1	0.1	-7.0	6.3	3.0
Brazil	1.7	1.4	-4.1	5.2	1.5
Mexico	1.3	-0.2	-8.3	6.2	4.0
Consumer prices					
Advanced economies		1.4	0.7	2.8	2.3
Emerging and developing economies		5.1	5.1	5.5	4.9

Source: IMF, 2021



2.2.2 Performance outlook of advanced economies

Advanced economies are forecast to rebound by 5.2 per cent in 2021 and 4.5 per cent in 2022. This strong post-COVID-19 normalisation is supported by a swift vaccine roll-out and fiscal support. This follows an economic contraction of 4.5 per cent in 2020. These economies account for nearly 60.0 per cent of global economic activity and the destination of more than 30.0 per cent of Western Cape exports.

The economy of the United States (US) is forecast to grow by 6.0 per cent in 2021 and by 5.2 per cent in 2022, following a contraction of 3.4 per cent in 2020. Since taking office, President Joe Biden has mobilised a whole-of-government effort to provide the support needed to fight the COVID-19 pandemic and get people vaccinated. The additional support is expected to boost growth in the US by 0.3 percentage points in 2021. The US unemployment rate peaked at 14.8 per cent in April 2020, the highest rate since 1948. The strong recovery supported an improvement in the unemployment rate to 5.8 per cent in May 2021 and a gradual improvement in the labour market participation rate from 60.2 per cent, the lowest since the 1970s, to 61.7 per cent in July 2021.

There were similar developments in the euro area, which is expected to recover by 5.0 per cent in 2021 and by 4.3 per cent in 2022 owing to strong policy support and developments in bringing the COVID-19 pandemic under control. This is after the euro area experienced a sharp contraction of 6.3 per cent in 2020. The impact of the COVID-19 pandemic was most evident in the economic decline in Spain (10.8 per cent) and Italy (8.9 per cent) in 2020. Gross domestic product (GDP) growth in the euro area reached an all-time high of 12.4 per cent in the third quarter of 2020, after a record contraction of 11.5 per cent in the second quarter of 2020 owing to widespread pandemic-related lockdowns. After the rebound in the third quarter of 2020, many European countries experienced a second wave of COVID-19 infections, causing the regional economy to contract by 0.6 per cent in the fourth quarter of 2020 and by 0.3 per cent in the first quarter of 2021. The second quarter of 2021 brought modest growth of 2.0 per cent as the pandemic was brought under control and vaccination coverage increased.

Within the euro area, the French economy is forecast to rebound by 6.3 per cent in 2021 and by 3.9 per cent in 2022, as smaller than expected productivity losses and strong spending and investment are expected to support growth. France was the second-fastest-growing economy in the euro area in 2019. However, the country experienced a steep contraction of 8.0 per cent in 2020. France and its European neighbours faced a new wave of COVID-19 infections in 2021, prompting governments to reimpose lockdowns to contain the resurgence. France's economy contracted by 0.1 per cent in the first quarter of 2021, slipping into recession as it struggled to recover from the pandemic-induced downturn.² The French Central Bank expects the country's economy to return to pre-pandemic output at the start of 2022, as the lifting of restrictions and the acceleration of vaccinations fuel a rebound in the second half of 2021.

The German economy is expected to grow by 3.1 per cent in 2021 and by 4.6 per cent in 2022 as the economy reopens and growth gains momentum. Germany experienced a 4.6 per cent economic decline in 2020. According to the Federal Statistical Office,³ Germany's economy expanded by 1.5 per cent in the second quarter of 2021, after a 2.1 per cent contraction in the first quarter of 2021.

² (Reuters, 2021).

³ (Destatis, 2021).

The recovery in the second quarter followed the gradual easing of coronavirus restrictions and was mainly due to higher household and government final consumption expenditure. GDP was still 3.4 per cent lower in the first quarter of 2021 than in the first quarter of 2020, when the pandemic emerged.⁴

The economy of the United Kingdom (UK) is forecast to rebound by 6.8 per cent in 2021 and by 5.0 per cent in 2022. This is after the UK experienced a contraction of 9.8 per cent in 2020, more than twice as much as the previous largest annual contraction on record, according to the British Office for National Statistics. UK growth picked up at the end of the year, expanding by 1.3 per cent in the fourth quarter of 2020 as restrictions eased, but contracted by 1.5 per cent in the first quarter of 2021. It is then estimated to have increased by 4.8 per cent in the second quarter of 2021 following the easing of COVID-19-related restrictions. A resurgence of infections caused by the Delta variant of the coronavirus nevertheless delayed the lifting of the remaining physical distancing rules until July 2021. However, by the end of July 2021, the UK had fully vaccinated more than 70.0 per cent of adults, successfully slowing the surge of infections and boosting the economic outlook.

The growth forecast for the Japanese economy was downgraded to 2.4 per cent for 2021, but a rebound of 3.2 per cent in 2022 is expected as the Japanese economy reopens and vaccination coverage increases. This follows the sharp contraction of 4.6 per cent in 2020, its first since 2009. The Japanese economy suffered a 3.7 per cent slump in the first quarter of 2021 as COVID-19 infections again surged, driven by the Delta variant, forcing policymakers to implement a third state of emergency at the end of April 2021. Japan hosted the 2020 Olympics, which were postponed to August 2021 owing to the pandemic. However, the lack of spectators and the expected windfalls from tourism, coupled with cost overruns for building new venues and upgrading infrastructure, eroded any hope of an economic boost for the Japanese economy.



⁴ (Destatis, 2021).

2.2.3 Performance and outlook of emerging and developing economies

Emerging markets and developing countries are important and growing export markets for the Western Cape and South Africa. China and India are among the top 10 export markets for South Africa, accounting for 15.2 per cent of total exports as of 2020. China and Russia account for 7.4 per cent of total exports from the Western Cape. In these economies, growth is expected to recover by 6.4 per cent in 2021 and by 5.1 per cent in 2022, following a contraction of 2.1 per cent in 2020. These economies face a double hit owing to worsening COVID-19 pandemic dynamics and tightening external financial conditions. Imports and exports remain substantially below the 2019 levels for Brazil, India and Russia.

The Brazilian economy is expected to grow by 5.2 per cent in 2021 and 1.5 per cent in 2022. However, Brazil's outlook is dampened by soaring inflation and persistent unemployment. Brazil was hard-hit by the COVID-19 pandemic, as the economy contracted by 4.1 per cent in 2020 while it was recovering from its 2014 to 2016 recession. The Brazilian president's delayed approach to the pandemic did not support the recovery. Measures to slow the spread of the coronavirus and contain its impact on the health system were finally implemented, but the virus had already spread rapidly as infections soared. The government introduced a fiscal package focused on social assistance to mitigate the impact of the pandemic. The fiscal stimulus limited the economic decline. As such, the Brazilian economy expanded by 1.2 per cent in the first quarter of 2021, marking its third consecutive quarter of growth driven by services, industry and fixed business investment.⁵ However, a new, more contagious variant of the virus was discovered in Manaus in early 2021, and by March 2021 the country had reached its highest peak in infections since the start of the pandemic.

The outlook for Russia is promising, with growth forecasts of 4.7 per cent in 2021 and 2.9 per cent in 2022 supported by global economic recovery, higher oil prices, household consumption and public investment. This follows the 3.0 per cent contraction in 2020. The economic contraction experienced by Russia in 2020 was smaller than that experienced by other emerging market and developing economies owing to, among other factors, the macrofiscal stabilisation efforts undertaken in recent years, better regulation of its banking sector and closer trade ties to China.⁶ After a contraction of 0.7 per cent in the first quarter of 2021, the economy showed a strong rebound, with growth of 10.3 per cent in the second quarter of 2021. The Russian economy is showing a strong recovery on the back of a rebound in consumer demand and high prices for oil, its key export.⁷

India is forecast to grow by 9.5 per cent in 2021 and 8.5 per cent in 2022, after the country is expected to have suffered an economic contraction of 7.3 per cent in 2020. In March 2020, the Indian government announced a national lockdown, pausing economic activity and resulting in negative growth for the first half of the year and modest growth for the second half of the year. The economy slowly reopened in the second half of 2020, creating hope for recovery. Despite the high forecasted growth rates, India's economic growth prospects have been revised down following the March to May 2021 severe second-wave COVID-19 outbreak. Economic recovery was marred by the emergence of the Delta variant of the coronavirus during a severe second wave of COVID-19 in April 2021. India's economy is estimated to have grown at a modest 1.6 per cent during the first quarter of 2021. However, the Reserve Bank of India estimates growth at 22.1 per cent in the second quarter of 2021 owing to a tapering in the spread of COVID-19 infections and an aggressive vaccination campaign.

⁵ (Reuters, 2021).

⁶ (World Bank, 2021).

⁷ (Reuters, 2021).

China's growth forecast has been revised down to 8.0 per cent for 2021 owing to the cut in public investment and overall fiscal support. The economy is expected to grow by 5.6 per cent in 2022. The Chinese economy expanded by 2.3 per cent in 2020 amid the outbreak of the COVID-19 pandemic, albeit its lowest growth since 2010. China and Turkey were the only two countries of the G20 that managed to escape a recession in 2020. China was the first country to impose a lockdown and the first to reopen its economy for business, and managed to bring the spread of COVID-19 under control. The Chinese economy grew by 18.3 per cent in the first quarter of 2021, marking the largest quarterly growth figure since China began keeping records in 1992, according to the National Bureau of Statistics of China. The growth was driven by a strong rebound in the retail sector and strong growth in industrial production. However, in May 2021, China's Guangdong Province imposed restrictions amid an outbreak of infections after months of minimal new infections. Although China has managed to contain the spread of the coronavirus, weak consumer spending and the disruption of global production and supply chains has weakened China's growth prospects. However, the Chinese economy can be strengthened by improved relationships with the US, which is likely to increase exports.

2.2.4 Performance and outlook of sub-Saharan Africa

Sub-Saharan Africa is expected to rebound by 3.7 per cent in 2021 and 3.8 per cent in 2022, supported by growth in South Africa in the first quarter of 2021 and the gradual reopening of the regional economy. However, other countries in the region experienced a downward revision of their growth forecast owing to rising public and external debts and slow vaccine roll-out, especially to vulnerable groups. In 2020, the regional economy contracted by 1.7 per cent owing to the pandemic-induced restrictions. While most advanced economies are recovering and looking forward to normalising pre-pandemic activities, emerging markets and developing economies are still battling the resurgence of new infections and rising death tolls. Developing economies, particularly sub-Saharan African countries, face multilayered challenges such as the health shock, vaccination take-up, disruption in economic activities, growing public and external debts, declining commodity prices and poor governance issues.



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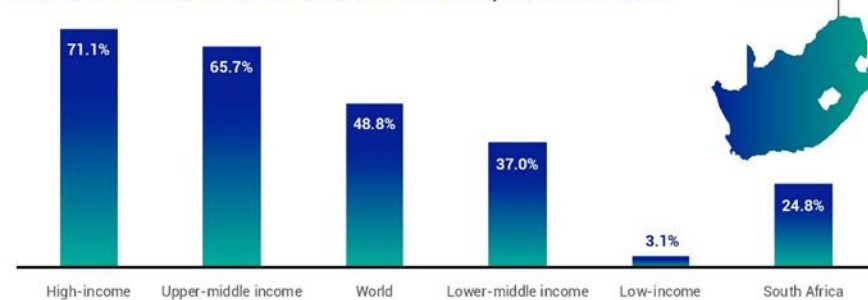


GLOBAL VACCINE ROLL-OUT

As of 31 October 2021, a total of 7.05 billion doses had been administered worldwide. Of this, 1.68 billion were administered by high-income economies and 34.3 million by low-income economies. Approximately 71.1 per cent of the population in high-income economies had been vaccinated (received at least one dosage), compared with 37.0 per cent in lower-middle-income economies and 3.1 per cent in low-income economies. Variance in vaccine coverage is expected to deepen inequality between developed and developing economies. Low vaccine administration is also associated with the emergence of new variants of the virus, thus posing many threats to the global economy.

Figure 2.1

SHARE OF TOTAL POPULATION VACCINATED, 25 October 2021



Note: This data is only available for countries that report the breakdown of doses administered by first and second doses. Source: Ourworldindata.org, 2021

Of the 54 African nations, only 15 managed to meet the September target of vaccinating 10.0 per cent of their citizens. However, there was a significant increase in the supply of vaccines to Africa between June and September, which assisted with improving vaccination numbers across the continent. Economic recovery speed is also impacted, accelerating in high-income economies while conditions worsen for lower-middle-income and lower-income economies. The damage to jobs and livelihoods is causing a further divergence between the fate of poor and rich countries.

The African Vaccine Acquisition Trust (AVAT) was forced to strategise after the West failed to honour its promise to deliver funding for 700 million vaccines to Africa by the end of 2021. The multinational Covax facility negotiated a deal with Johnson & Johnson (J&J) for 400 million single-shot vaccines. From October 2021, all J&J's future African-produced vaccines could remain in Africa. Now 30.0 per cent of Africa's adult population are guaranteed vaccination, even though it will take until September 2022.

Global co-operation and support to developing economies around the distribution of vaccines and boosters can help immunise the global population, reduce pressure on health systems and prevent the emergence of new waves and vaccine resistant coronavirus variants.

Source: WHO, IMF, The Guardian, 2021

The unexpected global spread of the pandemic severely affected export-dependent economies and has weakened the prospect of income convergence between developing and advanced economies. Approximately 80.0 per cent of global trade by volume is carried by sea and handled by ports worldwide.⁸ The COVID-19 pandemic has led to a disruption in global supply chains, shipping networks and ports, resulting in plummeting cargo volumes and reduced growth prospects, with an estimated contraction of 4.1 per cent of maritime trade in 2020. Owing to the pandemic, the shipping industry has faced crew change crises, volatile trade volumes and capacity constraints. While the dry bulk market has benefited from the recovery of commodity prices resulting in a rise in deliveries over the course of the pandemic, crude oil trade declined by 8.0 per cent, and oil product trade declined by 12.0 per cent despite improved oil prices.

The Port of Cape Town is a major economic gateway for the Western Cape, and is South Africa's second-biggest seaport after Durban. The Port of Cape Town is strategically positioned as a hub terminal for cargo to South America and the Far East, as well as West/East Africa cargo, and for tourism. The Western Cape terminals were severely impacted by the COVID-19 pandemic in 2020, with the country having recorded a high number of infections in the second quarter of 2020, which led to the closure of some parts of the ports and a significant decrease in vessels moving out. Inefficiencies in operational activities of the ports and the pandemic challenges led to congestion and long truck turnaround times, resulting in a significant cost for the container transport industry. The delays have resulted in an increased number of shipping lines omitting the Port of Cape Town and vessels thus bypassing this port. This has had a detrimental impact on the Western Cape economy, as exporters prefer to use other ports at a higher transport cost to export their goods.



⁸ (United Nations Conference on Trade and Development [UNCTAD], 2018).

2.2.5 Global inflation outlook

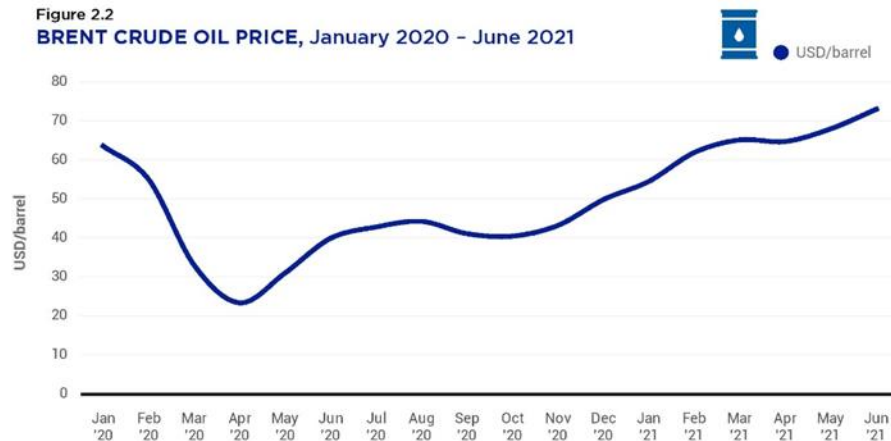
The IMF expects inflation to return to pre-pandemic ranges in most countries in 2022. The inflation outlook in advanced economies is forecast to be 2.6 per cent in 2021 and 2.0 per cent in 2022. The recent rise in core inflation in the US largely mirrors side-effects from the pandemic rather than rising consumer spending. Wage growth in the US is fairly stable as individual wages, observed 12 months apart by the Federal Reserve Bank of Atlanta's Wage Growth Tracker, failed to show any pressure on the labour market. Similarly, data from Canada, Spain and the UK shows the same patterns of fairly stable wage growth.

The inflation outlook for emerging markets and developing economies is projected to improve slightly from 5.5 per cent in 2021 to 4.9 per cent in 2022. Weak local currencies have further fuelled the prices of imported goods, thus adding to the overall inflation. Inflation in sub-Saharan Africa is expected to ease from 10.7 per cent in 2021 to 8.6 per cent in 2022.

The price per barrel for Brent crude oil rose from below US\$30 in April 2020 to US\$73 per barrel in June 2021, thereby adding pressure to the global inflation outlook (see Figure 2.2). The spot price of Brent crude oil increased at double-digit rates in both January and February 2021, following economic recovery on the back of the global COVID-19 vaccination roll-out and easing of movement restrictions, which promise to contribute to the revival of global economic activity and thus the demand for oil. On the supply side, constraints brought about by severe winter storms, with extreme cold weather conditions in some parts of the US, disrupted crude oil production and supported the oil price. Supply curtailments introduced by the Organization of the Petroleum Exporting Countries and their allies (OPEC+) also contributed to higher crude oil prices.

Figure 2.2

BRENT CRUDE OIL PRICE, January 2020 – June 2021



Source: Quantec Research, 2021

The spot price of Brent crude oil surged by 37.7 per cent in the first quarter of 2021 to its highest quarterly average since the fourth quarter of 2019. However, prices eased in April 2021 after OPEC+ gradually increased supply between May and June 2021. There are rising concerns regarding fuel demand, as several European countries have reintroduced lockdown measures, which have also weighed on the price. Japan's new wave of COVID-19 cases and the death toll surge in India further contributed to the crude oil price increases slowing down.

2.3 DEVELOPMENTS IN THE SOUTH AFRICAN ECONOMY

2.3.1 Performance of the South African economy

By the first half of 2021, the South African growth recovery was well under way. Unadjusted GDP for the first six months of 2021 increased by 7.5 per cent, compared with the first six months of 2020. By the second quarter of 2021, the largest positive contributors to growth were the transport, storage and communication;⁹ community, social and personal services;¹⁰ and wholesale and retail trade, catering and accommodation¹¹ sectors – all of which responded positively to the easing of pandemic-related lockdowns. The transport sector increased by 6.9 per cent and contributed half a percentage point to GDP growth. The community services sector increased by 2.5 per cent and contributed 0.4 of a percentage point to GDP growth, while the trade sector increased by 2.2 per cent and contributed 0.3 of a percentage point to GDP growth.

Within the primary sector, the agriculture, forestry and fishing¹² sector increased by 6.2 per cent, which was mainly due to the increased production of field crops, horticulture and animal products. The mining and quarrying¹³ sector increased by 1.9 per cent, and the increased production was reported for platinum group metals (PGMs), gold and coal.

Within the secondary sector, the manufacturing sector decreased by 0.8 per cent. Six of the 10 manufacturing divisions reported contractions. The petroleum, chemical products, rubber and plastic products division made the largest contribution to the decrease. The electricity, gas and water sector increased by 0.7 per cent, which was largely due to increases in electricity and water distributed, while the construction sector decreased by 1.4 per cent. Decreases were reported for residential buildings, non-residential buildings and construction works. Stats SA reported that the value of building plans completed for residential and non-residential buildings as well as additions and alterations declined by 44.8 per cent between 2019 and 2020.

Within the tertiary sector, the trade sector grew by 2.2 per cent. Improved economic activity was reported in the wholesale, retail and motor trade, and there was increased spending on catering and accommodation services. The transport sector grew by 6.9 per cent; the increased economic activity was reported for land transport services. The finance, insurance, real estate and business services¹⁴ sector contracted by 0.4 per cent. The decreased economic activity was reported for financial intermediation and auxiliary activities. The general government sector contracted by 0.9 per cent, which can mainly be attributed to decreased employment in national, provincial and local government. The community services sector improved by 2.5 per cent. Increases in personal services were reported for community services and other producers. Although the growth recovery continued into the first half of 2021, the level of GDP in the second quarter of 2021 was on a par with GDP in the fourth quarter of 2017.

⁹ Hereafter abbreviated to transport.

¹⁰ Hereafter abbreviated to community services.

¹¹ Hereafter abbreviated to trade.

¹² Hereafter abbreviated to agriculture.

¹³ Hereafter abbreviated to mining.

¹⁴ Hereafter abbreviated to finance.



BENCHMARKING AND REBASING GDP ESTIMATES

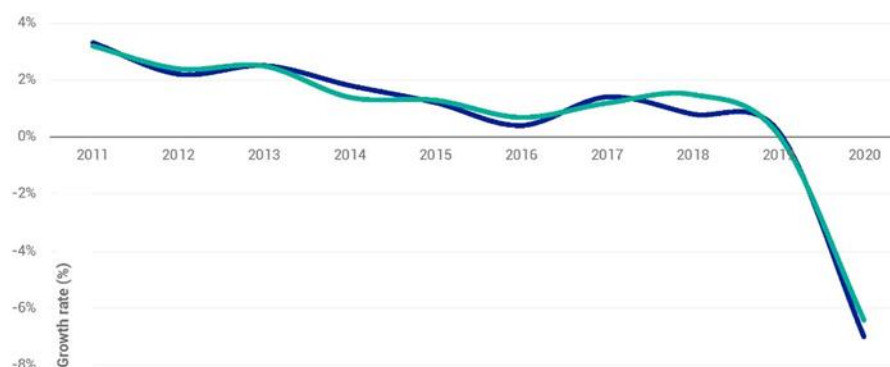
In August 2021, Stats SA published updated estimates of real GDP as a result of a comprehensive project to benchmark and rebase the statistics. This is aligned with international best practice to review and update the estimates of the size, structure and performance of the economy periodically. During this process, Stats SA included new sources of information, improved the compilation methodology, reviewed and refined the classification of economic activities, and updated the base year from 2010 to 2015. As a result, GDP is now measured at constant 2015 prices instead of 2010 prices. Together with new methods, data sources and benchmarking, this has resulted in revisions to the entire set of GDP-related time series.

Figure 2.3

REVISED SOUTH AFRICAN REAL GDP GROWTH, 2011 – 2020



● Previous (2010 prices)
● Revised (2015 prices)



Source: Stats SA, 2021

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Previous (2010 prices)	3.3%	2.2%	2.5%	1.8%	1.2%	0.4%	1.4%	0.8%	0.2%	-7.0%
Revised (2015 prices)	3.2%	2.4%	2.5%	1.4%	1.3%	0.7%	1.2%	1.5%	0.1%	-6.4%

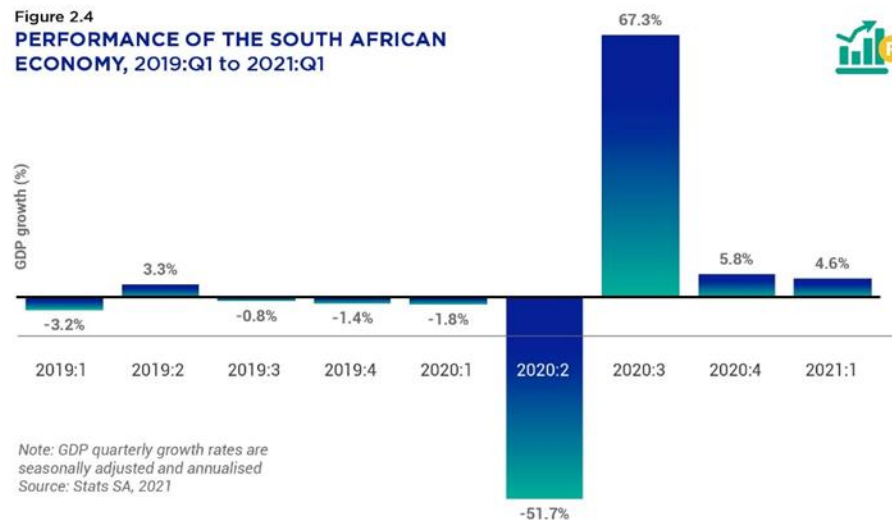
The revised estimate of GDP in 2020 increased by 11.0 per cent to R5 521 billion, compared with the previous estimate of R4 973 billion. Consequently, the annual contraction for 2020 was revised from -7.0 per cent to -6.4 per cent. Historically, benchmarking GDP has resulted in estimates that show an increase in the size of the economy. Over the last two decades, using the new base year in each case as a measure, these increases have ranged between 1.8 per cent (2005 new base year, published in 2009) and 13.5 per cent (1995 new base year, published in 1999). In this benchmark cycle the size of the economy is 9.2 per cent larger in the new base year of 2015, as measured by GDP at current prices (based on the production approach, which is the official measure of GDP). In the 10 years between 2011 and 2020, the percentage difference between the previous and revised levels averaged 9.6 per cent based on current prices.



The impact of the revision to the estimates has improved the accuracy of GDP. A more accurate measure of GDP will improve indicators that use GDP as a source. For example, the upward revision of the size of the economy means that the value of how much the economy is producing per person is now slightly higher than what was previously estimated, increasing GDP per capita. Another example is gross fixed capital formation as a percentage of GDP. With the revised GDP series, the ratio drops by about two percentage points. A third example is South Africa's debt-to-GDP ratio. This will also be smaller using the new GDP values. Other examples of ratios that will be affected include equity-market capitalisation to GDP, government spending to GDP and household debt to GDP, to name a few. Although these ratios will change, the trends and patterns will remain largely unaffected.

In terms of purchasing power parity (PPP), the World Bank currently ranks South Africa as the third-largest economy on the continent after Egypt and Nigeria. Egypt's GDP (PPP\$ in current prices) was PPP\$1 290 billion according to the World Bank's estimate, higher than that of Nigeria (PPP\$1 069 billion) and South Africa (PPP\$717 billion). If the 2020 World Bank figure for South Africa is adjusted by Stats SA's upward revision of 11.0 per cent (i.e. to PPP\$796 billion), the South African economy still lags behind that of Nigeria and Egypt.

Figure 2.4
PERFORMANCE OF THE SOUTH AFRICAN
ECONOMY, 2019:Q1 to 2021:Q1



Growth increased by 4.6 per cent in the first quarter of 2021, which was aided by the R500 billion COVID-19 economic support package directed towards the country's health response and to alleviate economic distress. The package financed the procurement of personal protective equipment (PPE), the Temporary Employer/Employee Relief Scheme (TERS), the special COVID-19 Social Relief of Distress (SRD) grant, farmers' relief, and other funds and initiatives aimed at supporting businesses and industries affected by the pandemic.



SOUTH AFRICA'S CREDIT RATINGS

In May 2021, S&P affirmed its sovereign rating for South Africa's long-term foreign and local currency debt ratings at "BB-" and "BB" respectively. An issue rated "BB" is regarded as having speculative characteristics. While such obligations are likely to have some quality and protective characteristics, these may be outweighed by large uncertainties or exposure to adverse conditions. The agency maintained a stable outlook. Fitch also affirmed South Africa's long-term foreign and local currency debt ratings at "BB-" while maintaining a negative outlook. Both agencies affirmed South Africa's sovereign rating and outlook in May 2021, citing an upturn in near-term economic performance and improved public finances. According to Fitch, South Africa's rating is constrained by high and rising government debt, low trend growth and exceptionally high inequality, which will all complicate consolidation efforts.

Table 2.2

SOUTH AFRICAN CREDIT RATINGS, November 2020 – May 2021



Agency	Rating	Outlook	Date
Fitch	BB-	Negative	21 May 2021
S&P	BB-	Stable	21 May 2021
Moody's	Ba2	Negative	20 November 2020
Fitch	BB-	Negative	20 November 2020

Source: Reuters, 2021



The finance sector, the mining sector and the trade sector were the main drivers of output on the production side of the economy, while household spending and changes in inventories supported growth on the expenditure side. Nevertheless, the South African economy is experiencing a gradual growth recovery. Reviewing quarterly growth figures, it is evident that only two of the 10 major sectors contracted in the fourth quarter of 2020, while the agriculture and the electricity, gas and water sectors contracted in the first quarter of 2021 (see Table 2.3).

Table 2.3
SOUTH AFRICA CHANGE
IN GDP PER SECTOR,
2020:Q4 – 2021:Q1



DESCRIPTION	Quarterly (q-o-q) percentage change		Annual (y-o-y) percentage change	
	2020Q4	2021Q1	2020Q4	2021Q1
Agriculture, forestry and fishing	5.9	-3.2	12.7	7.5
Mining and quarrying	-5.7	18.1	-7.0	3.5
Manufacturing	21.1	1.6	-2.0	-1.1
Electricity, gas and water	2.2	-2.6	-0.8	-0.9
Construction	11.2	0.8	-19.8	-17.5
Wholesale and retail trade, catering and accommodation	9.8	6.2	-5.2	-3.8
Transport, storage and communication	6.7	4.8	-12.3	-11.5
Finance, insurance, real estate and business services	-0.2	7.4	-4.3	-5.3
General government	0.7	0.9	0.5	0.5
Community, social and personal services	4.8	1.7	0.5	-0.6
GDP	5.8	4.6	-4.2	-3.2

*Note: GDP quarterly growth rates and GDP yearly growth rates are not seasonally adjusted or annualised
Source: Quantec Research, 2021*

2.3.2 Outlook for the South African economy

A gradual recovery of the South African economy is expected in 2021 and beyond. The long contraction of the economy from the third quarter of 2019 to the second quarter of 2020, coupled with frequent power cuts and soaring fuel, electricity and food prices, further complicates the country's social challenges. Social unrest is at a tipping point following the riots in KwaZulu-Natal and Gauteng in July 2021, which were characterised by violence, looting and protests that led to the loss of lives, the destruction of property and businesses, as well as the temporary closure of critical trade routes. The estimated cost to the national economy due to the civil unrest stands at R50 billion in lost output, while 150 000 jobs have been placed at risk.

According to the National Treasury, it will take the national economy up to two years to recover from the impact. National debt is still a major concern, as gross loan debt is expected to increase by R430.8 billion to R4.745 trillion in 2022/23 and to increase further to R5.538 trillion by 2024/25. This will drive up debt service costs by R96.6 billion over the Medium Term Expenditure Framework (MTEF) period to R365.8 billion in 2024/25, thereby reducing the Government's ability to deliver on services and programmes.



HEADLINE GDP ESTIMATES WILL NO LONGER BE ANNUALISED

In June 2021, Stats SA announced that the headline GDP growth rate would no longer be annualised. Several real GDP growth rates can be calculated from the value of GDP. These GDP growth rates provide different perspectives on the performance of the economy. Historically, Stats SA has treated the quarter-on-quarter annualised rate as the headline growth rate. The quarter-on-quarter annualised rate shows what the annual growth rate would be if the quarter-on-quarter rate were to occur over four consecutive quarters.

During periods of steady economic growth, annualising is a useful way of expressing quarter-on-quarter performance in annual terms. However, during periods of economic instability, annualising can be misleading because it exaggerates growth rates that are unlikely to be repeated. For example, largely as a result of the COVID-19 pandemic and lockdown regulations, real GDP contracted sharply in the second quarter of 2020 and rebounded strongly in the third quarter of the same year.



Table 2.4
GDP GROWTH RATES



Growth rate	Seasonality	Description (3rd quarter of 2020)
% year-on-year	Not seasonally adjusted	% change from 3rd quarter of 2019 to 3rd quarter of 2020
% quarter-on-quarter	Seasonally adjusted	% change from 2nd quarter of 2020 to 3rd quarter of 2020
% quarter-on-quarter, annualised	Seasonally adjusted	% change from 2nd quarter of 2020 to 3rd quarter of 2021, annualised
% year-on-year, year-to-date	Not seasonally adjusted	% change from first three quarters of 2019 to first three quarters of 2020

Source: Stats SA, 2021

From the second quarter of 2021, Stats SA will publish the quarter-on-quarter, seasonally adjusted, real GDP growth rate, in 2015 constant prices, as the headline rate. This is the practice in many countries, e.g. Australia, Brazil, Canada, France, Germany, Italy, Japan, Mexico, New Zealand, Norway, Sweden and the United Kingdom. Supplementary growth rates, namely year-on-year growth for individual quarters and for year-to-date, will continue to be published. The current practice of publishing quarterly seasonally adjusted data in R million as annual equivalent values will be continued.

Policy uncertainty has affected South Africa's investment outlook, resulting in sluggish growth. Fixed investment declined from 23.5 per cent of GDP in 2008 to 15.8 per cent in 2020. Regardless of the aforementioned challenges, the SARB forecasts that the South African economy will recover by 5.3 per cent in 2021, 1.7 per cent in 2022 and 1.3 per cent in 2023.¹⁵

Based on the first-quarter performance of the South African economy in 2021, the following projections are made.

Table 2.5
SOUTH AFRICAN ECONOMIC OUTLOOK,
2021 – 2022



DESCRIPTION	2020e	2021f	2022f
Final consumption expenditure, households (%)	-5.4	7.7	6.4
Durable goods	-8.4	10.5	-0.2
Semi-durable goods	-18.3	8.5	9.0
Non-durable goods	-3.9	12.1	14.5
Services	-3.2	3.3	0.1
Gross fixed capital formation (%)	-17.5	0.9	5.9
Private business enterprises	19.3	2.6	7.1
Residential buildings	-20.9	-7.4	-8.4
Non-residential buildings	-25.3	4.6	2.3
Public corporations	19.3	2.6	7.1
Exports of goods and services (%)	-10.3	-7.0	0.9
Interest rates (average of quarterly values)			
3-month BA rate	4.5	3.9	4.9
10-year long bond yield	10.1	9.8	9.7
Prime overdraft rate	7.7	7.1	8.1
Inflation (annual average %)			
Producer prices	104.4	100.4	105.3
Consumer prices	3.3	4.7	5.3
Average wage rate (rand)	20.19		
Exchange rates (annual average)			
R/US dollar	16.46	15.11	15.98
R/euro	18.71	18.25	19.03
R/pound sterling	21.11	20.63	22.28
Yen/R	2.38	2.34	2.38
Gross domestic expenditure (year-on-year % change)	-7.1	9.6	5.5
Current account balance (R million)	108 204	82 168	-93 956

Source: Quantec Research, 2021 (e denotes estimate, f denotes forecast)

¹⁵ (SARB, 2021).

2.3.3 Final household consumption expenditure

The spending side of the economy has also seen a rebound. Household consumption spending rose 4.7 per cent in the first quarter of 2021 and 7.5 per cent in the fourth quarter of 2020. Spending on durable goods surged in the first quarter of 2021 (20.7 per cent quarter-on-quarter) after a marginal increase in the fourth quarter of 2020. However, real household consumption expenditure was still 0.9 per cent lower in the first quarter of 2021 than in the corresponding quarter of 2020.

There was a slowdown in household credit extension in the period from 2011 to 2021, from 7.0 per cent growth in the first quarter of 2011 to 3.3 per cent in the first quarter of 2021, but this was nevertheless an improvement on the growth rate in 2020 (see Figure 2.5). The most recent deceleration in household credit extension reflects the cautiousness of households to borrow owing to the uncertain economic environment posed by the pandemic, despite the favourable borrowing conditions.

Figure 2.5
SOUTH AFRICAN HOUSEHOLD CREDIT EXTENSION,
2011 – 2021



Source: Quantec Research, 2021

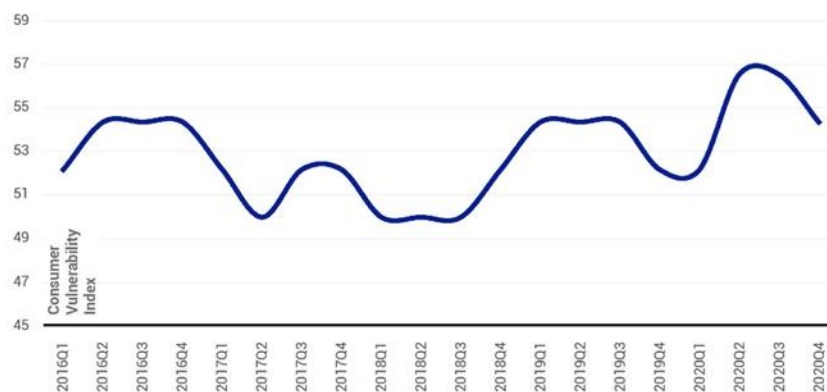
Other key factors affecting the uptake and supply of unsecured credit in South Africa include the weak labour market as seen by the unemployment rate, which is the highest in the world, as well as income insecurity in the form of reduced salaries and uncertainty over future income, depressed consumer confidence and a tendency towards precautionary savings in times of uncertainty. Over the past decade, the national savings ratio, as measured by the ratio of gross domestic saving to GDP, deteriorated and averaged at 15.4 per cent after peaking at 18.4 per cent by the end of 2010. There has been a notable increase to 18.0 per cent in the first quarter of 2021, which is largely due to precautionary savings as households put off spending owing to uncertainty. Indeed, household savings as a percentage of GDP increased by 2.0 percentage points in 2020, the strongest saving performance since 2004.

The ratio of household debt to disposable income decreased marginally from 75.4 per cent in the fourth quarter of 2020 to 75.3 per cent in the first quarter of 2021, as the quarter-to-quarter increase in nominal disposable income exceeded the increase in household debt. Household credit has remained subdued since the second quarter of 2020. Households' cost of servicing debt relative to nominal disposable income remained unchanged at 7.7 per cent over this period, amid the lower interest rates.

Figure 2.6

SOUTH AFRICAN CONSUMER VULNERABILITY INDEX, 2016:Q1 – 2020:Q4

● Consumer Vulnerability Index



Source: Quantec Research, 2021

The national lockdown and the associated business closures led to a steep fall in consumer demand and the RMB/BER Business Confidence Index. Final household consumption expenditure contracted by 5.4 per cent in 2020, owing to uncertainty regarding income and aggregate demand shock. The decline can be attributed to massive job losses, reduced salaries and constant shrinkage in household disposable income amid the rising cost of living. Although final household consumption expenditure is projected to grow by 7.7 per cent and 6.4 per cent in 2021 and 2022 respectively, the rising level of South Africa's Consumer Vulnerability Index above 50 per cent is a cause for concern. High household debt, reduced savings and constrained domestic investment growth force the country to depend on capital inflow for investment, some of which is susceptible to sudden reversals.

2.3.4 Investment

Fixed investment (real gross fixed capital formation) was the most significantly affected spending item in 2020 as a result of COVID-19 restrictions, ongoing power shortages, political uncertainty and crowding out from significant government borrowing. The current year, 2021, is expected to be the fifth consecutive year of shrinking fixed investment. Fixed investment as a percentage of GDP fell from 23.5 per cent in 2008 to 15.8 per cent in 2020, and is forecast to deteriorate further to only 15.0 per cent in 2021, its lowest relative level since 2002. In the first quarter of 2021, fixed investment declined by 13.4 per cent year-on-year and by 2.6 per cent quarter-on-quarter annualised.

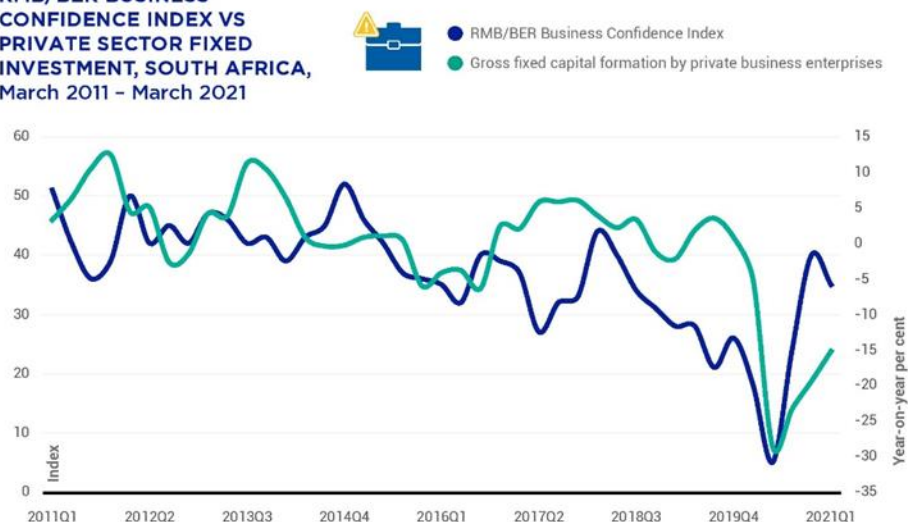
Fixed investment has grown on average by only 0.6 per cent per annum over the past 15 years. The growth was largely due to public-sector investment – indeed, private-sector fixed investment grew by a fraction of this rate, at only 0.1 per cent per annum.

This trend continued into 2021. Public-sector investment increased by 12.6 per cent in the first quarter of 2021, following an expansion of 27.9 per cent in the fourth quarter of 2020. Despite the increase, capital investment by the public sector remained below pre-COVID-19 levels as the effects of the pandemic lingered.

In contrast, fixed investment by private-business enterprises shrank by 8.9 per cent in the first quarter of 2021, following an increase of 5.8 per cent in the fourth quarter of 2020. Fixed investment in machinery and other equipment, including transport equipment, contracted markedly in the first quarter of 2021. As a result, fixed investment levels remained well below pre-pandemic highs. The decline in the first quarter resulted in the private sector's share of total nominal gross fixed capital formation falling from 69.3 per cent in the fourth quarter of 2020 to 68.1 per cent in the first quarter of 2021.

According to Stats SA, the value of recorded building plans passed (at current prices) increased by 34.1 per cent (R8.7 billion) from January to April 2021, compared with January to April 2020. Increases were recorded for residential buildings (44.9 per cent or R5.6 billion), non-residential buildings (24.1 per cent or R1.4 billion) and additions and alterations (23.6 per cent or R1.7 billion). The rebuilding after the recent violence and destruction that affected large parts of KwaZulu-Natal and Gauteng could give a small boost to capital formation over the next few quarters. However, fixed investment on large new projects will remain affected for much longer by the COVID-19 measures and economic and policy uncertainty.

Figure 2.7
RMB/BER BUSINESS
CONFIDENCE INDEX VS
PRIVATE SECTOR FIXED
INVESTMENT, SOUTH AFRICA,
March 2011 – March 2021



Source: Quantec Research, 2021

The RMB/BER Business Confidence Index for South Africa fell to five index points in the second quarter of 2020 from 18 index points in the first quarter of 2020, reaching its lowest point since 1975 (see Figure 2.7). The restrictions of economic activities under levels five and four to contain the spread of the coronavirus and relieve the health sector from pressure negatively affected an already weak economy. Economic activities in the hospitality industry collapsed, as some major hotels in Cape Town closed their doors for business completely. As business confidence improves, gross fixed capital formation of private-sector businesses, business plans and capital inflow will gradually recover despite the contraction recorded in the first quarter of 2021.



TEMPORARY EMPLOYER/EMPLOYEE RELIEF SCHEME

TERS was introduced in April 2020 to assist vulnerable workers and mitigate job losses owing to COVID-19. It served as a core component of the country's economic policy response to the pandemic's detrimental effects, which threatened many jobs as a result of reduced demand in the economy. According to the Organisation for Economic Co-operation and Development, such job-retention policies aid labour market recovery by alleviating labour costs in firms experiencing a reduction in economic activity.

The TERS benefits were distributed through the employer or the applicable bargaining council to ensure administrative efficiency instead of the employees applying to the Unemployment Insurance Fund (UIF) directly. The employers would then distribute the benefits to their employees within two days of receipt and submit the proof of payment to the UIF within five days. The payment would then be effected after the signing of the memorandum of agreement by both parties. Upon introduction, the benefits were available from April 2020 to June 2020, but owing to lockdown regulations affecting workers in industries whose operating activities were partially or fully restricted, TERS was extended to March 2021. By March 2021, approximately R59.0 billion had been paid to 5.4 million individual employees.

The scheme initially catered for workers who were registered with and contributing to the UIF, but following a legal challenge in May 2020 the benefits were extended to those who could prove an employment relationship. The benefits were extended to registered workers and contributors to the UIF in the tourism, hospitality, transport services, liquor services, public recreational spaces and any other industry along the value chain. The TERS benefits were also applicable to workers who were 60 years and above, those with comorbidities and those required to remain in COVID-19-related isolation or quarantine (Köhler and Hill, 2021). TERS was further extended for the period March 2021 to July 2021 for firms whose operations were restricted by the laws of the alert levels given the resurgence of COVID-19 cases.



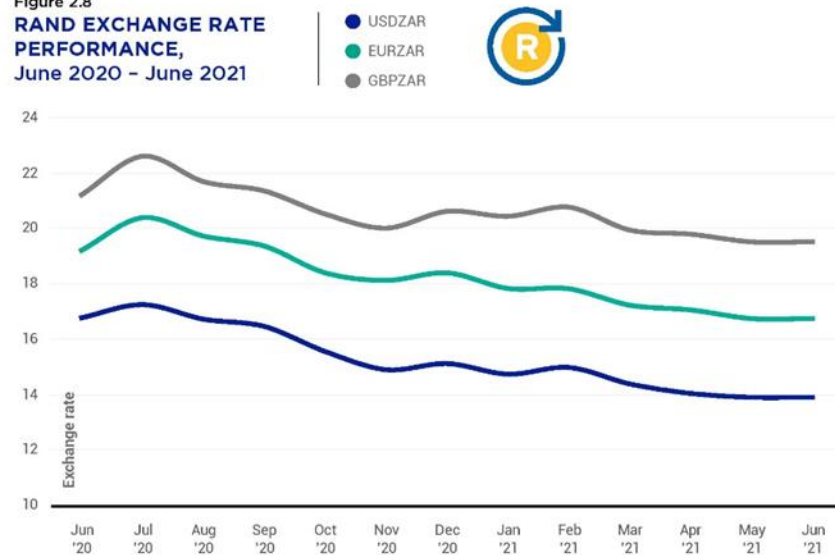
Source: National Income Dynamics Study – Coronavirus Rapid Mobile Survey (NIDS-CRAM), 2021

2.3.5 Exchange rate outlook

The COVID-19 pandemic has resulted in major disruptions for exchange rates and global capital flows. In the first quarter of 2020, the currencies of many emerging markets fell sharply owing to the uncertainty faced by investors. The hardest-hit currencies began to recover in April 2020, when the rand was at its lowest point, losing 14.8 per cent against the US dollar, 14.5 per cent against the euro, 13.7 per cent against the pound and 18.0 per cent against the yen (year-on-year).

However, the rand has since stabilised, outperforming most emerging market currencies such as the Brazilian real and Russian ruble. Since the beginning of 2021, the rand has appreciated 13.9 per cent to the US dollar, despite the recession in South Africa and the negative effects of COVID-19 on the supply and demand sides of the global economy (see Figure 2.8). However, the depreciation of the US dollar, the euro and the pound can partly be attributed to quantitative easing by the US Federal Reserve, the European Central Bank and the Bank of England respectively.

Figure 2.8
RAND EXCHANGE RATE
PERFORMANCE,
June 2020 – June 2021



Source: Quantec Research, 2021

According to the IMF, the exchange rate recovery can be attributed to the commodity market price boom after the 2020 global recession, which resulted in a 67.8 per cent increase in the index of all primary commodities at the end of the first quarter of 2020. South Africa also recorded a trade surplus in 2020. This is attributable to a stronger rand that reduced the cost of imports, which helped create a current account surplus. In addition, delays/backlogs in logistics have reduced imports. However, the outlook for the rand remains poor as a result of increasing government debt, with debt-servicing costs being the fastest-growing expenditure item; the ongoing health crisis; and the weak economic backdrop. The R/US\$ is forecast to average R15.11 in 2021, and to be slightly weaker at R15.98 in 2022.

2.3.6 Balance of payments

South Africa experienced a significant current account surplus of R267.0 billion in the first quarter of 2021, rising from a R198.0 billion surplus in the fourth quarter of 2020. The SARB estimates that the current account surplus will be 5.0 per cent of GDP in the first quarter of 2021, rising from 3.7 per cent in the preceding quarter.

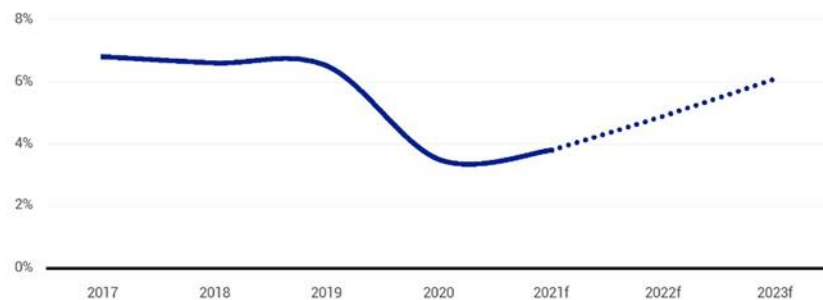
The current account surplus was in part due to a significant trade surplus, which increased from R425.0 billion in the fourth quarter of 2020 to R430.0 billion in the first quarter of 2021, with the largest surplus resulting from the value of merchandise exports. The trade surplus can be ascribed to rising export earnings on goods and services accompanied by a lower price of imports. Export earnings were supported by strong terms of trade, which improved for the seventh consecutive quarter in the first quarter of 2021, marking one of the longest consecutive quarterly increases in terms of trade on record.

Commodity prices are expected to remain elevated for the remainder of 2021. According to Bloomberg Economics, South Africa is number 10 on the list of countries that have gained the most from the commodities boom in terms of the country's net exports in proportion to its GDP. South African Revenue Service (SARS) statistics show that South Africa's best-performing exports were precious metals, chemical and mineral products, and base metals.

2.3.7 Inflation and interest rate outlook

Given the deteriorating economic conditions and the hardship following the outbreak of the COVID-19 pandemic, the SARB responded with an aggressive repo cut of 100 basis points in April 2020. The expansionary monetary policy to support the economic recovery from the COVID-19 pandemic led to a further reduction in the repo rate to 3.5 per cent in the fourth quarter of 2020. Following the strong recovery of the domestic economy in the third quarter of 2020 and the robust growth forecast for 2021, reflecting improved sectoral performance and strong terms of trade, the SARB decided to keep the repo rate unchanged at 3.5 per cent, until increasing it with 25 basis points in November 2021. The repo rate is expected to increase gradually, on a quarterly average, to 4.9 per cent in 2022, on the back of the expected growth recovery and rise in inflation (see Figure 2.9).

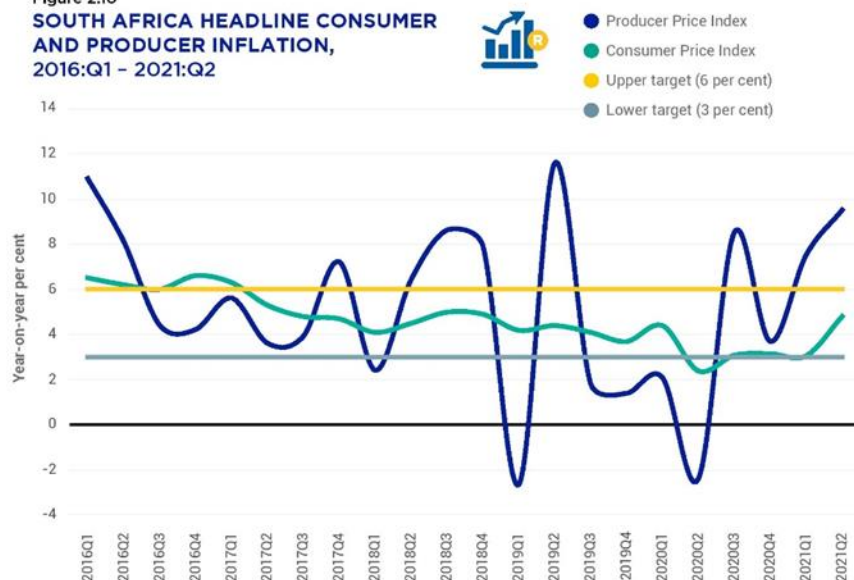
Figure 2.9
SOUTH AFRICA REPO RATE OUTLOOK, 2017 - 2023



Notes: Values are average of quarterly values; f denotes forecast. Source: Quantec Research, 2021

Annual consumer price inflation increased from 3.3 per cent in 2020 to 4.8 per cent in the second quarter of 2021. The primary drivers behind the rise were alcoholic beverages, housing and utilities, transport and medical insurance. In July 2021, the annual inflation rate for goods was 6.7 per cent, down from 7.1 per cent in June 2021, and for services it was 2.7 per cent, down from 2.9 per cent in June 2021.

Figure 2.10
SOUTH AFRICA HEADLINE CONSUMER
AND PRODUCER INFLATION,
2016:Q1 – 2021:Q2



Source: Quantec Research, SARB, 2021

In October 2021, food and non-alcoholic beverage prices increased by 6.1 per cent year-on-year and contributed 1.1 percentage points to the total Consumer Price Index (CPI) annual rate of 5.0 per cent. Housing and utilities increased by 4.0 per cent year-on-year and contributed 1.0 of a percentage point. Transport increased by 10.9 per cent year-on-year and contributed 1.5 percentage points. Miscellaneous goods and services increased by 4.3 per cent year on year and contributed 0.7 percentage points.

The Producer Price Index (PPI) increased by 0.7 per cent month-on-month in October 2021. The main contributors to the headline PPI monthly increase were food products, beverages and tobacco products, which increased by 0.7 per cent month-on-month and contributed 0.2 of a percentage point; metals, coke, petroleum, chemical, rubber and plastic products, which increased by 0.9 per cent month-on-month and contributed 0.2 of a percentage point; and furniture and other manufacturing which increased by 9.5 per cent month-on-month and contributed 0.2 of a percentage point.

Annual producer price inflation (final manufacturing) was 8.1 per cent in October 2021, up from 7.8 per cent in September 2021. The main contributors to the annual headline producer price inflation rate were coke¹⁶ petroleum, chemical, rubber and plastic products; food products, beverages and tobacco products; and metals, machinery, equipment and computing equipment.

¹⁶ Petroleum coke is a carbon-rich solid material that is a byproduct from the oil-refining process.



COVID-19 VACCINE HESITANCY IN SOUTH AFRICA

Despite COVID-19 vaccines being available to all South Africans aged 18 years¹⁷ and older, uptake remains low, with only 24.8 per cent of adults having received at least a first dose at the time of writing. The low uptake in the country has been ascribed to vaccine hesitancy on the part of many South Africans. The World Health Organization (WHO) defines vaccine hesitancy as a delay in acceptance or refusal of vaccines despite the availability of vaccine services. The reluctance of people to receive safe and recommended available vaccines was already a growing concern before the COVID-19 pandemic (MacDonald, 2015). Vaccine hesitancy is influenced by five main determinants, namely confidence, complacency, convenience (or constraints), risk calculation and collective responsibility (Betsch, 2018; Wiysonge, 2021). Vaccine acceptance is primarily driven by an interest in personal protection against COVID-19, whereas concerns about side-effects are the most common reasons for hesitancy, and health workers are the most trusted sources of guidance about vaccines against COVID-19.¹⁸

A large-scale survey, conducted by the Human Sciences Research Council (HSRC) and the University of Johannesburg between 25 June and 12 July 2021, found that those hesitant to receive the vaccine raised concerns over side-effects, efficacy and distrust of the vaccine or governments as the main reasons. Side-effects were more common concerns among poor adults, while people living in urban areas said they were more worried about side-effects than those who live in rural areas. The study found that whites were far more concerned about ineffectiveness and side-effects than other groups and were also more likely to try alternative treatments over a vaccine. Only 5.0 per cent of respondents said "social media or other rumours" were the reason they did not want to get vaccinated, and an even smaller proportion said their reservations were because of religious beliefs.

According to the NIDS-CRAM Wave 5 Survey, one in five South Africans believed that the vaccine was unsafe, but only one in 10 was very convinced of this. A third of individuals who thought vaccines were unsafe said they believed this because vaccine development was rushed and not adequately tested. One in five of those who believed vaccines were unsafe or could harm them reported that this was because of side-effects of the vaccine. Conspiracy theory-driven safety concerns were cited infrequently compared with concerns about side-effects and vaccine testing timeframes, with only 1.0 per cent of respondents saying they were worried about vaccine safety owing to national or global plots, and fewer than 1.0 per cent were concerned about vaccine safety because they feared it may alter their DNA or that it was a fraudulent corporate attempt to extract profits.

The NIDS-CRAM Wave 5 Survey further revealed that 47.0 per cent of South Africans who were hesitant to receive a COVID-19 vaccine in February or March 2021 subsequently changed their minds over the following two months and had either been vaccinated or had agreed to be vaccinated when asked again in April or May 2021. However, the proportion of respondents who had registered for vaccination was much lower than their willingness to be vaccinated as asserted in surveys, indicating that opinion does not always translate into action. The survey conducted by the HSRC and the University of Johannesburg between 25 June and 12 July 2021 found that 45.0 per cent of South Africans aged 18 to 24 were hesitant to get the vaccine. This number increased from 37.0 per cent when a similar survey was carried out in January 2021. By comparison, only 14.0 per cent of those aged 60 and above were hesitant. Overall, vaccine hesitancy has dropped since the last survey, carried out between 29 December 2020 and 6 January 2021, from 33.0 per cent to 28.0 per cent.

¹⁷ People between the ages of 18 and 35 were eligible for vaccination from August 2021.

¹⁸ (Solis, 2021).



The only demographic groups where hesitancy grew between the two surveys was among youth aged 18 to 24, white adults, and students and learners. In all other groupings, hesitancy fell or stayed the same as before.

The NIDS-CRAM Wave 5 Survey further found that vaccine acceptance is higher among respondents living in traditional settlements, among isiZulu, Tsonga and Setswana speakers, and among black respondents. Vaccine acceptance is significantly lower among respondents living in urban formal residential housing, Afrikaans speakers, and white and coloured respondents. Users of social media and the youth are more likely to show low vaccine acceptance. The older generations and those with underlying health conditions are more willing to be vaccinated. In August 2021, recent reports showed a slump in demand at vaccination centres around the country, with concerns growing that the vaccination drive was losing steam, with only about 15.0 per cent of the country's adults fully vaccinated.¹⁹

Campaigns to increase vaccine registration and uptake should promote the fact that vaccine acceptance is the norm. Spreading the message that most people say they will accept a vaccine has increased COVID-19 vaccination rates worldwide. Conversely, while it is important to address myths and rumours, frequently discussing vaccine scepticism can perversely give credence to myths by creating the impression that these beliefs are widespread and that there is a valid reason to be concerned about getting vaccinated (Jolley & Douglas, 2014). According to the NIDS-CRAM Wave 5 Survey, respondents are willing to accept vaccines if local community leaders are vaccinated and stay healthy. Half of those who do not fully accept vaccinations said they would be convinced if their trusted local leaders led by example.

Sources: WHO, 2021; MacDonald, NE. *Vaccine* 33, 4161–4164 (2015); Betsch, C, et al. *PLOS One* 13, e0208601 (2018); Wiysonge, CS, et al. *Human Vaccines & Immunotherapeutics* 8, 1–3 (2021); Solís Arce, JS, et al. *Nature Medicine*, 2021; Coronavirus Rapid Mobile Survey, 2021; NIDS-CRAM Wave 5 Survey, 2021; Jolley, D, and Douglas, KM (2014). *The Effects of Anti-Vaccine Conspiracy Theories on Vaccination Intentions*. *PLOS One* 9(2): e89177, 2021

¹⁹ Having received the one-dose J&J vaccine or both doses of the Pfizer vaccine.

2.3.8 Main risks to the national outlook

The COVID-19 pandemic adds another layer of complication to the South African economy, which was constrained prior to the outbreak of the pandemic. Key risks to the national economic performance include the following:

- Growing income inequality as a result of the differentiated impact of the pandemic. Those who are digitally illiterate will struggle to find work, and the impact of the loss of income has widened income inequality.
- Increasing government debt, corruption, the growing public-sector wage bill and rising borrowing costs owing to the country's downgrade to below investment grade by sovereign credit rating agencies.
- Eskom's frequent power cuts and the burden of state-owned enterprises (SOEs) on the fiscus are other major risks to the national outlook. The continual bailing out of SOEs is a drain on the fiscus and a burden on future generations in the form of higher income taxes.
- Political instability and uncertainty around public-sector policy reforms dampen private-sector investment.
- The new Omicron variant and anticipated fourth COVID-19 wave due in December 2021 could result in further lockdowns, as well as alcohol and travel restrictions. This could hamper the recovery of the tourism and hospitality sector and result in increased job losses. Vaccine hesitancy amplifies the likelihood and potential length of the anticipated fourth wave, and thereby also its negative economic impact.



2.4 DEVELOPMENTS IN THE WESTERN CAPE ECONOMY

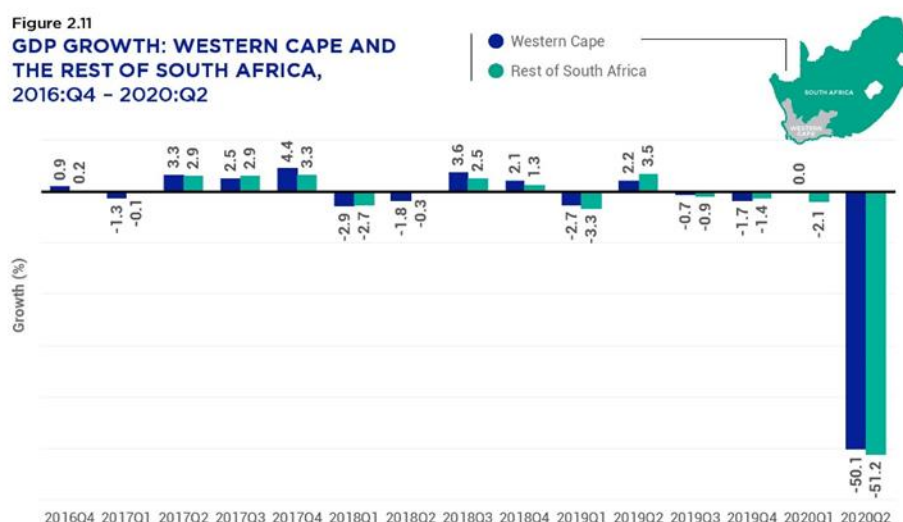
2.4.1 Western Cape economic performance

Over the past decade, growth in the Western Cape has been steadily declining from 3.8 per cent in 2011 to a contraction of 6.7 per cent in 2020, mirroring the economic decline in the rest of South Africa. Between 2011 and 2020, Provincial economic growth is estimated to have averaged 1.0 per cent. In 2019, growth in the Western Cape again outperformed the rest of South Africa, owing to good rainfall boosting agricultural output and a relatively small mining sector, which dragged growth for the rest of the country.

The relative importance of the tourism industry, which is the most developed in South Africa, as well as the wine industry, accounted for 4.5 per cent of GDP and 6.6 per cent of total formal and informal employment in the Western Cape in 2019, which means that the Province was greatly affected by the COVID-19 pandemic and the associated restrictions. Changes in the Western Cape's economic performance relative to the rest of South Africa are largely driven by dynamics in the agriculture and tourism sectors.

The Western Cape's economy is estimated to have contracted by an unprecedented 6.7 per cent in 2020, 0.3 percentage points less than the contraction for South Africa. The COVID-19 pandemic remains a threat to the growth prospect of the tourism sector, given the occasional surge in cases and the identification of new variants. Despite the negative growth outlook, the Western Cape is expected to make gains in growth owing to a faster recovery, which is attributable to a relatively efficient vaccine roll-out and uptake, and the recovery of agricultural exports.

Figure 2.11
GDP GROWTH: WESTERN CAPE AND THE REST OF SOUTH AFRICA, 2016:Q4 – 2020:Q2

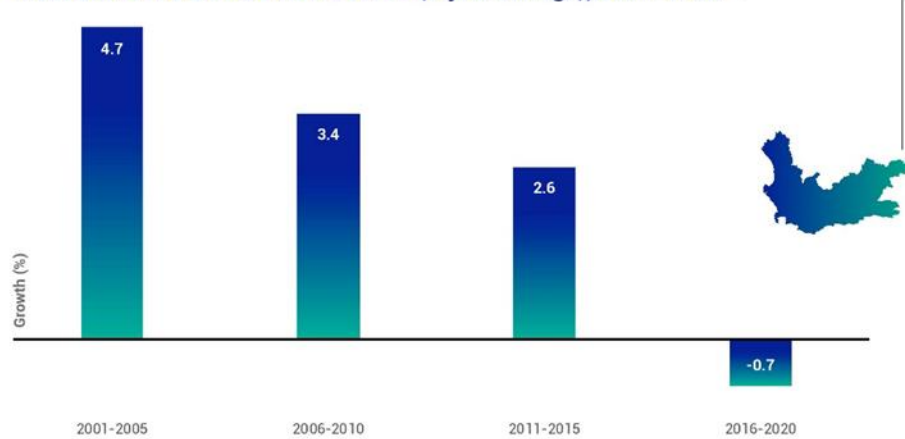


Note: The Western Cape growth rate for 2020 is an estimate. Source: Quantec Research, 2021

The Western Cape averaged a growth rate of 4.7 per cent between 2001 and 2005, which slowed to an average of 3.4 per cent between 2006 and 2010, and again slowed to 2.6 per cent between 2011 and 2015 (see Figure 2.12). The Province was in the grip of a severe drought from 2015 to 2019, which had significant economic, health and environmental impacts, and is estimated to have cost the Western Cape 37 000 employment opportunities.²⁰ Growth in the Western Cape was further muted by rolling electricity outages and the lacklustre performance of the national economy. The unprecedented contraction in 2020 meant that the Province's economy averaged a contraction rate of 0.7 per cent for the period 2016 to 2020.

Figure 2.12

WESTERN CAPE ECONOMIC GROWTH (5-year average), 2001 – 2020



Source: Quantec Research & HS Business Solutions, 2021

The COVID-19 pandemic set in as the drought eased and electricity supply interruptions became even more frequent. According to the Council for Scientific and Industrial Research (CSIR), 650 hours of load-shedding was recorded in the first half of 2021, which is an estimated 76.0 per cent of the load-shedding recorded for 2020. The effects of load-shedding, the drought and the COVID-19 pandemic are evident in the average annual contraction of 0.7 per cent between 2016 and 2020, with the negative growth rate for the period being largely driven by the negative growth in 2020 as a result of the pandemic.

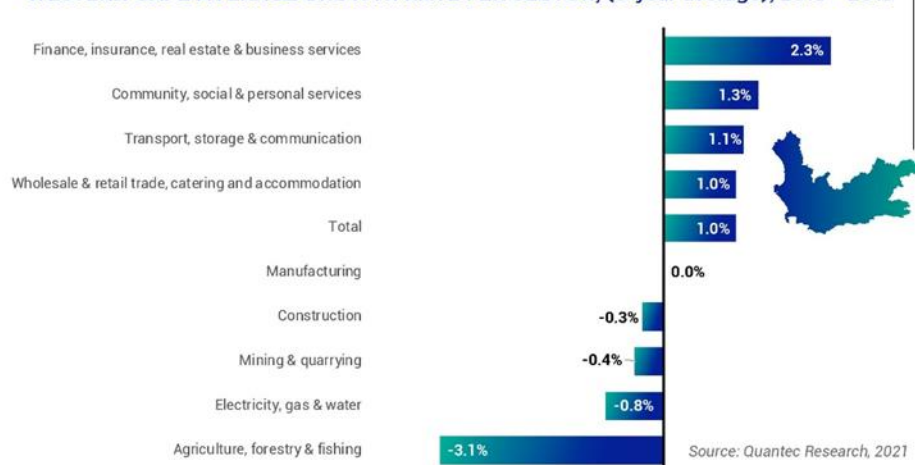


²⁰ (Department of Economic Development and Tourism, 2020).

Growth between 2015 and 2019 was led by the finance sector (see Figure 2.13), emphasising the importance of the Cape Metro area as the business hub of the Province. The community services sector, the transport sector and the trade sector also contributed to growth. Growth was dragged down by a decline in the mining sector, the electricity, gas and water sector, the construction sector and the agriculture sector. The contractions were mainly driven by unreliable electricity supply, declining confidence and the drought.

Figure 2.13

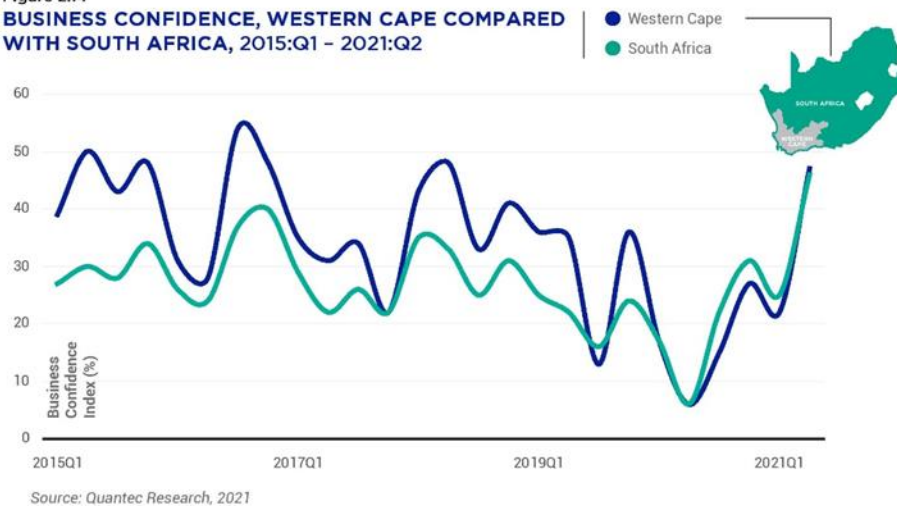
WESTERN CAPE AVERAGE GROWTH RATE PER SECTOR, (5-year average), 2015 – 2019



If the unprecedented contraction in 2020 is excluded, a sectoral analysis of the Western Cape economy from 2015 to 2019 reveals that the finance sector was the fastest-growing sector, followed by the community services sector. The trade sector grew by 1.0 per cent, while the manufacturing sector recorded no growth. The agriculture, construction, electricity, gas and water, and mining sectors recorded contractions.

Figure 2.14

BUSINESS CONFIDENCE, WESTERN CAPE COMPARED WITH SOUTH AFRICA, 2015:Q1 – 2021:Q2



Although the business confidence for the Western Cape fared better than the rest of South Africa, the two indices reached the lowest level, five index points, in the second quarter of 2020, on the back of the COVID-19 outbreak (see Figure 2.14). However, the rebound of the business confidence in the third quarter of 2020 and the second quarter of 2021 points to the potential of a robust recovery consistent with the upward revision of the country's growth forecast.

2.4.2 Outlook for the Western Cape economy

The Western Cape's economy is estimated to have contracted by a significant 6.7 per cent in 2020, but is expected to recover to 4.6 per cent in 2021 as economic activity resumes, before slowing to 2.5 per cent in 2022. The recovery in 2021 is expected to be marginally slower, by 0.7 percentage points, compared with the 5.3 per cent growth expected for South Africa. Growth in the Western Cape is expected to overtake national growth in 2022 by 0.8 percentage points, compared with the 1.7 per cent projected for South Africa.

Table 2.6

WESTERN CAPE ECONOMIC OUTLOOK, 2019 – 2022



Forecast
average

DESCRIPTION	2019	2020e	2021f	2022f	(2021 – 2022)
Agriculture, forestry and fishing	-9.9	13.3	6.8	-0.5	3.2
Mining and quarrying	-1.5	-19.4	9.6	-1.4	4.1
Manufacturing	-0.5	-10.0	2.3	7.2	4.8
Electricity, gas and water	-1.4	-6.8	-1.3	3.6	1.2
Construction	-3.3	-21.1	-0.9	7.5	3.3
Wholesale and retail trade, catering and accommodation	0.5	-10.3	8.6	3.3	6.0
Transport, storage and communication	-0.4	-15.3	9.6	-3.5	3.0
Finance, insurance, real estate and business services	2.4	-4.4	5.0	3.7	4.3
General government	1.9	0.7	-1.8	0.1	-0.9
Community, social and personal services	1.0	-2.2	5.0	-2.7	1.1
Regional Gross Domestic Product	0.4	-6.7	4.6	2.5	3.5

Source: Urban-Econ based on Quantec Research, SARB, Stats SA and BFAP, 2021 (e denotes estimate, f denotes forecast)

The Provincial economy's expected recovery will be driven by the finance and trade sectors. However, the slower than expected vaccine uptake owing to vaccine hesitancy, which heightens the risk of a fourth wave of COVID-19 infections in the last quarter of 2021, will have a negative impact on the economic outlook for 2021.

In the primary sector, agriculture was the only sector to enjoy strong growth in 2020 after a bumper crop, favourable commodity prices and limited interruption in operations during the lockdown period, but the forecast for 2022 is a marginal contraction of 0.5 per cent, as commodity prices are expected to normalise. The mining sector is expected to make a strong recovery (9.6 per cent in 2021) after suffering a contraction of 19.4 per cent in 2020 as a result of base effects.

However, owing to the small contribution made by this sector to the Provincial economy, this recovery will only have a marginal positive impact on the overall economic performance of the Western Cape.

In the secondary sector, the manufacturing sector is expected to recover by an average of 4.8 per cent in the two-year forecast period after a 10.0 per cent contraction in 2020. This is largely due to the reopening of industries and expected recovery in international trade. The electricity, gas and water sector is expected to contract for a consecutive year in 2021. The continued contraction of the sector can be attributed to Eskom's ongoing electricity supply challenges. This has a dampening effect on other sectors that rely on power supply for production and productivity. The construction sector is expected to remain under pressure, with an anticipated contraction of 0.9 per cent in 2021 after a massive contraction of 21.1 per cent in 2020 as a result of the industry coming to a standstill during the lockdown period. The investment in infrastructure will boost economic activity, increase economy-wide productivity growth and reduce unemployment.

In the tertiary sector, the trade sector has an average of 6.0 per cent growth forecast in the two-year forecast period, which is a strong recovery from its 10.3 per cent contraction in 2020. The positive outlook suggests a strong expected recovery in catering and accommodation, which captures tourist activity to some extent, given the vaccine roll-out and a reopening of the global economy. Consumer spending on textiles, clothing and footwear, household furniture and appliances and hardware contributed to the recovery of the trade sector in 2021.²¹ While bricks-and-mortar shops struggled during the pandemic, online shopping experienced boosted activity. This trend is expected to continue in future. With many online shops having their headquarters in the Cape Metro, this has the potential to boost the local economy, through increased activity in logistics and warehousing.

The finance sector has an average growth outlook of 4.3 per cent in the two-year forecast period. This is an improvement from its 4.4 per cent contraction in 2020. The positive outlook is largely driven by the growing business process outsourcing (BPO) industry and the thriving tech ecosystem. The general government sector is expected to contract by 0.9 per cent on average in the two-year forecast period, from 0.7 per cent growth in 2020. The contraction may be driven by fiscal constraints facing the country.



²¹ (Stats SA, 2021).

2.4.3 Risks to the Provincial outlook

The Provincial risks outlook for the Western Cape is almost similar to the national context, except that the Western Cape economy is heavily dependent on tourism, wine production and farming.

- The negative effect of the COVID-19 pandemic on the global and domestic economy that resulted in job losses, particularly for those working in hotels and restaurants, increased poverty, income inequality and social unrest.
- There was a substantial increase in service delivery demands owing to in-migration and maternal health.
- Travel restrictions and the restriction on global flights during the peak of COVID-19 almost collapsed the tourism and wine sector in the Western Cape, as global travel collapsed.
- The COVID-19 pandemic will worsen the digital divide. With no access to the internet and technology, the poor risk being left behind. This will have a particularly negative impact on education outcomes, which will influence the labour market in the long run.



3. REGIONAL CONTEXT

3.1 INTRODUCTION

This section provides contextual information for the main sections in Section B of this publication, which provides an economic review and outlook per District.

3.2 DISTRICT ECONOMIC OVERVIEW

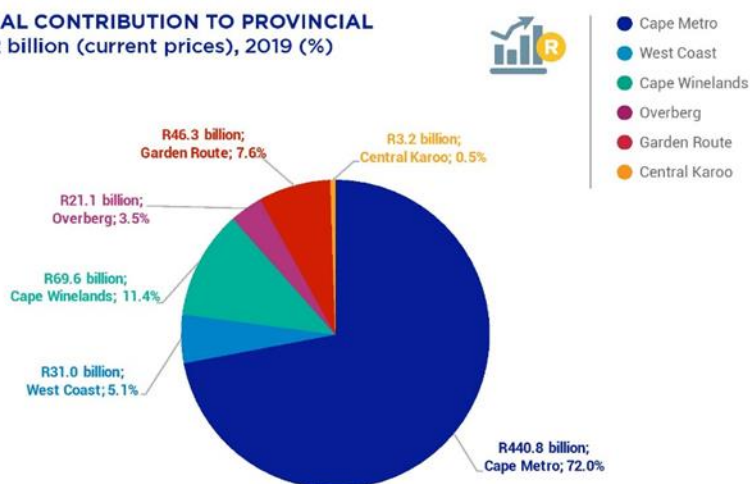
An overview of the regional GDP and employment contributions to the Provincial economy is provided in this subsection. The most recent regional GDP figures published by Stats SA are for 2019. However, estimates for 2020 are provided.

3.2.1 GDP contribution

Figure 3.1 illustrates the GDP contributions of the regional economies to the Provincial economy in 2019.

Figure 3.1

REGIONAL CONTRIBUTION TO PROVINCIAL GDP, R billion (current prices), 2019 (%)



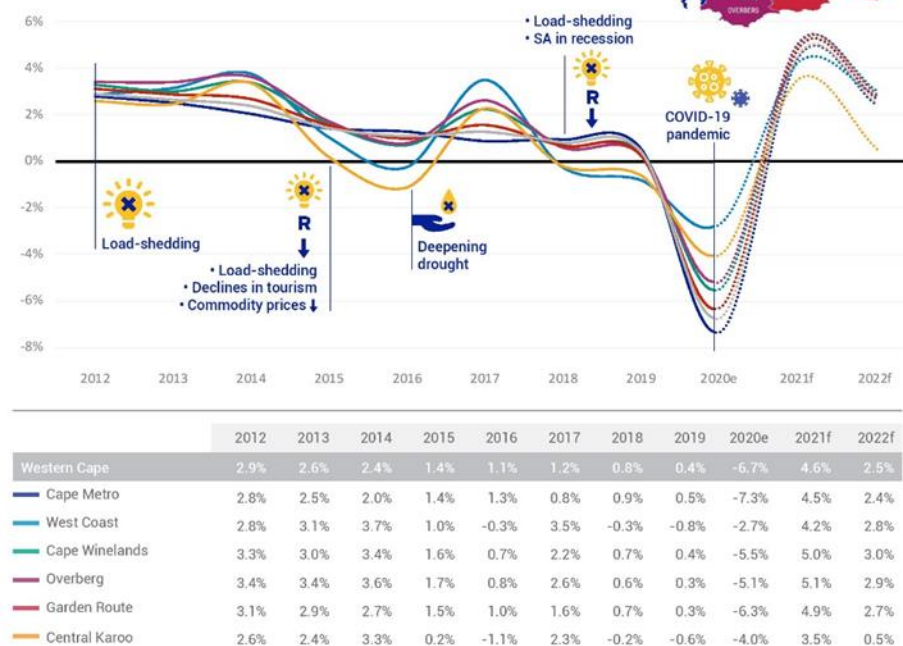
Source: Quantec Research, 2021

With a contribution of R440.8 billion, the Cape Metro area contributed the largest share to total GDP in the Province in 2019 at 72.0 per cent. The CWD contributed the second-largest share to Provincial GDP during the same year, with a contribution of 11.4 per cent. This was followed by the GRD and WCD, with contributions of 7.6 per cent and 5.1 per cent respectively in 2019. Valued at R3.2 billion in 2019, the CKD was the smallest contributor to the Provincial economy (0.5 per cent).

Figure 3.2 indicates the GDPR growth trends between 2012 and 2020 of the respective regions and the Province. In addition, forecasts for 2021 and 2022 are provided.

Figure 3.2

GDPR GROWTH RATE PER REGION, 2012 – 2022



Source: Quantec Research, 2021 (e denotes estimate, f denotes forecast)

Between 2010 and 2020, the Province experienced an overall downward trend in annual growth. In 2010, regional economies in the Western Cape recovered somewhat from the global financial crisis, with an average annual growth rate of 2.3 per cent experienced in the Province during the year. However, the CKD lagged significantly behind other regions, with a growth rate of only 0.6 per cent in 2010. While most of the secondary and tertiary industries recovered in 2010, the agriculture sector performed poorly owing to low commodity prices, which resulted in a decline in farmer income. This had a significant impact on the economy of the CKD, which is more reliant on the agriculture sector than the other regions of the Province.

Growth in the Province continued to improve in 2011, following the boost in 2010 from the FIFA World Cup. All Districts and the Cape Metro area experienced growth rates in excess of 3.0 per cent. As a result, the Provincial economy grew by 3.8 per cent during the year. However, in 2012, District economies and the Cape Metro area experienced a slowdown in growth. This can possibly be attributed to the high growth rates achieved in 2011.

The WCD was the only District to realise an improvement in GDPR growth in 2013, while growth in the OD remained near stagnant during the year. All remaining Districts and the Cape Metro area experienced declines in their respective growth rates in 2013.

Provincial GDPR growth subsequently slowed from 2.9 per cent in 2012 to 2.6 per cent in 2013. This poor growth can largely be attributed to a decline in growth in the national economy owing to reduced output from the manufacturing sector. The sector was negatively affected by strike actions during the year.

In 2014, improvements were noted across most regions, apart from the Cape Metro area and the GRD. Growth in the Cape Metro area slowed from 2.5 per cent in 2013 to 2.0 per cent in 2014, while growth in the Provincial economy slowed from 2.6 per cent to 2.4 per cent over the same two-year period. This highlights the importance of the Cape Metro area to GDPR growth in the Province.

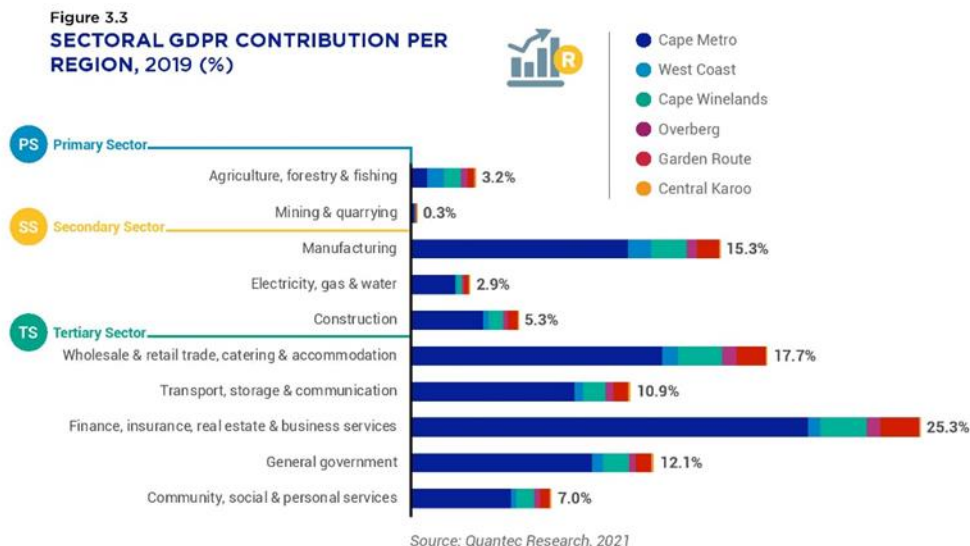
Between 2015 and 2016, a significant slowdown in growth was experienced across all regions. Although positive growth rates were realised across all regions in 2015, the WCD and CKD experienced contractions of 0.3 per cent and 1.1 per cent respectively in 2016. This was likely due to severe drought conditions across the Province, which resulted in considerable economic losses in many regions that rely on agricultural activities and agro-processing as key economic drivers.

Provincial GDPR growth improved marginally from 1.1 per cent in 2016 to 1.2 per cent in 2017, with all Districts apart from the Cape Metro area experiencing improvements in growth over the same period. Between 2018 and 2019, growth across all Districts and the Cape Metro area declined, with the WCD and CKD experiencing contractions in both years. Subsequently, growth in the Province slowed from 0.8 per cent in 2018 to 0.4 per cent in 2019. This can be attributed to a deterioration in the national economy's performance, with South Africa entering two technical recessions over the two-year period, as well as the Provincial drought that occurred during the period.

Estimates for 2020 indicate that growth in the Province declined further, with the Provincial economy registering a contraction of 6.7 per cent during the year. The Cape Metro, being the economic hub of the Western Cape, recorded the largest contraction at 7.3 per cent in 2020. However, it should be noted that all remaining District economies in the Province contracted. The expected decline in growth across the Province is the result of the COVID-19 pandemic and lockdown measures to contain its spread.

In the 2021 and 2022 forecast periods, growth in the Province is expected to improve. The Province is expected to realise a growth rate of 4.6 per cent in 2021, with all Districts and the Cape Metro area realising significant recoveries during the same year. However, it should be noted that these high growth rates are not sustainable in the long run, with growth in 2021 originating from a constrained base in 2020. This effect is noticed in 2022, with growth in the Province slowing to average 2.5 per cent during the year. Growth in all the Districts and the Cape Metro area is forecast to slow in 2022. This showcases the unsustainability of the high growth rates achieved in 2021. Economic challenges that prevailed prior to the COVID-19 pandemic, coupled with the slow employment trends anticipated for 2021, will continue to put pressure on households in 2022.

Figure 3.3 illustrates the sectoral GDP contributions from the various regions to the economy of the Western Cape.



In the Province, the finance sector was the leading contributor to GDP at 25.3 per cent in 2019. This was followed by the trade sector (17.7 per cent) and the manufacturing sector (15.3 per cent).

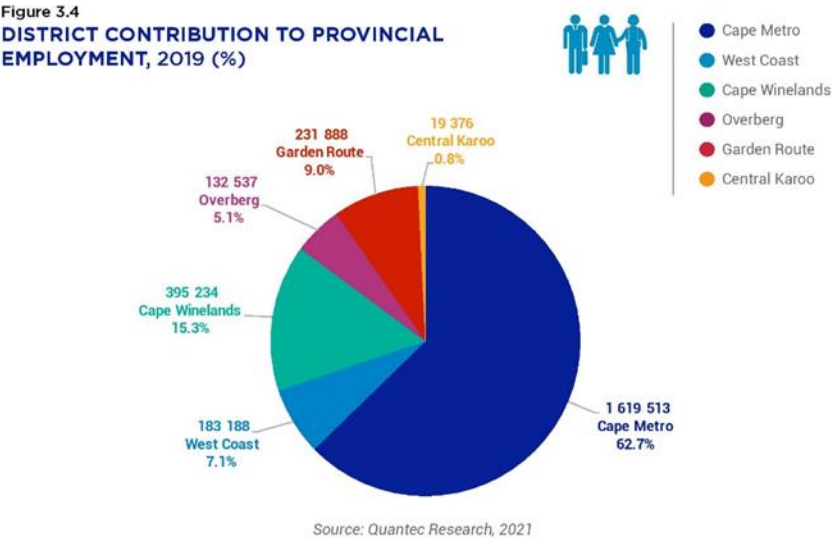
The two largest contributing sectors were concentrated in the Cape Metro area, the CWD and the GRD. In terms of the finance sector, the Cape Metro area contributed 19.8 per cent, while the CWD and GRD contributed 2.3 per cent and 1.9 per cent respectively. Of the 17.7 per cent contributed to GDP by the trade sector, 12.5 per cent originated from the Cape Metro area, while 2.2 per cent and 1.4 per cent originated from the CWD and GRD respectively. Manufacturing activity was largely concentrated in the Cape Metro area (10.8 per cent), CWD (1.8 per cent) and the WCD (1.2 per cent). The GRD contributed 1.1 per cent to total manufacturing activity in the Province in 2019.

Economic activity in the secondary and tertiary sectors was concentrated in the Cape Metro area, highlighting its importance to the Provincial economy. Within the primary sector, mining activities were also concentrated in the Cape Metro area. However, in respect of the 3.2 per cent contribution to GDP by the agriculture sector, the CWD had a marginally higher contribution than that of the Cape Metro area.



3.2.2 Labour trend analysis

Figure 3.4 illustrates the contribution to Provincial employment by each District and the Cape Metro area in 2019.

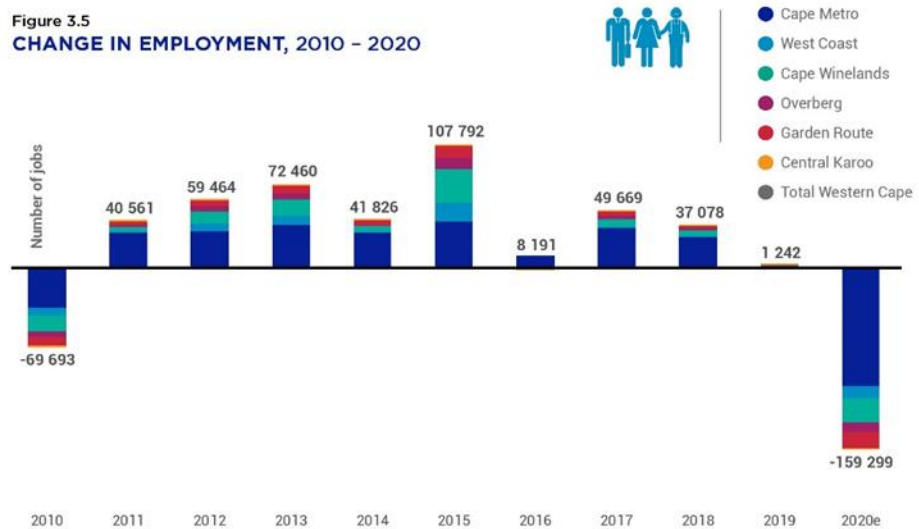


Employment contributions by the Districts and Cape Metro area broadly mirror that of GDP contributions. The Cape Metro area was the leading contributor to employment in the Province in 2019, with a contribution of 62.7 per cent. The CWD and GRD were the second- and third-largest contributors to employment in the Province at 15.3 per cent and 9.0 per cent respectively. During the same year, the WCD and OD contributed 7.1 per cent and 5.1 per cent respectively to Provincial employment, while the CKD contributed the smallest share (0.8 per cent).



The employment trends in the Districts and Cape Metro area between 2010 and 2020 are indicated in Figure 3.5.

Figure 3.5
CHANGE IN EMPLOYMENT, 2010 – 2020



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e
Western Cape	-69 693	40 561	59 464	72 460	41 826	107 792	8 191	49 669	37 078	1 242	-159 299
■ Cape Metro	-35 135	30 564	31 252	37 045	30 854	40 581	10 156	34 403	26 758	-246	-103 402
■ West Coast	-7 502	720	6 851	8 367	603	16 300	-550	783	919	308	-10 278
■ Cape Winelands	-13 493	4 478	11 484	14 797	4 635	29 560	-195	7 276	4 999	1 624	-21 550
■ Overberg	-4 695	1 650	4 069	4 900	1 730	9 418	-373	2 645	1 766	198	-7 699
■ Garden Route	-8 092	3 028	5 381	6 812	3 911	10 563	-713	4 435	2 520	-678	-15 304
■ Central Karoo	-776	121	427	539	93	1 370	-134	127	116	36	-1 066

Source: Quantec Research, 2021 (e denotes estimate)

In 2010, the Western Cape experienced significant job-shedding, with a total of 69 693 jobs lost in the Province during the year. This was probably due to the continued after-effects of the global financial crisis, as employment recoveries typically lag behind economic recovery. These job losses could not be offset by the number of jobs created as a result of investment for FIFA World Cup 2010.

Between 2011 and 2013, a year-on-year increase in the number of employment opportunities was experienced in the Province. Despite a slowdown in the number of new employment opportunities in the Province in 2014, a substantial recovery was registered in 2015,²² with 107 792 jobs created during the year. However, this increase was not sustained in 2016, with all regions apart from the Cape Metro area shedding jobs during the year.

While improvements in job opportunities were experienced in 2017 and 2018, with a cumulative increase of 86 747 jobs in the Province, new job opportunities created declined significantly in 2019. The overall slowdown in employment creation may be attributed to the poor economic performance of the Western Cape economy in 2018 and 2019, with the national economy entering two technical recessions during the same period.

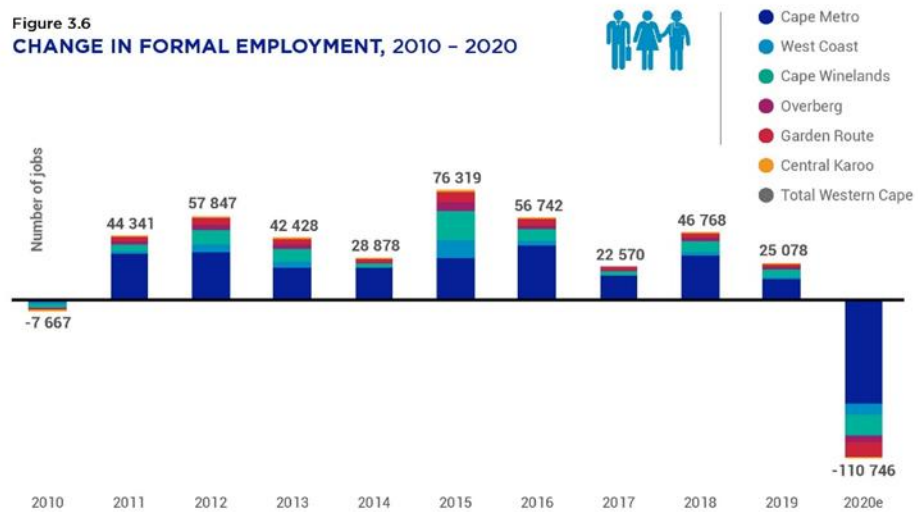
²² It should be noted, however, that in 2015, a new master sample was implemented in the Quarterly Labour Force Survey (QLFS), which may have impacted the data owing to variations in its design (Stats SA, 2015).

Estimates for 2020 indicate that a total of 159 299 jobs were lost in the Province, with the Cape Metro area being the largest contributor to this decline. This highlights the dependence of employment creation in the Province on the performance of the Cape Metro area. However, it should be noted that the remaining Districts in the Province are also expected to have experienced job-shedding in 2020. This sharp decline in job opportunities is the result of national lockdown measures to limit the spread of COVID-19. Employment creation in the Province is not likely to experience an immediate recovery following the easing of lockdown restrictions. As previously mentioned, recoveries in employment typically lag behind economic recovery.

The formal employment trend for each District and the Cape Metro area between 2010 and 2020 is illustrated in Figure 3.6.

Figure 3.6

CHANGE IN FORMAL EMPLOYMENT, 2010 – 2020



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e
Western Cape	-7 667	44 341	57 847	42 428	28 878	76 319	56 742	22 570	46 768	25 078	-110 746
■ Cape Metro	-1 570	32 050	33 004	22 224	21 993	29 581	37 535	16 886	30 682	14 183	-72 944
■ West Coast	-1 810	1 486	5 622	5 012	501	11 668	3 367	21	2 671	2 077	-7 553
■ Cape Winelands	-2 147	5 308	10 123	8 440	2 945	20 291	8 244	3 023	7 144	5 110	-14 594
■ Overberg	-736	1 822	3 504	2 723	963	6 453	2 646	1 089	2 365	1 555	-5 073
■ Garden Route	-1 194	3 477	5 191	3 694	2 387	7 325	4 669	1 584	3 646	1 956	-9 881
■ Central Karoo	-210	198	403	335	89	1 001	281	-33	260	197	-701

Source: Quantec Research, 2021 (e denotes estimate)

The formal employment creation trend in the Province over the reference period broadly follows that of total employment creation over the same period. Declines in the number of formal jobs were evident in 2010, with strong recoveries registered between 2011 and 2013. This again points to a lagged recovery in formal employment creation following the global financial crisis.

New formal job opportunities in the Province peaked in 2015,²³ with 76 319 formal jobs created during the year.

²³ It should be noted, however, that in 2015, a new master sample was implemented in the Quarterly Labour Force Survey (QLFS), which may have impacted the data owing to variations in its design (Stats SA, 2015).

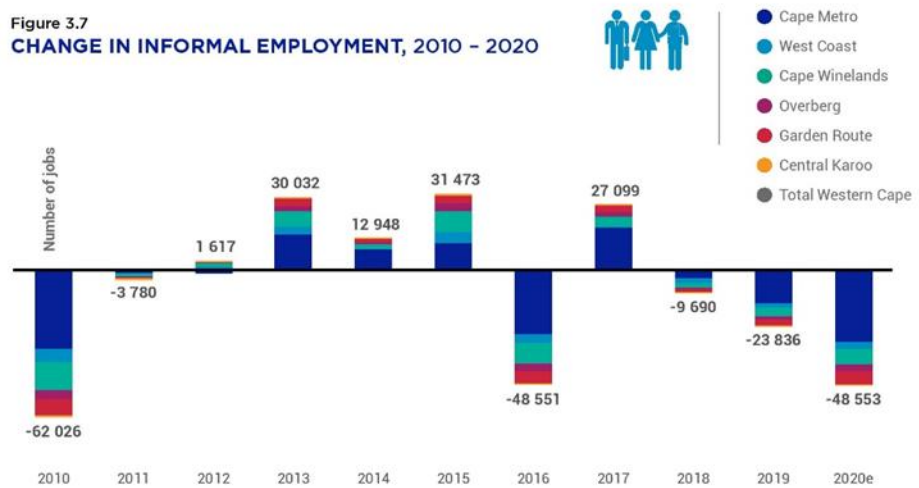
The Cape Metro area, CWD and WCD cumulatively contributed 80.6 per cent to the increase in formal job opportunities in the Province during the year. However, new formal job opportunities exhibited an overall downward trend between 2016 and 2019, despite a year-on-year recovery between 2017 and 2018. This is likely due to a marked slowdown in average growth in the Province over the period.

A total of 110 746 formal jobs are expected to have been lost in the Province in 2020. Formal job losses accounted for 69.5 per cent of total job-shedding in the Province during the year. Estimates indicate that a total of 72 944 formal jobs are expected to have been lost in the Cape Metro area, while 14 594 formal jobs are expected to have been lost in the CWD in 2020. Formal jobs are more likely to have been affected by the implementation of lockdown measures to contain the spread of COVID-19. As a result, formal job losses in the Province are expected to have exceeded informal job losses in 2020.

Figure 3.7 illustrates the change in informal employment between 2010 and 2020 across the regions in the Province. Between 2010 and 2019, a net total of 44 714 informal job opportunities were lost in the Province, with the Cape Metro area accounting for 67.8 per cent of this decline.

Figure 3.7

CHANGE IN INFORMAL EMPLOYMENT, 2010 - 2020



Source: Quantec Research, 2021 (e denotes estimate)

In 2010, 62 026 informal job opportunities were lost in the Province. The three leading contributors to this decline include the Cape Metro area (33 565 informal jobs), the CWD (11 346 informal jobs) and the GRD (6 898 informal jobs). When comparing formal and informal job opportunities in 2010, it is evident that informal jobs required a longer period of recovery from the global financial crisis than formal jobs.

Between 2012 and 2015, informal employment opportunities in the Province experienced sustained increases, peaking at 31 473 jobs in 2015.²⁴ However, in 2016 informal employment opportunities declined by 48 551 informal jobs during the year, with all Districts and the Cape Metro area registering declines.

Despite recovering in 2017, new informal job opportunities experienced a decline between 2017 and 2019. In 2017, a total of 27 099 informal job opportunities were created in the Province, with the Cape Metro area being the largest contributor to this increase. However, between 2018 and 2019 informal employment cumulatively declined by 33 526 informal jobs.

Estimates for 2020 indicate that a total of 48 553 informal jobs were lost in the Province during the year. However, it should be noted that formal job losses significantly outweighed informal job losses, indicating a less severe impact of the COVID-19 pandemic and lockdown measures on informal job opportunities. A limitation to this measure may be the undercounting of informal employment, especially of individuals who have secondary jobs in the informal economy, who would be left out during data collection.²⁵

Given the continued rise in unemployment, government employment programmes such as the Expanded Public Works Programme (EPWP) are an important source of income in local communities, particularly for those with low skill levels.



²⁴ It should be noted, however, that in 2015, a new master sample was implemented in the Quarterly Labour Force Survey (QLFS), which may have impacted the data owing to variations in its design (Stats SA, 2015).

²⁵ (Stats SA, 2021).

Table 3.1

**EXPANDED PUBLIC WORKS PROGRAMME
MUNICIPAL PERFORMANCE,
2019/20 – 2021/22**


● 2019/20
● 2020/21
● 2021/22

Period under review	EPWP: provincial target	EPWP: municipal work opportunity target	EPWP: municipal work opportunity performance
2019/20	63 571	39 976	49 437 (124%)
2020/21	64 467	40 555	30 647 (75%)
2021/22 (preliminary Q2 data)	65 594	41 145	24 034 (58%) (report extracted, 20 September 2021)

Source: Western Cape Department of Transport and Public Works – final EPWP Performance Annexures, 2021


Type of programmes implemented:
Infrastructure sector:

- Contractor development
- Large projects (exceeding R30 million)
- Municipal infrastructure
- Provincial roads: roads and non-roads

Social sector:

- Community safety programme
- Early childhood development
- Home community-based care programme
- Mass participation programme (sports coaching)

Environment and culture sector:

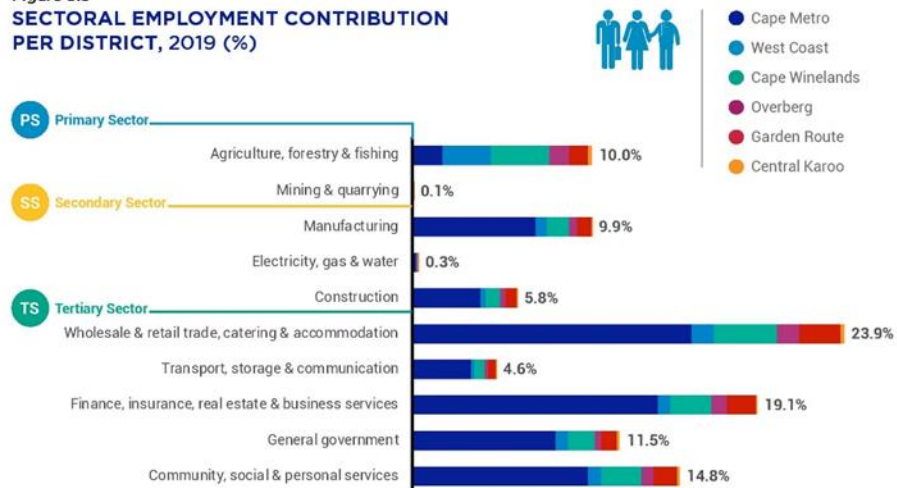
- Coastal management
- Parks and beautifications
- Sustainable energy
- Waste management
- Tourism and creative industries
- Sustainable land-based livelihoods

In 2019/20, the municipalities exceeded its target of 39 976 EPWP jobs by 24.0 per cent. However, in 2020/21 the COVID-19 pandemic hampered the efforts of employment creation through the EPWP and only 30 647 jobs were created (75.0 per cent of the target). As of September 2021, job creation in 2021 stood at 58.0 per cent of the target (24 034 jobs).

Figure 3.8 illustrates the sectoral employment contribution to the Provincial economy by region in 2019.

Figure 3.8

**SECTORAL EMPLOYMENT CONTRIBUTION
PER DISTRICT, 2019 (%)**



Source: Quantec Research, 2021

The trade sector was the leading contributor to total employment in the Province, with a contribution of 23.9 per cent in 2019. Other prominent contributors to employment during the year included the finance sector (19.1 per cent) and the community services sector (14.8 per cent).

Employment in the trade sector was mainly concentrated in the Cape Metro area and the CWD, which contributed 15.5 per cent and 3.5 per cent respectively to the sector's total employment contribution of

23.9 per cent. These two regions were also the leading contributors to employment in the finance sector and the community services sector. With regard to the finance sector, the Cape Metro area contributed 13.6 per cent to the sector's total employment contribution of 19.1 per cent, while the CWD contributed 2.3 per cent. In terms of the community services sector, the Cape Metro area and the CWD contributed 9.7 per cent and 2.2 per cent respectively to total employment in the sector.

Employment in the agriculture sector contributed 10.0 per cent to total employment in the Province in 2019. The agriculture sectors in the CWD and WCD were the two leading contributors to overall employment in the primary sector, with contributions of 3.2 per cent and 2.7 per cent respectively during the year.



4. ECONOMIC RECOVERY

4.1 INTRODUCTION

The COVID-19 pandemic has resulted in severe consequences for the economic and social prosperity of the Western Cape. The response to the COVID-19 pandemic has restrained budgetary capabilities, not only in the Western Cape but also in the broader South African context. It is therefore necessary to prioritise interventions to allow for a concentrated approach to economic recovery.

As a recourse to the impact of COVID-19, the Economic Recovery Plan was launched in March 2020. This plan is aligned with the Provincial Strategic Plan (PSP) 2019 – 2024, which outlines the guiding principles for fast-tracking growth and development in the Province. The PSP outlines the priorities of the Western Cape Government (WCG) in the form of vision-inspired priorities (VIPs). These include (1) Safe and Cohesive Communities; (2) Growth and Jobs; (3) Empowering People; (4) Mobility and Spatial Transformation; and (5) Innovation and Culture.

Although the underlying problem statements that informed the VIPs have not changed, the COVID-19 pandemic has augmented the challenges faced by the Province. However, new challenges have emerged amid the COVID-19 pandemic that require consideration by the WCG. In March 2021, the WCG released the Western Cape Recovery Plan (WCRP) to simultaneously address existing and new challenges in the Province. The reasoning behind the development of the WCRP can be summarised as:

- The prioritisation of PSP interventions in the context of limited resources: this requires the prioritisation of certain PSP interventions and increased collaboration between stakeholders to address social and economic challenges augmented by the COVID-19 pandemic; and
- The institutionalisation of lessons learnt and improved implementation under COVID-19: owing to the agility, innovation and collaboration among stakeholders as part of the collective response to the COVID-19 pandemic, there exists a unique opportunity to reset the Province's transformation agenda. This is referred to as the "New Way to Work", which will be examined in the sections that follow.

The WCRP shares several interventions with the national Economic Reconstruction and Recovery Plan (ERRP), such as infrastructure development, the promotion of exports, energy security and the green economy, tourism recovery and growth, public employment interventions and food security. However, with dignity being the central concept of the WCRP, four themes have been outlined to facilitate the economic recovery of the Western Cape. These include:

- COVID-19 recovery: as the COVID-19 pandemic continues to spread in South Africa and the Western Cape, existing health measures need to be kept in place or augmented to address the secondary impacts of COVID-19 on health services delivery;
- Jobs: emphasis needs to be placed on economic growth and the generation of income by citizens to allow for the mitigation of the economic impact of COVID-19;

- Safety: as safety is highlighted in the PSP, the WCRP places equal importance on the maintenance of safety in the Province. The emphasis is on the dependence of safety on ensuring that basic human needs are met; and
- Wellbeing: the wellbeing of citizens, as enshrined in the South African Constitution, should be ensured by the Government.

In the sections that follow, each of the four themes identified in the WCRP will be examined. In addition, drawing from the PSP, programmes will be identified that the WCG will focus on.



4.2 COVID-19 RECOVERY

The Western Cape is still recovering from the first, second and third waves of COVID-19, with the risk of resurgence in the coming months. The health impact of COVID-19 can be categorised according to the direct and indirect health impacts.

Direct health impacts are centred on the spread of the COVID-19 pandemic across the Province. The Western Cape experienced a significant increase in COVID-19 infections before the rest of the country did during the onset of the pandemic. The COVID-19 pandemic has resulted in direct impacts, such as income losses arising from premature deaths, workplace absenteeism and a reduction in productivity.²⁶ These direct impacts have resulted in negative supply shocks owing to the slowdown in manufacturing activity brought about by disruptions in global supply chains and the closure of factories. In addition, consumer spending patterns were altered as a result of decreased household income and fear surrounding the spread of COVID-19.

Indirect health impacts have resulted from the direct health impacts of the COVID-19 pandemic. Employment losses during the pandemic have been associated with an increase in depressive symptoms among the working-age population.²⁷ Furthermore, a significant secondary impact has been the severe disruption to service delivery and the use of routine services.²⁸

The socio-economic impact of the COVID-19 pandemic resulting from containment measures and economic recession in South Africa has severely affected mental and physical health. The following section will outline the recovery focus areas as determined by the direct and secondary health impacts of COVID-19.

4.2.1 Enabling safer choices and behavioural changes to mitigate COVID-19

Human behaviour was instrumental in the spread of COVID-19, and changing human behaviour has been vital in responding to the COVID-19 pandemic. The WCG has implemented several measures to mitigate the impact of COVID-19 on health and the economy by persuading the Province's population to enact large-scale behavioural changes. However, owing to the socio-economic inequalities in the Province and South Africa, the feasibility of behavioural changes depends on the living and livelihood circumstances of residents.²⁹ These factors and inequalities are vital when considering policies for implementation.

The WCG implemented a social marketing strategy that promotes the necessary personal protective behaviours to facilitate economic and societal recovery. The key message was framed around "Stay Safe. Move Forward" to prevent what is referred to as "COVID fatigue" and a resurgence in COVID-19 infections once lockdown measures were eased. The target audiences that were identified by the WCG for enabling safer choices include:

- Sectors that utilise public transport;
- Young adults between 18 and 30;
- Sectors posing a specific risk, such as bars and restaurants, to mitigate the impact of tourism; and
- Key identified stakeholders, including clinic committees and facility boards.

The behavioural change strategy required a strong element of regulation and enforcement, and was co-ordinated through the Joint Operations Centres (JOCs) located in the Provincial and District Disaster Management Centres. However, in a country as economically and socially divided as South Africa, it would be unrealistic to expect a uniform response from its residents.³⁰

²⁶ (Pak, et al., 2020).

²⁷ (Western Cape Government, 2021).

²⁸ (Unicef, 2021).

²⁹ (Kollamparambil & Oyenubi, 2021).

³⁰ (Kollamparambil & Oyenubi, 2021).

4.2.2 Surveillance and outbreak response to contain the spread of COVID-19

Surveillance enables a better understanding of infection risk and the likelihood of a resurgence through seroprevalence surveys.³¹ The key objectives of surveillance that were identified by the WCG for COVID-19 include:

- Enabling rapid detection, isolation, testing and management of cases;
- Guiding implementation and adjustment of targeted control measures, while enabling the safe resumption of economic and social activities;
- Detecting and containing outbreaks among vulnerable population groups;
- Evaluating the impact of the pandemic on healthcare systems and society;
- Monitoring longer-term epidemiological trends and the evolution of the COVID-19 virus; and
- Contributing to the understanding of the co-circulation of SARS-CoV-2, influenza and other respiratory viruses or pathogens.

Owing to the human and economic toll resulting from the COVID-19 pandemic, there has been increased emphasis on regional disease surveillance and control as a policy response.³² Testing for COVID-19 is the main surveillance tool utilised to curb the spread of the virus. The Department of Health (DOH) has continued to refine its contact-tracing capabilities in line with the fluctuating demands of the pandemic and to detect superspreader events. Furthermore, subdistrict teams play a central role in the provision of ground support and interventions that enable self-management.

4.2.3 Scaling up health platform capacity to manage COVID-19

The primary healthcare (PHC) platform ensures appropriate access to adequate COVID-19 testing for all symptomatic patients and appropriate triaging. Furthermore, advice for self-management of most patients with confirmed COVID-19 infections in the Western Cape is also provided.

The key support measures utilised by the WCG include oxygen supply availability, the provision of required PPE and additional staffing deployment. Other priorities of the WCG include the reintroduction of low-risk and high-impact services, such as immunisations, tuberculosis (TB) case detection and treatment, human immunodeficiency virus (HIV) testing and treatment, and mental health counselling and treatment.



³¹ A seroprevalence survey utilises antibody tests to estimate the percentage of people in a population who have antibodies against SARS-CoV-2 (Centers for Disease Control and Prevention, 2020).

³² (World Bank, 2021).

4.2.4 Employee health and wellness

The impact of COVID-19 resulted in a need to ensure employee health and wellness by providing health and wellness services. These services enhance mental health and support positive lifestyle changes. Factors such as healthcare support can be considered an important determination of employee wellbeing and satisfaction.³³

The WCG is committed to ensuring that there is adequate support for employees who are impacted by COVID-19 through three components:

- Preventive interventions to strengthen the coping mechanisms of employees and modify any risk exposure associated with their health and wellness.
- Supportive interventions such as psychological first aid for those employees who are symptomatic.
- The appropriate treatment and referral as required.

The health and wellness of employees are crucial in maintaining productivity within the Provincial economy. It is therefore vital that initiatives aimed at improving the health and wellness of employees are implemented as part of the broader recovery of the Provincial economy.

4.2.5 Vaccine roll-out

On a national scale, the roll-out of mass COVID-19 vaccination campaigns to the public free of charge is vital for saving lives and supporting economic recovery.³⁴ The inherent objective of the mass vaccination drive in South Africa is to ensure that the country benefits from the resumption of international trade and resurgence in tourism. These are considered to be crucial drivers of economic growth in the Western Cape.

CHAPTER 4 of the WCD, CWD, GRD, OD and CKD District profiles and CHAPTER 3 of the Cape Metro profile contain trends relating to COVID-19 infections, admissions and deaths, as well as a snapshot of the vaccine roll-out up to August 2021.

The roll-out of the vaccine programme during 2021 and beyond is a central priority for the WCG. The WCG introduced an operational roll-out of vaccines by developing a service delivery and distribution model, ensuring cold-chain management and the provision of adequate human resources. This programme includes the development of required information systems that will allow the WCG to conduct targeted vaccinations and monitor the vaccine roll-out.

In support of the national programme, the WCG mobilised volunteers, health professional retirees and senior health science students to assist as vaccinators. The WCG collaborated with the DOH on the development of an information system to register facilities, vaccinators, clients and details of vaccines to capture the administration of the vaccine.

Furthermore, the WCG launched a major campaign in the Western Cape, using a variety of different media platforms and community voices to share accurate information with the public on the vaccines being used. Through a Provincial procurement process, the WCG will acquire additional vaccines to ensure that there is an adequate supply of safe, approved and effective vaccines for the residents of the Western Cape.

³³ (Gorgenyi-Hegyes, et al., 2021).

³⁴ (National Treasury, 2021).

4.3 JOBS

The impact of COVID-19 has been widespread on both a domestic and international level, with global and domestic lockdowns resulting in lower levels of investment and business confidence, job losses and limited trade, highlighting the vulnerabilities of South African businesses owing to their dependence on international trade.

Although the COVID-19 pandemic brought about a significant downturn in the performance of the respective economies of South Africa and the Western Cape, it should be noted that the national economy experienced two technical recessions between 2018 and 2019. Therefore, when local lockdown measures were implemented, the South African economy was not well positioned to mitigate the economic impact thereof. Within the Provincial context, the reliance on tourism as a source of economic growth and employment creation is of particular concern.

Policy considerations include the notion of staying safe, adapting job retention schemes, ensuring adequate income protection, the expansion of employment services and training, providing support to young people and reinforcing measures to promote gender equality in the South African labour market. The areas of discussion in the following section are broadly aligned with those suggested by the International Labour Organization (ILO):³⁵

- Ensuring adequate income protection (including job search assistance and support): government needs to ensure that individuals in urgent need continue to receive income support. However, as the economy recovers, a balance between maintaining support and encouraging active job searching will need to be found;
- Adapting job retention schemes: job retention schemes may need to be adapted, as some sectors may reopen while others will remain constrained in their activities; and
- Staying safe: extended measures and guidelines will need to be introduced in the workplace as the economy reopens.

The objective for the focus area of the Jobs theme is to create an enabling environment for job creation, primarily through supporting the private sector and markets. This is expected to be closely linked with other focus areas, such as improving the wellbeing and safety of citizens. The following subsection will outline the recovery focus areas to allow for job creation in the Province from the 2021 MTEF onwards.



³⁵ (ILO, 2020).

4.3.1 Implement immediate interventions

The Jobs theme required some immediate responses that focused on providing relief in the form of income to households. Within the context of COVID-19, the implementation of domestic lockdown measures resulted in extensive job-shedding, severely restraining household income. This in turn affected the revenue received by municipalities and their respective capabilities to provide basic services.

To provide and sustain household income, several immediate interventions that focused on supporting and creating jobs in the public and private sectors were implemented. Key achievements as outlined in the WCRP include:

- The creation or support of more than 7 493 job opportunities through interventions aimed at supporting businesses to retain employees by December 2020;
- More than R1.3 billion in investments provided to the region, which supported more than 3 000 companies;
- Municipalities were able to take advantage of the legal approval for the self-generation of power, contributing to economic growth and energy security; and
- A total of 1 095 Provincial Public Works projects provided 27 690 employment opportunities as at December 2020, with a total of 6 776 full-time equivalent (FTE) employment opportunities created.

The abovementioned immediate interventions were crucial in sustaining household income during the COVID-19 pandemic. However, initiatives aimed at providing a sustainable recovery in household income through the creation of employment opportunities may be more beneficial in the long run.

CHAPTER 3 of the WCD, CWD, GRD, OD and CKD District profiles and CHAPTER 2 of the Cape Metro profile analyse the performance of and contributions to employment on a sectoral level with the aim of identifying key sectors that will contribute to future employment growth.



4.3.2 Accelerate the ease of doing business

The WCG has identified the ease of conducting business as a cornerstone of economic growth owing to its potential to unlock growth through the removal of growth constraints and job creation. The growth of businesses in any economy provides support to governments in addressing economic challenges faced by the society, such as job creation and financial resources generation, and in improving the standard of living of citizens. Accelerating the ease of doing business is also highlighted in the national ERRP through enacting regulatory changes and creating a supportive policy environment.³⁶

To accelerate the ease of doing business, two aspects must be addressed, namely: (1) the binding and systemic constraints in the economy, and (2) the red tape of the Government and its agencies. Focus areas identified by the WCG over the short term, thus between April 2021 and March 2022, include the following:

- Determining and implementing systemic solutions for economic challenges and constraints;
- Providing Red Tape Reduction support to municipalities;
- Improving the efficiency of government procedures and administrative systems; and
- Providing clear policy direction and legislative reform.

Improving the ease of doing business is vital in stimulating entrepreneurship and facilitating the deployment of businesses. Addressing the focus areas listed above is also expected to contribute to confidence in South African businesses and their interactions with international markets.

4.3.3 Boost investment, exports and infrastructure

The ERRP identifies the need for infrastructure investment and the reorientation of trade policies to boost exports as key interventions in facilitating South Africa's economic recovery from the COVID-19 pandemic.³⁷ Large-scale infrastructure investment is likely to boost aggregate demand, which in turn assists in reviving the construction industry and contributes to employment creation.

Attracting investment and supporting exports remain fundamental in supporting economic diversification and creating employment. Investment in the Western Cape will be attracted into two special economic zones (SEZs) and through other economic development infrastructure initiatives. Foreign investment will also be attracted through international marketing interventions. The focus areas of boosting investment and exports in the Province include:

- Enhancing international and national positioning of the Western Cape;
- Implementing the investment facilitation and retention strategy;
- Promoting trade in key destination markets on the African continent;
- Increasing productivity growth and product complexity;
- Supporting tourism and agribusiness; and
- Supporting growth opportunities in sectors such as agriculture and small, medium and micro enterprises (SMMEs), including support to township economies.

³⁶ (South African Government, 2020).

³⁷ (South African Government, 2020).

Infrastructure-driven economic growth will be centred on infrastructure maintenance, including dams and roads, and education, health and general facilities. This is expected to improve economic productivity and competitiveness, while increasing municipal infrastructure expenditure will stimulate economic growth and support the construction industry. Over the long term, an increase in public capital results in increased levels of economic output. This allows businesses and individuals to be more productive, as more time and resources are now available to generate additional economic output.³⁸

The focus areas outlined in the WCRP, in terms of supporting infrastructure development and maintenance, are focused over the short term. These interventions include:

- Identifying and guiding the planning and execution of major public infrastructure interventions;
- Providing support to municipal infrastructure implementation and spend, with a particular focus on labour-intensive projects;
- Identifying infrastructure shortcomings; and
- Mobilising and directing infrastructure investments.

Attracting investment, supporting exports and maintaining or developing infrastructure are key cross-cutting interventions. The Western Cape requires reliable infrastructure to connect supply chains and efficiently transport goods and services across borders, which will in turn support exports, attract additional investment and support job creation. In accordance with the national ERRP, this focus area should prioritise network industries to support a long-term increase in the productive capacity of the economy and the modernisation of freight and public transport.

CHAPTER 3 of the WCD, CWD, GRD, OD and CKD District profiles and CHAPTER 2 of the Cape Metro profile contain details of the main products that are traded, as well as the key trading partners and recent export and import trends.



³⁸ (Stupak, 2018).

4.3.4 Increase employment opportunities and skills for people without jobs

Employability includes factors such as a foundation of core skills, access to education, availability of training opportunities, motivation and recognition of acquired skills. All these factors are essential for enabling workers to attain decent work, enabling enterprises to adopt new technologies and enter new markets.

Increasing the number of available job opportunities in the Western Cape will result in the increased probability of unemployed individuals finding employment in the private sector. This is to be supplemented by the provision of skills programmes, which will improve access to skills³⁹ development opportunities. Recovery areas over the short term include:

- Increasing internships and skills programmes;
- Improving access to skills and workplace opportunities;
- Improving the skills ecosystem;
- Placing people into public-sector work opportunities, such as EPWPs.

The focus area of advancing work opportunities and skills will provide a guide to assist the WCG in integrating the employability of individuals across the Province. Furthermore, it is also expected that the advancement of skills and increased employability of individuals will support other interventions outlined in the WCRP.

CHAPTER 2 of the WCD, CWD, GRD, OD and CKD District profiles and CHAPTER 1 of the Cape Metro profile discuss local skills profiles and employment trends on a municipal level.

4.3.5 Focus on economic resilience

Regional economic resilience can be linked to an area's ability to prevent, withstand and recover from major disruptions such as the COVID-19 pandemic. Improving the economic resilience of the Province will largely focus on facilitating energy and water resilience and security. This is expected to contribute to sustainable production and to support employment creation. The focus areas of economic resilience in the Province include:

- Diversifying the regional energy mix and reducing energy intensity by promoting the natural gas sector;
- Promoting and enabling solar photovoltaic (PV) installations and energy efficiency across the Province;
- Promoting initiatives that support the green economy;⁴⁰
- Addressing climate change and water resilience; and
- Improving waste management.

Economic resilience is regarded as the focal point for post-incident co-ordination and information dissemination across the Province and its regions. The proposed interventions will create an enabling environment for job creation, and this in turn will sustainably contribute to the wellbeing and safety of citizens.

³⁹ Skills development is identified as a cornerstone of the successful implementation of the national ERRP.

⁴⁰ Green economy interventions are important interventions identified in the national ERRP to address socio-economic challenges while simultaneously offering a sustainable solution to climate vulnerabilities (South African Government, 2020).

4.4 SAFETY

Lockdown measures implemented in South Africa have resulted in lower crime rates, which will be observed in the various District profiles. This is likely as a result of individuals not being able to leave their residences, the ban on alcohol consumption and the difficulty of residents being able to report crime to SAPS. Conversely, owing to the anticipated job losses and learning disruptions resulting from the COVID-19 pandemic and national lockdown, it is expected that crime rates will increase in the medium to long term.⁴¹

The WCG aims to increase safety for all individuals in the Western Cape by improving safety through effective oversight of policing, ensuring safety measures by optimising safety and security risk management. This is supported by three focus areas for intervention identified in the PSP:

- Enhancing the capacity and effectiveness of policing and law enforcement through the deployment of additional law enforcement officers, data-led and evidence-based policing, strengthening crime prevention partnerships with non-government agents and the implementation of the Rural Safety Plan (RSP);
- Implementing programmes to reduce children's exposure to violence to reduce future levels of crime; and
- Implementing programmes to increase the safety of public spaces and promote social cohesion in targeted communities.

Drawing from the PSP, the WCRP defines safety as an aspiration and a state of being free from crime and violence. To ensure that protective measures are impactful on the ground, the following critical elements are outlined in the WCRP:

- An evidence-based approach to safety: draw on international and local evidence of effective measures in addressing safety challenges faced by law enforcement and violence prevention streams;
- A data surveillance approach to safety: adapting the Cardiff Model for violence prevention to develop a safety data surveillance system to integrate data from different government departments; and
- An area-based approach for implementing the safety priority: the WCG aims to establish area-based teams in hotspots of violence, which will include representatives from the law enforcement and violence prevention streams. It should be noted that there should be close co-ordination with the wellbeing priority.

Close co-ordination between the safety and wellbeing priorities is of critical importance to the WCG. Recovery focus areas identified by the WCG may either be immediate or in 2021 and beyond.

⁴¹ (Western Cape Government, 2021).

4.4.1 Immediate interventions

Based on the three critical elements identified in the WCRP, which draws on the PSP, the implementation of multisectoral and evidence-based processes will not be immediate. However, to address the urgent safety needs of communities in the Province, the following programmes are in the process of being implemented:

- The establishment of area-based teams according to geographical areas with high rates of murder and gang violence;
- The establishment and implementation of the Youth Safety Ambassador Programme;
- Via the EPWP, youth training and work placement in jobs in areas with high levels of crime;
- The expansion of the Chrysalis Academy, a youth development academy;
- The training and placement of peace officers in six municipalities;
- The establishment of a Rural Safety Desk;
- Maximising services to survivors of gender-based violence;
- The establishment of a highway patrol to monitor and apprehend flows of illicit goods; and
- The deployment of an additional 500 Law Enforcement Advancement Plan (LEAP) officials in high-crime areas in the City of Cape Town.

Safety is regarded as a necessary enabler for human development, improved quality of life and enhanced employee productivity. Safety is a collective responsibility and through the WCG's respective departments, civil society, active citizens and the private sector, a contribution to a safe and secure environment for the Western Cape can be executed.



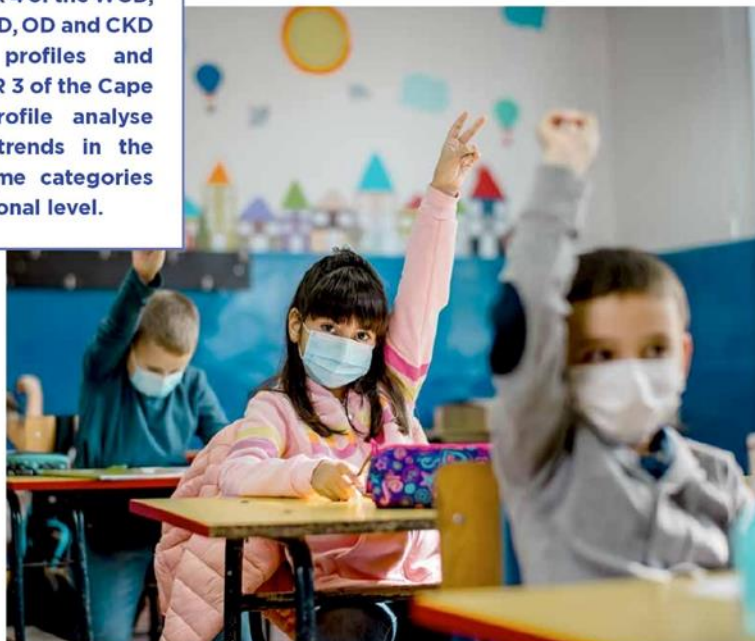
4.4.2 Focus areas in 2021 and beyond

The WCG identified eight focus areas for intervention in reducing interpersonal violence. These will inform the choice of interventions, which include the following:

- Developing safe, stable and nurturing relationships between children and their parents or caregivers;
- Having a school needs assessment to assess levels and drivers of violence in schools;
- Reducing the availability and harmful use of alcohol, in addition to reducing access to firearms and knives;
- Creating safe spaces through urban design;
- Promoting the economic and social empowerment of women;
- Changing social and cultural norms that support violence;
- Continuing Chrysalis Academy for youth development;
- Strengthening child protection services in high-crime areas under the co-ordination of area-based safety teams;
- Supporting safety partners such as Community Police Forums (CPFs), Neighbourhood Watches (NHWs), non-governmental organisations (NGOs) and community-based organisations (CBOs); and
- Ensuring that victim support services are effective.

All these interventions are likely to rely extensively on intersectoral collaboration and co-ordination. This will also require a whole-of-government and whole-of-society approach.

CHAPTER 4 of the WCD, CWD, GRD, OD and CKD District profiles and CHAPTER 3 of the Cape Metro profile analyse historic trends in the main crime categories on a regional level.



4.5 WELLBEING

Wellbeing is related to the health and quality of life of individuals. The wellbeing of individuals is closely related to their safety and health, while also influencing labour productivity. The COVID-19 pandemic severely impacted public health, education and social outcomes in the Western Cape. In terms of healthcare services, COVID-19 has undoubtedly strained the health system and inhibited its ability to provide routine healthcare services.

The WCRP outlines the promotion of wellbeing as a fundamental human right, the progressive realisation of socio-economic rights and the creation of a sense of belonging. It should be noted that the wellbeing priority narrowly follows the PSP through the life course approach. This approach aims to intervene at critical stages during a person's life to ensure future success.

The importance of approaches to wellbeing can be initiated through appropriate policies at different levels of government and should consider factors such as health, education and social services. The recovery focuses of wellbeing in the Province are discussed below.

4.5.1 Immediate interventions

Some interventions identified in the PSP were implemented in 2020 to address immediate needs. These initiatives serve as the basis for those implemented during the 2021 MTEF and beyond. Specific interventions include:

- The provision of support to the early childhood development (ECD) sector through the provision of PPE and an income protection package;
- The provision of food relief through utilising community kitchens, partnerships with NGOs and food parcel deliveries to remote areas;
- Ensuring appropriate targeting of food relief schemes through malnutrition surveillance;
- Implementing the Growth Mindset programme in schools (commencing with Grade 12s);
- The provision of 1 000 shelter spaces and reunification services for the homeless;
- The Thusong homework hubs;
- Red Dot Lite – transport for healthcare workers;
- The expansion or enhancement of school feeding schemes;
- After-school Mass Participation, Opportunity and Access, Development and Growth (MOD) Programme, neighbourhood schools, partial aftercare, YearBeyond and Grade 8 and 9 programmes;
- YearBeyond Youth Service work experience for young people who are not engaged in education, employment or training;
- Community, school and household food gardens; and
- Provision of basic services and sanitation in targeted informal settlements.

4.5.2 Focus areas in 2021 and beyond

Many of the immediate initiatives listed above will continue into the 2021/22 financial year. However, additional focus areas will include:

- Finalisation and roll-out of the Gender-based Violence Implementation Plan;
- ECD infrastructure support and registration drive;
- Specialised learner support at ECDs, expanding into Grade R;
- First 1 000 Days services for maternal health and ECD;
- Libraries' reading drive;
- Continuation of food relief and roll-out of food gardens;
- Development and implementation of a "nourish to flourish" mobilisation strategy for the Province;
- Ongoing support for after-school programmes;
- @Home learning drive to extend education beyond the classroom;
- A catch-up on routine health services, including Road to Health scheduled vaccinations;
- Design of safe spaces in urban areas;
- Facilitation of sport, arts and culture spaces, activities and skills to build social cohesion; and
- Further expansion of a Youth Service programme to 1 000 young people per annum, where they are offered social sector services while gaining work experience and building their curricula vitae.

Improving the wellbeing of citizens in the Province is closely affiliated with the priorities of safety, health and wellness, jobs and productivity, and economic growth. The initiatives listed for immediate implementation, in addition to those proposed for the 2021 MTEF and beyond, emphasise the importance of the youth and women in the economic recovery of the Province. These measures will also contribute to the alleviation of poverty and malnutrition, thus addressing the socio-economic needs of the Western Cape.

CHAPTER 4 of the WCD, CWD, GRD, OD and CKD District profiles and CHAPTER 3 of the Cape Metro profile analyses key health, education and service delivery outcomes.



5. CONCLUDING REMARKS

In 2020, the global economy contracted by 3.1 per cent as a result of the COVID-19 pandemic and lockdown measures to contain its spread. The decline in growth was broad-based in 2020. However, the Chinese economy registered a growth rate of 2.3 per cent during the year. Forecasts for 2021 indicate a recovery in the global economy, with global economic growth accelerating to 5.9 per cent in 2021 before easing to 4.9 per cent in 2022.

The South African economy has registered four consecutive quarterly contractions since the third quarter of 2019. Despite the easing of domestic lockdown restrictions, the recovery of the South African economy in 2021 is expected to be short-lived. Beyond 2021, the gradual recovery of the national economy is expected to be undermined by domestic electricity disruptions and higher fuel, electricity and food prices. Furthermore, the main risks to the national economic outlook include the negative effect of the COVID-19 pandemic on the tourism and hospitality sectors, growing income inequality and increased public-sector debt.

Between 2011 and 2020, average annual growth in the Western Cape stood at 1.0 per cent. Despite the economic decline of the Province over the period, it is worth noting that growth in the Province outpaced that of the national economy in 2019. Given the dependence of the Western Cape on tourism activities and the wine industry as drivers for economic growth, the COVID-19 pandemic and subsequent lockdown measures greatly affected the Province's economic performance. As a result, the Provincial economy is expected to have contracted by 6.7 per cent in 2020. The risks to the Provincial outlook closely mimic the risks to the national outlook. However, reliance of the Western Cape economy on tourism, wine production and agriculture should be considered as additional contextual risks.

The WCG has outlined several focus areas in its recovery plan. These include a focus on the Province's recovery from COVID-19, jobs, safety and wellbeing. These focus areas are closely aligned with the national ERRP. However, it is important that the suggested approaches to recovery specific to each focus area address certain vulnerabilities and underlying inequalities in the Province. Striking a balance between extended public spending and the recovery of the Provincial and national economies remains vital in ensuring the stabilisation of public finances. As such, there is a need to co-ordinate both Provincial and national recovery policies.

The COVID-19 pandemic has accelerated emerging trends, particularly in the digital industries, while similarly emphasising pre-COVID-19 challenges that hampered growth in the economy, such as rising unemployment and low skill levels. The already struggling low-income earners were more likely to be adversely affected, while high-income earners could work from home. This will likely contribute to the already high levels of inequality in the country.

Businesses that are able to adapt and utilise new technologies to meet the changes in consumer behaviour have been more resilient during the pandemic. However, with the rise in remote working, labour supply and demand has been altered, with local businesses competing with global demand for highly skilled workers. Developing skills to meet the demand of local industries, access to the internet, promoting entrepreneurship and ease of doing business are key factors in unlocking sustainable job creation potential.



GARDEN ROUTE DISTRICT

23 331KM²





GARDEN ROUTE DISTRICT

KANNALAND, HESSEQUA, MOSSEL BAY, GEORGE, OUDTSHOORN, BITOU, KNYSNA

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GRD GARDEN ROUTE DISTRICT

SEAT
George

AREA
23 331KM²

DENSITY
25/KM²

MUNICIPALITIES | KANNALAND, HESSEQUA, MOSSEL BAY, GEORGE, OUDTSHOORN, BITOU, KNYSNA

DEMOGRAPHICS



GROSS DOMESTIC PRODUCT



SERVICES



EMPLOYMENT





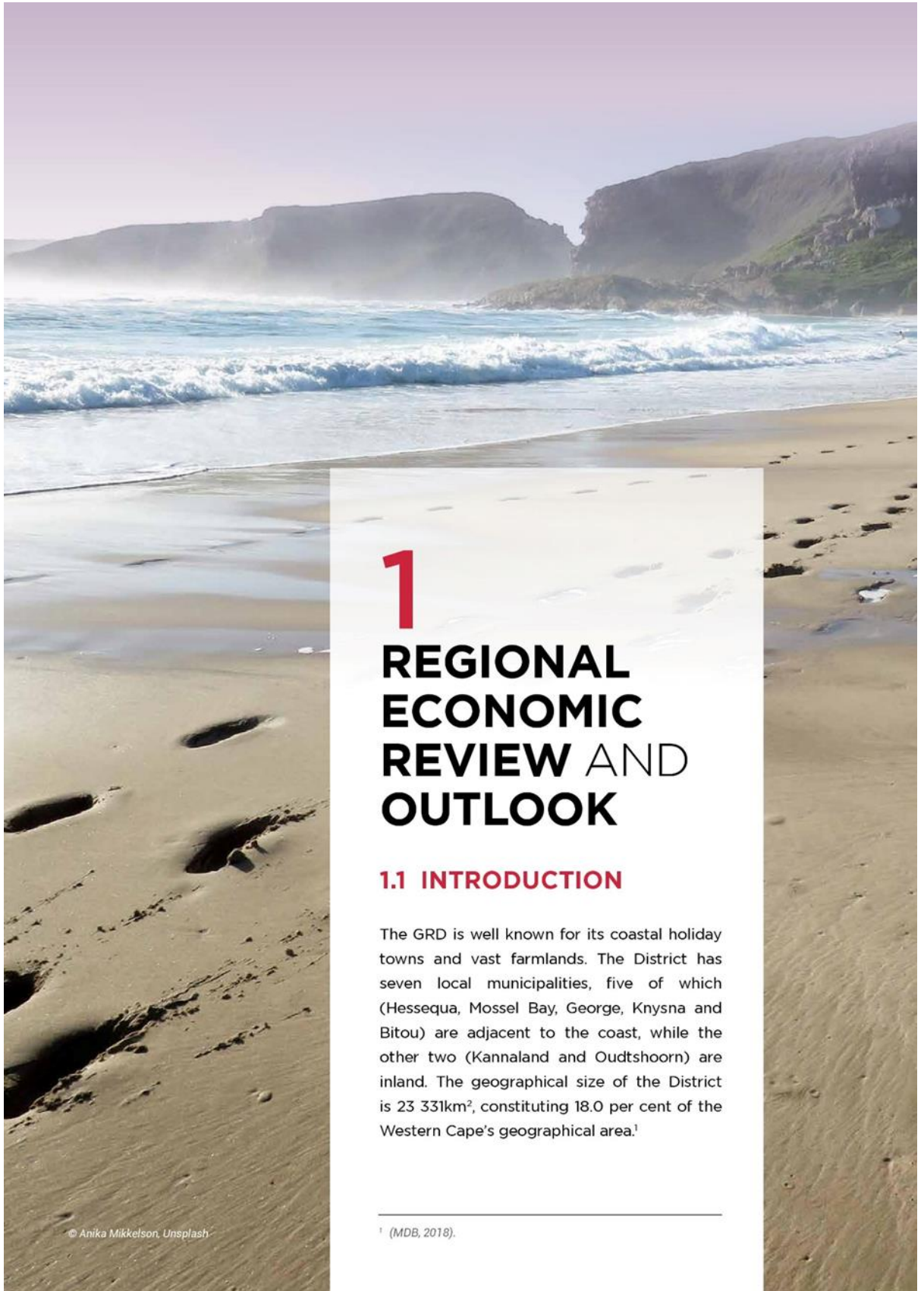
TRADE



TOURISM



	 GDPR		 EMPLOYMENT	
	2019	2020	2019	2020
	GDPR CONTRIBUTION	GDPR GROWTH	EMPLOYMENT CONTRIBUTION	EMPLOYMENT GROWTH
PRIMARY SECTOR	4.7%	10.5%	12.2%	-5.6%
AGRICULTURE, FORESTRY & FISHING	4.4%	12.3%	12.1%	-5.6%
MINING & QUARRYING	0.4%	-18.4%	0.1%	-8.2%
SECONDARY SECTOR	23.9%	-12.2%	15.5%	-10.0%
MANUFACTURING	14.7%	-9.7%	8.8%	-6.9%
ELECTRICITY, GAS & WATER	3.1%	-7.1%	0.4%	-3.2%
CONSTRUCTION	6.1%	-22.1%	6.3%	-14.6%
TERTIARY SECTOR	71.4%	-5.9%	72.4%	-6.0%
WHOLESALE & RETAIL TRADE, CATERING & ACCOMMODATION	18.6%	-10.4%	25.6%	-7.6%
TRANSPORT, STORAGE & COMMUNICATION	10.1%	-14.7%	4.4%	-4.4%
FINANCE, INSURANCE, REAL ESTATE & BUSINESS SERVICES	25.2%	-3.2%	18.0%	-4.5%
GENERAL GOVERNMENT	10.5%	0.0%	9.7%	0.4%
COMMUNITY, SOCIAL & PERSONAL SERVICES	7.0%	-2.4%	14.7%	-10.1%



1 REGIONAL ECONOMIC REVIEW AND OUTLOOK

1.1 INTRODUCTION

The GRD is well known for its coastal holiday towns and vast farmlands. The District has seven local municipalities, five of which (Hessequa, Mossel Bay, George, Knysna and Bitou) are adjacent to the coast, while the other two (Kannaland and Oudtshoorn) are inland. The geographical size of the District is 23 331km², constituting 18.0 per cent of the Western Cape's geographical area.¹

This chapter provides a macroeconomic outlook of the GRD in terms of GDPR performance and employment trends. The period under review for MERO 2021 is between 2015 and 2020,² with an outlook regarding GDPR for 2021 and 2022 also being provided.

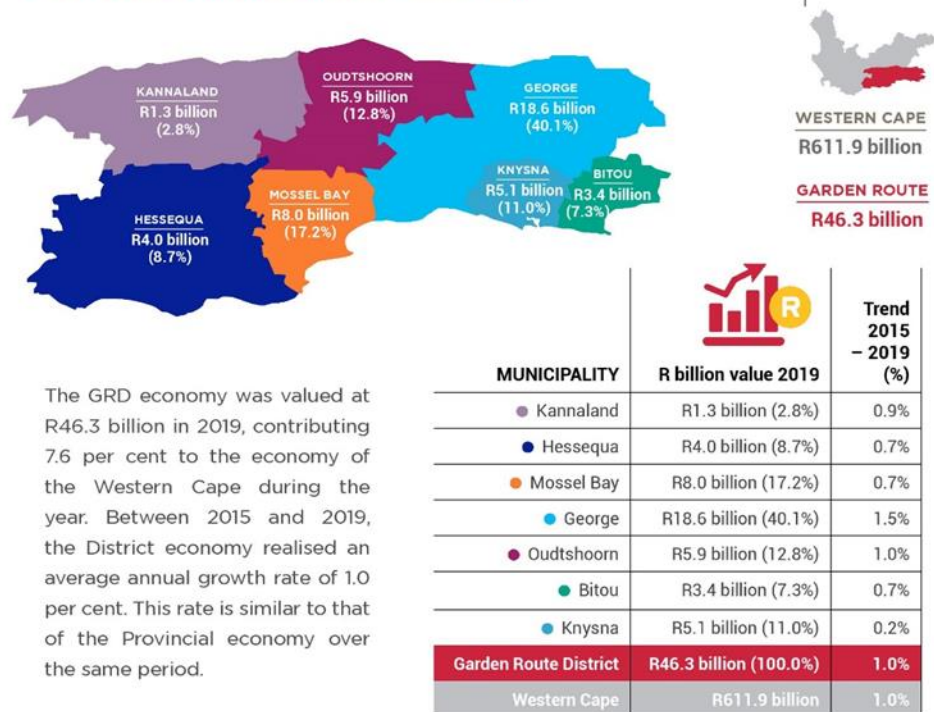
1.2 GROWTH IN GDPR PERFORMANCE

This section briefly discusses the size of the GRD's economy by unpacking the average GDPR contribution and growth rates in the various municipal areas in the District.

1.2.1 GDPR performance per municipal area

Diagram 1.1

GDPR CONTRIBUTION AND AVERAGE GROWTH RATES PER MUNICIPAL AREA, Garden Route District



The GRD economy was valued at R46.3 billion in 2019, contributing 7.6 per cent to the economy of the Western Cape during the year. Between 2015 and 2019, the District economy realised an average annual growth rate of 1.0 per cent. This rate is similar to that of the Provincial economy over the same period.

In 2019, the George municipal area was the leading contributor to GDPR, at 40.1 per cent. This was followed by the Mossel Bay and Oudtshoorn municipal areas, with contributions of 17.2 per cent and 12.8 per cent respectively.

Source: Quantec Research, 2021; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2021 (e denotes estimate, f denotes forecast)



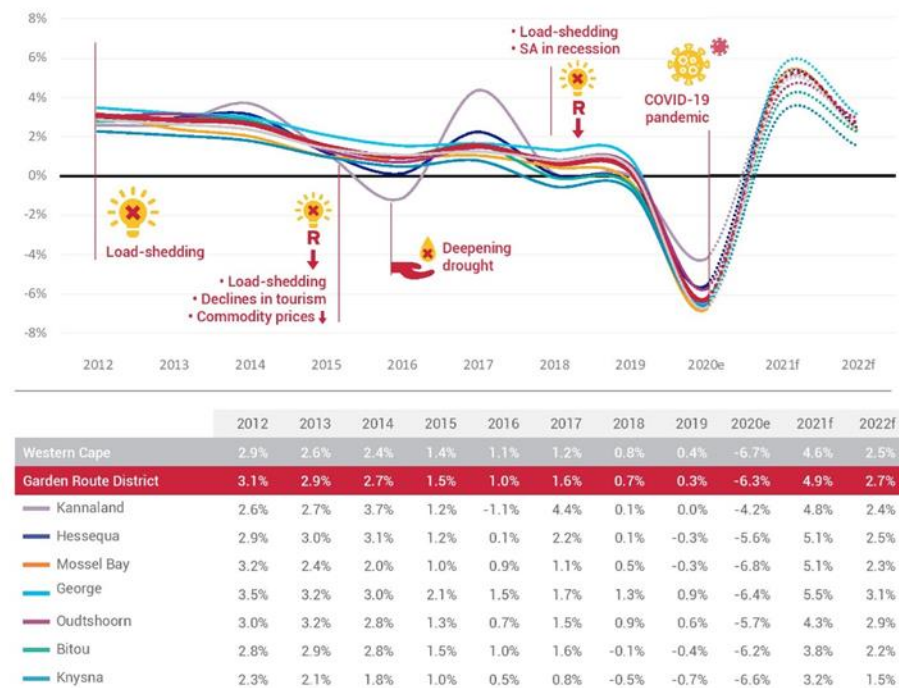
² Stats SA will only release official regional indicators for 2020 in 2022.

The Knysna municipal area was the fourth-largest contributor to the District economy in 2019 at 11.0 per cent, while the Hessequa municipal area was the fifth-largest contributor, at 8.7 per cent. The Bitou and Kannaland municipal areas were the smallest contributors to GDP in 2019, at 7.3 per cent and 2.8 per cent respectively.

Over the five-year period, the George municipal area experienced an average annual growth rate of 1.5 per cent, constituting the highest average annual growth rate out of the seven municipal areas. The George municipal area is therefore a key driver of economic growth in the District. The Knysna municipal area registered the smallest average annual growth rate, at 0.2 per cent over the reference period, while growth in the remaining municipal areas averaged between 0.7 per cent and 1.0 per cent.

An overview of the historical growth trends of the municipal areas in the District is provided in Figure 1.1, in addition to the annual growth rates of the GRD and the Province.

Figure 1.1
GDPR GROWTH PER MUNICIPAL AREA, Garden Route District, 2012 - 2022



Source: Quantec Research, 2021; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2021 (e denotes estimate, f denotes forecast)

Between 2012 and 2019, the GRD economy experienced an overall downward trend in annual growth, despite recording a year-on-year improvement between 2016 and 2017. Furthermore, over the eight-year period, GDPR growth closely followed that of the Provincial economy.

Growth in the GRD continued to slow in 2013 and 2014, with growth rates of 2.9 per cent and 2.7 per cent being registered during the respective years. In 2015, growth across all municipal areas registered declines. Subsequently, growth in the GRD declined to 1.5 per cent during the year. This rate was marginally higher than that of the Province during the same year (1.4 per cent). GDPR growth continued to decline in 2016, with the District economy registering a growth rate of 1.0 per cent. This was possibly as a result of declines in commodity prices, periods of load-shedding in South Africa and drought conditions in the Province. In addition, national tourism performance deteriorated in 2015 owing to the imposition of new visa regulations, acts of terrorism across the African continent and economic crises in source countries.³

In 2017, growth in the District economy increased to 1.6 per cent, while the Provincial economy experienced a marginal improvement in annual growth during the same year. This demonstrates the effect of load-shedding on economic performance, as no significant load-shedding was experienced during the year. However, growth in the GRD slowed significantly in 2018, with all municipal areas registering either contractions or near stagnant growth rates. During the year, the George municipal area registered the highest annual growth rate (1.3 per cent).

GDPR growth declined to 0.3 per cent in 2019, with four out of the seven municipal areas registering contractions during the year. The deterioration of GDPR performance in both 2018 and 2019 can be attributed to the poor performance of the national economy and periods of load-shedding. However, the George and Oudtshoorn municipal areas realised an annual growth rate higher than that of the GRD in both 2018 and 2019.

In 2020, GDPR growth in the GRD and Province is expected to have deteriorated significantly as a result of the COVID-19 pandemic and the national lockdown measures to contain its spread. During the year, GDPR growth in the District is expected to have registered a contraction of 6.3 per cent. This rate is lower than that of the Provincial economy, with an estimated contraction of 6.7 per cent in 2020. Furthermore, all municipal areas within the GRD are estimated to have registered contractions in 2020, with the Mossel Bay municipal area registering the largest contraction, at 6.8 per cent during the year. The Kannaland municipal area is anticipated to have realised the smallest contraction in GDPR, at 4.2 per cent. However, this is likely because of the Kannaland municipal area's small economy.

Forecasts for 2021 indicate a strong recovery in GDPR growth across the District. However, these high growth rates are not sustainable in the long term, as growth in 2021 originated from the constrained economic base of 2020. The GRD is expected to realise a GDPR growth rate of 4.9 per cent in 2021, with the George municipal area registering the highest annual growth rate in the GRD. With a growth rate of 3.2 per cent, economic recovery in the Knysna municipal area is anticipated to be slower in 2021 compared with the other municipal areas in the GRD. In 2022, GDPR growth in the District is expected to slow to 2.7 per cent, slightly higher than the growth rate of 2.5 per cent estimated for the Provincial economy.


³ (Department of Tourism, 2016).

1.2.2 Sectoral GDPR performance

Table 1.1 illustrates the GRD's GDPR performance in 2019 by providing an overview of the sectoral contributions, their respective average growth rates between 2015 and 2019, an estimate for 2020 and forecasts for 2021 and 2022.

Table 1.1

GDPR PERFORMANCE PER SECTOR, Garden Route District, 2019 – 2022 (%)

SECTOR		R million value 2019	Trend 2015 – 2019	Real GDPR growth		
				2020e	2021f	2022f
PS Primary Sector		R2 184.9 (4.7%)	-4.0%	10.5%	5.0%	-1.7%
Agriculture, forestry & fishing		R2 015.2 (4.4%)	-4.2%	12.3%	4.9%	-1.7%
Mining & quarrying		R169.7 (0.4%)	0.0%	-18.4%	8.5%	-1.2%
SS Secondary Sector		R11 053.8 (23.9%)	-0.1%	-12.2%	2.1%	7.1%
Manufacturing		R6 787.3 (14.7%)	0.6%	-9.7%	3.8%	7.9%
Electricity, gas & water		R1 455.4 (3.1%)	-1.1%	-7.1%	-1.6%	3.3%
Construction		R2 811.2 (6.1%)	-1.7%	-22.1%	-2.2%	6.1%
TS Tertiary Sector		R33 024.1 (71.4%)	1.8%	-5.9%	5.6%	1.9%
Wholesale & retail trade, catering & accommodation		R8 599.8 (18.6%)	0.8%	-10.4%	8.3%	3.1%
Transport, storage & communication		R4 656.7 (10.1%)	1.6%	-14.7%	10.4%	-2.9%
Finance, insurance, real estate & business services		R11 667.0 (25.2%)	3.2%	-3.2%	5.7%	4.5%
General government		R4 868.4 (10.5%)	-0.1%	0.0%	-3.0%	-0.9%
Community, social & personal services		R3 232.1 (7.0%)	1.2%	-2.4%	5.2%	-2.8%
Total Garden Route District		R46 262.8 (100.0%)	1.0%	-6.3%	4.9%	2.7%

Source: Quantec Research, 2021; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2021 (e denotes estimate, f denotes forecast)

Valued at R33.0 billion in 2019, the tertiary sector was the leading contributor to GDPR in the GRD (71.4 per cent). Between 2015 and 2019, the tertiary sector grew at an average annual rate of 1.8 per cent. This rate is higher than that of the District economy over the five-year period, highlighting the importance of the tertiary sector to growth in the District. The main driver of economic activity in the tertiary sector, and the single largest contributor to GDPR, was the finance sector (25.2 per cent). Other notable contributors in the tertiary sector included the trade (18.6 per cent) and the general government (10.5 per cent) sectors.

Estimates for 2020 indicate that the tertiary sector contracted by 5.9 per cent. The finance sector is estimated to have declined by 3.2 per cent, while the trade sector is estimated to have contracted by 10.4 per cent. The general government sector is anticipated to have remained near stagnant. Despite the poor performance of the general government sector, it is likely that the sector was supported by increased public-sector spending amid the COVID-19 pandemic.

In 2019, the secondary sector was the second-largest contributor to GDPR in the GRD, with a contribution of 23.9 per cent during the year. Over the five-year period, the secondary sector contracted at an average annual rate of 0.1 per cent. The manufacturing sector was the only individual sector in the secondary sector to realise a positive growth rate over the reference period (0.6 per cent).

It is estimated that the secondary sector contracted by 12.2 per cent in 2020. All sectors encompassed by the secondary sector are anticipated to have registered contractions in 2020, with the construction sector realising the largest contraction at 22.1 per cent during the year. This sector has been registering contractions since 2017. However, the overall poor performance of the secondary sector is expected to be driven by the contraction in manufacturing activity.

With an overall contribution of 4.7 per cent in 2019, the primary sector was the smallest contributor to the GRD's GDPR during the year. Between 2015 and 2019, the primary sector registered an average annual contraction of 4.0 per cent. The agriculture sector, with a GDPR contribution of 4.4 per cent in 2019, contracted at an average annual rate of 4.2 per cent over the five-year period, mainly owing to concurrent periods of drought in the Province. Outbreaks of avian influenza and a ban on exporting ostrich meat to the European Union (EU) also had a negative impact on the sector over the review period. The mining sector contributed a mere 0.4 per cent to the District's GDPR in 2019.

Estimates for 2020 indicate that the primary sector grew by 10.5 per cent during the year. The sector's positive performance was driven by the strong performance of the agriculture sector (12.3 per cent). The agriculture sector benefited from a strong recovery in international agricultural prices towards the end of 2020.⁴ Furthermore, agricultural activities were not as constrained by COVID-19 restrictions. The mining sector is expected to have realised a contraction of 18.4 per cent in 2020. However, the mining sector is not expected to have significantly influenced the overall performance of the primary sector, given its negligible contribution to GDPR.

Steep initial recoveries are expected in the 2021 forecast period. Annual growth in the tertiary and secondary sectors is expected to increase to 5.6 per cent and 2.1 per cent respectively in 2021 owing to strong recoveries across the main individual sectors. However, the electricity, gas and water sector and the construction sector are expected to contract further in 2021, by 1.6 per cent and 2.2 per cent respectively. The general government sector is also forecast to contract by 3.0 per cent in 2021.

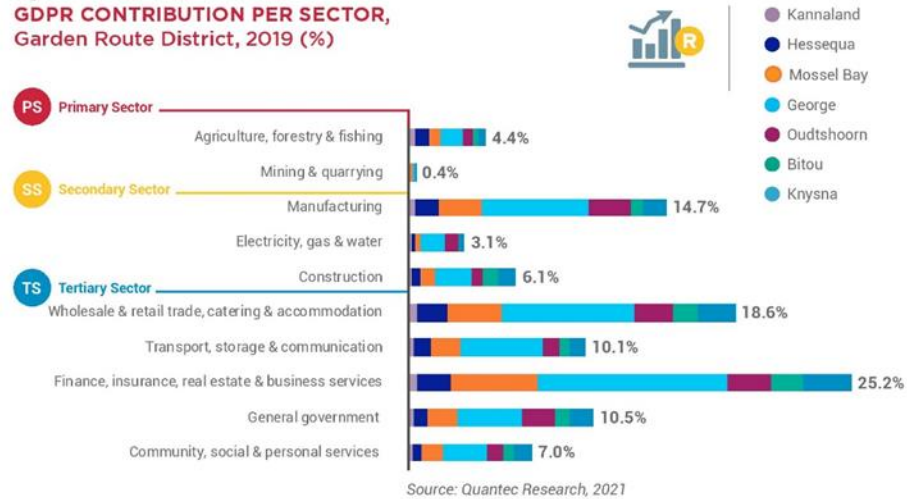
In 2022, annual growth in the tertiary and primary sectors is expected to slow, with the primary sector registering a contraction of 1.7 per cent during the year, as international commodity prices are anticipated to normalise. Conversely, growth in the secondary sector is anticipated to increase to 7.1 per cent in 2022, owing to the expected recovery of the electricity, gas and water sector and construction sector, while the manufacturing sector is forecast to grow by 7.9 per cent.

⁴ (World Bank Group, 2020).

Figure 1.2 depicts the GRD's sectoral GDPR contribution per municipal area in 2019.

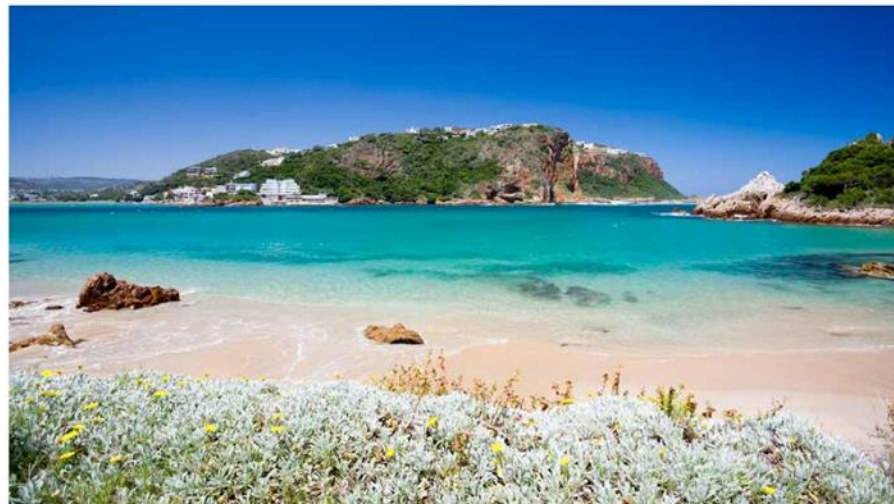
Figure 1.2

**GDPR CONTRIBUTION PER SECTOR,
Garden Route District, 2019 (%)**



The finance (25.2 per cent) and trade (18.6 per cent) sectors were the main contributors to GDP in 2019. Both aforementioned sectors were concentrated in the George municipal area. Economic activity across most economic sectors in the GRD, apart from the mining sector, was concentrated in the George municipal area.

The mining sector, which accounted for a mere 0.4 per cent of GDP in the GRD in 2019, is concentrated in the Mossel Bay municipal area owing to the presence of offshore gas fields in this area. Across all municipal areas, except for the Kannaland municipal area, the respective concentrations of the manufacturing sector outweighed those of the agriculture sector. This suggests that there is extensive beneficiation of agricultural commodities in most municipal areas.



1.3 LABOUR TREND ANALYSIS

This subsection provides an overview of key employment trends in the GRD, indicating the contributions to employment in the GRD by each respective municipal area. Furthermore, employment dynamics will also be evaluated in terms of sectoral contributions to job creation or job-shedding in the District.

1.3.1 Employment per municipal area

Table 1.2 depicts the status of employment in each municipal area in 2019, the average number of jobs created over the five-year period and the estimated net change in employment in 2020. The GRD employed 231 888 workers in 2019 and contributed 9.0 per cent to employment in the Province during the year.

Table 1.2
EMPLOYMENT GROWTH, Garden Route District

MUNICIPALITY	Number of jobs 2019	Average annual change 2015 – 2019	Net change 2020e
● Kannaland	10 110 (4.4%)	145	-583
● Hessequa	25 231 (10.9%)	302	-1 655
● Mossel Bay	36 826 (15.9%)	343	-2 613
● George	82 939 (35.8%)	1 372	-5 047
● Oudtshoorn	30 153 (13.0%)	380	-1 833
● Bitou	19 866 (8.6%)	356	-1 495
● Knysna	26 763 (11.5%)	327	-2 078
Garden Route District	231 888 (100.0%)	3 225	-15 304
Western Cape	2 581 736	40 794	-159 299

Source: Quantec Research, 2021 (e denotes estimate)

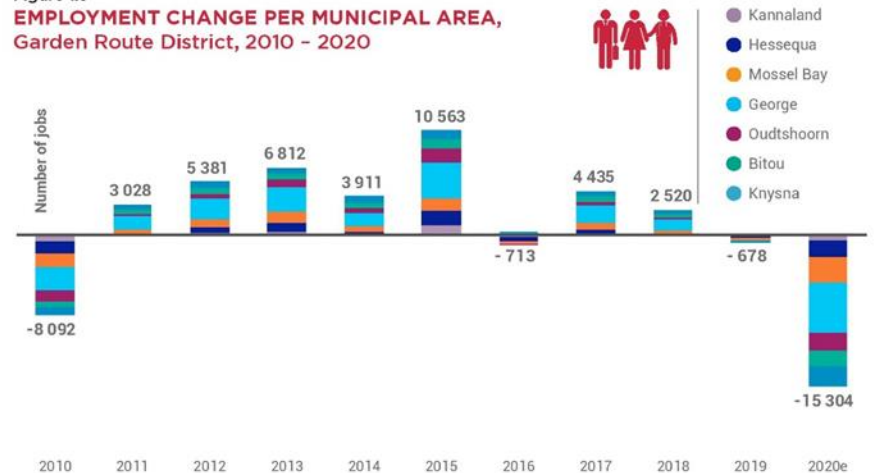
The George municipal area was the leading contributor to employment in the GRD in 2019, with 35.8 per cent. This was followed by the Mossel Bay and Oudtshoorn municipal areas, with contributions of 15.9 per cent and 13.0 per cent respectively. The Knysna and Hessequa municipal areas had similar employment contributions, at 11.5 per cent and 10.9 per cent in 2019, while the Bitou (8.6 per cent) and Kannaland (4.4 per cent) municipal areas were the smallest contributors to employment in the District in 2019.

Employment in the GRD increased by an average of 3 225 jobs per annum between 2015 and 2019. All municipal areas experienced increases in employment over the five-year period, with the George municipal area contributing the most to this increase, at an average of 1 372 jobs per annum. This is likely to be as a result of the strong average GDP growth rate experienced in the George municipal area over the period. The Oudtshoorn (380 jobs), Bitou (356 jobs), Mossel Bay (343 jobs), Knysna (327 jobs) and Hessequa (302 jobs) municipal areas experienced similar average increases between 2015 and 2019. The Kannaland municipal area experienced the smallest average increase in job opportunities, at 145 jobs per annum between 2015 and 2019.

Figure 1.3 provides an overview of the historical employment trends experienced between 2010 and 2020 in the GRD.

Figure 1.3

**EMPLOYMENT CHANGE PER MUNICIPAL AREA,
Garden Route District, 2010 – 2020**



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e
Kannaland	-645	-33	234	398	-9	990	-257	97	-28	-75	-583
Hessequa	-1 226	166	611	883	303	1 538	-416	464	113	-190	-1 655
Mossel Bay	-1 425	421	729	1 088	592	1 184	-234	693	320	-246	-2 613
George	-2 307	1 377	2 111	2 484	1 432	3 635	232	1 771	1 171	49	-5 047
Oudtshoorn	-1 124	215	506	795	344	1 498	-90	382	171	-61	-1 833
Bitou	-528	452	552	586	604	847	38	546	380	-30	-1 495
Knysna	-837	430	638	578	645	871	14	482	393	-125	-2 078

Source: Quantec Research, 2021 (e denotes estimate)

In 2010, the GRD experienced a significant amount of job-shedding, with a total of 8 092 jobs lost during the year. Employment in the District is likely to have benefited from improved tourism as a result of the 2010 FIFA World Cup. However, employment losses registered during the year may be attributed to the aftershock of the global financial crisis, as recoveries in employment typically lag economic recovery.

Between 2011 and 2013, a year-on-year improvement in job creation was experienced in the GRD, increasing from 3 028 jobs to 6 812 jobs over the three-year period. New employment opportunities peaked in 2015,⁵ with 10 563 jobs created during the year. A total of 713 jobs were lost in the District in 2016, but there was an improvement in job creation in 2017, with 4 435 jobs created during the year. Post-2017, job creation in the District slowed, with 2 520 jobs created in 2018 and 678 jobs lost in 2019. This was probably as a result of the poor performance of the national economy over the two-year period, as well as domestic electricity supply constraints and Provincial drought.

⁵ It should be noted, however, that in 2015, a new master sample was implemented in the Quarterly Labour Force Survey (QLFS), which may have impacted the data owing to variations in its design (Stats SA, 2015).


It is estimated that 15 304 jobs were lost in 2020 in the GRD, with job-shedding expected across all municipal areas. The most jobs were shed in the George municipal area (an estimated 5 047 jobs), followed by the Mossel Bay (2 613 jobs) and Knysna (2 078 jobs) municipal areas. The decline in job opportunities in the GRD can be attributed to the COVID-19 pandemic and the implementation of lockdown measures to contain its spread. Furthermore, travel restrictions would have resulted in a decline in tourism in the District, further contributing to job-shedding given the District economy's reliance on tourism.



1.3.2 Sectoral employment

Table 1.3 illustrates employment per sector in the GRD in 2019.

Table 1.3
EMPLOYMENT PER SECTOR, Garden Route District

		Number of jobs 2019	Average annual change 2015 – 2019	Net change 2020e
SECTOR				
PS	Primary Sector	28 212 (12.2%)	402	-1 580
	Agriculture, forestry & fishing	28 042 (12.1%)	404	-1 566
	Mining & quarrying	170 (0.1%)	-2	-14
SS	Secondary Sector	35 828 (15.5%)	-123	-3 572
	Manufacturing	20 404 (8.8%)	121	-1 413
	Electricity, gas & water	847 (0.4%)	6	-27
	Construction	14 577 (6.3%)	-250	-2 132
TS	Tertiary Sector	167 848 (72.4%)	2 946	-10 152
	Wholesale & retail trade, catering & accommodation	59 253 (25.6%)	1 331	-4 475
	Transport, storage & communication	10 226 (4.4%)	171	-450
	Finance, insurance, real estate & business services	41 777 (18.0%)	1 339	-1 875
	General government	22 461 (9.7%)	-146	100
	Community, social & personal services	34 131 (14.7%)	252	-3 452
	Total Garden Route District	231 888 (100.0%)	3 225	-15 304

Source: Quantec Research, 2021 (e denotes estimate)

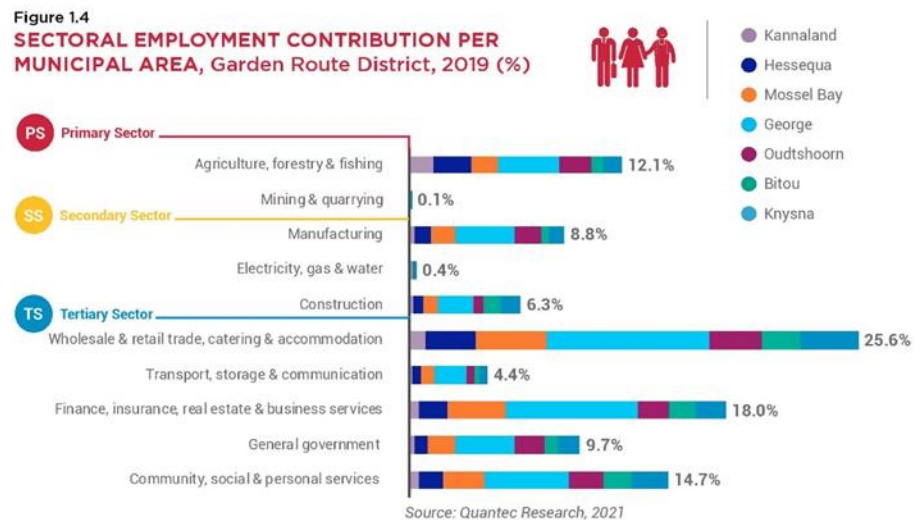
Similar to GDPR, the tertiary sector was the largest contributor to employment in the GRD in 2019, at 72.4 per cent during the year. Furthermore, the tertiary sector also showed the strongest average annual increase in the number of jobs (2 946 jobs) between 2015 and 2019. The trade sector was the single largest contributor to employment in the District in 2019, at 25.6 per cent. Furthermore, over the five-year period, this sector created an average of 1 331 jobs per annum. The finance sector also contributed notably to employment in the District during 2019, with a contribution of 18.0 per cent to total employment and an average annual increase of 1 339 jobs per annum.

With 35 828 jobs in 2019, the secondary sector contributed 15.5 per cent to total employment during the year. However, the secondary sector realised an average annual decline of 123 jobs per annum between 2015 and 2019. In terms of individual sectoral contributions, the manufacturing sector was the leading contributor to employment in the secondary sector, at 8.8 per cent in 2019, while creating an average of 121 jobs per annum. The construction sector realised the largest average annual decline in jobs between 2015 and 2019, with an average of 250 jobs lost per annum. This is in line with the GDPR contractions recorded in the sector over the period.

In the GRD, 28 212 jobs (12.2 per cent) were in the primary sector in 2019. The primary sector realised an average annual increase of 402 jobs per annum over the five-year period. The average annual increase in employment in the primary sector was solely driven by the agriculture sector, with 404 jobs created on average between 2015 and 2019.

Job-shedding within the tertiary sector of an estimated 10 152 jobs contributed the most to job losses in the GRD in 2020. The secondary and primary sectors are expected to have experienced a decline of 3 572 jobs and 1 580 jobs respectively during the year. The largest individual contributors to the total estimated decline in jobs include the trade (4 475 jobs), community services (3 452 jobs) and finance (1 875 jobs) sectors. All other sectors, apart from the general government sector, experienced job-shedding in 2020.

Figure 1.4 illustrates the sectoral employment contribution per municipal area in the GRD in 2019.



The George municipal area was the largest contributor to employment across most sectors. The Mossel Bay municipal area was the second-largest contributor to employment across the three leading sectoral contributors to employment.

The Oudtshoorn municipal area was the second-largest contributor to employment in the manufacturing, general government and electricity, gas and water sectors, while the Hessequa municipal area was the second-largest contributor to employment in the agriculture sector. The Kannaland municipal area's contribution to employment was significantly smaller compared with the other municipal areas. However, the Kannaland municipal area showed a strong contribution to employment in the agriculture sector.

Diagram 1.2 provides an overview of the employment dynamics in the GRD by depicting the unemployment rate, labour absorption rate, labour participation rate and the “not economically active” population as a proportion of the working-age population for each of the municipal areas.

Diagram 1.2





UNEMPLOYMENT PROFILE, Garden Route District, 2019 (%)

Unemployed persons, according to the official Statistics South Africa (stats SA) definition, are those (aged 15 to 64 years) who: a) were not employed in the reference week; and b) actively looked for work or tried to start a business in the four weeks preceding the survey interview; and c) were available for work, i.e. would have been able to start work or a business in the reference week; or d) had not actively looked for work in the past four weeks, but had a job or business to start at a definite date in the future and were available. This does not include people who were not actively looking for work.

Labour force participation rate is the proportion of the working-age population that is either employed or unemployed.

Employment-to-population ratio (labour absorption rate) is the proportion of the working-age population that is employed.

Not economically active refers to persons aged 15 to 64 years who were neither employed nor unemployed in the reference week.

MUNICIPALITY	 Unemployment rate (%) 2019	2020e	 Labour force participation rate (%) 2019	2020e	 Labour absorption rate (employment-to-population ratio) 2019	2020e	 Not economically active 2019 (% of working-age population)	2020e
● Kannaland	9.2%	↓	62.3%	↓	56.6%	↓	37.7%	↑
● Hessequa	7.2%	↓	73.0%	↓	67.7%	↓	27.0%	↑
● Mossel Bay	15.6%	↓	68.4%	↓	57.8%	↓	31.6%	↑
● George	14.7%	↓	70.4%	↓	60.1%	↓	29.6%	↑
● Oudtshoorn	18.7%	↓	59.8%	↓	48.6%	↓	40.2%	↑
● Bitou	24.5%	↓	74.5%	↓	56.2%	↓	25.5%	↑
● Knysna	19.4%	↓	70.1%	↓	56.5%	↓	29.9%	↑
Garden Route District	15.9%	↓	68.7%	↓	57.7%	↓	31.3%	↑
Western Cape	19.6%	↓	67.9%	↓	54.6%	↓	32.1%	↑

Source: Quantec Research, 2021

In 2019, the unemployment rate in the GRD stood at 15.9 per cent. This rate is below that of the Western Cape during the same year. The Bitou (24.5 per cent) and Knysna (19.4 per cent) municipal areas had the highest unemployment rates of all municipal areas in 2019.

It is expected that the unemployment rate decreased across all municipal areas between 2019 and 2020. However, this should not be considered as an improvement in the District's labour market, but rather an increase in the number of “not economically active” workers. This increase may be attributed to an increased number of workers unable to seek employment owing to the national lockdown.⁶

⁶ (Stats SA, 2020).

The labour absorption and labour force participation rates are expected to have declined across all municipal areas between 2019 and 2020. It is therefore expected that the number of job opportunities in the District declined, mainly as a result of the COVID-19 pandemic and restraints on economic activity.

1.4 CONCLUDING REMARKS

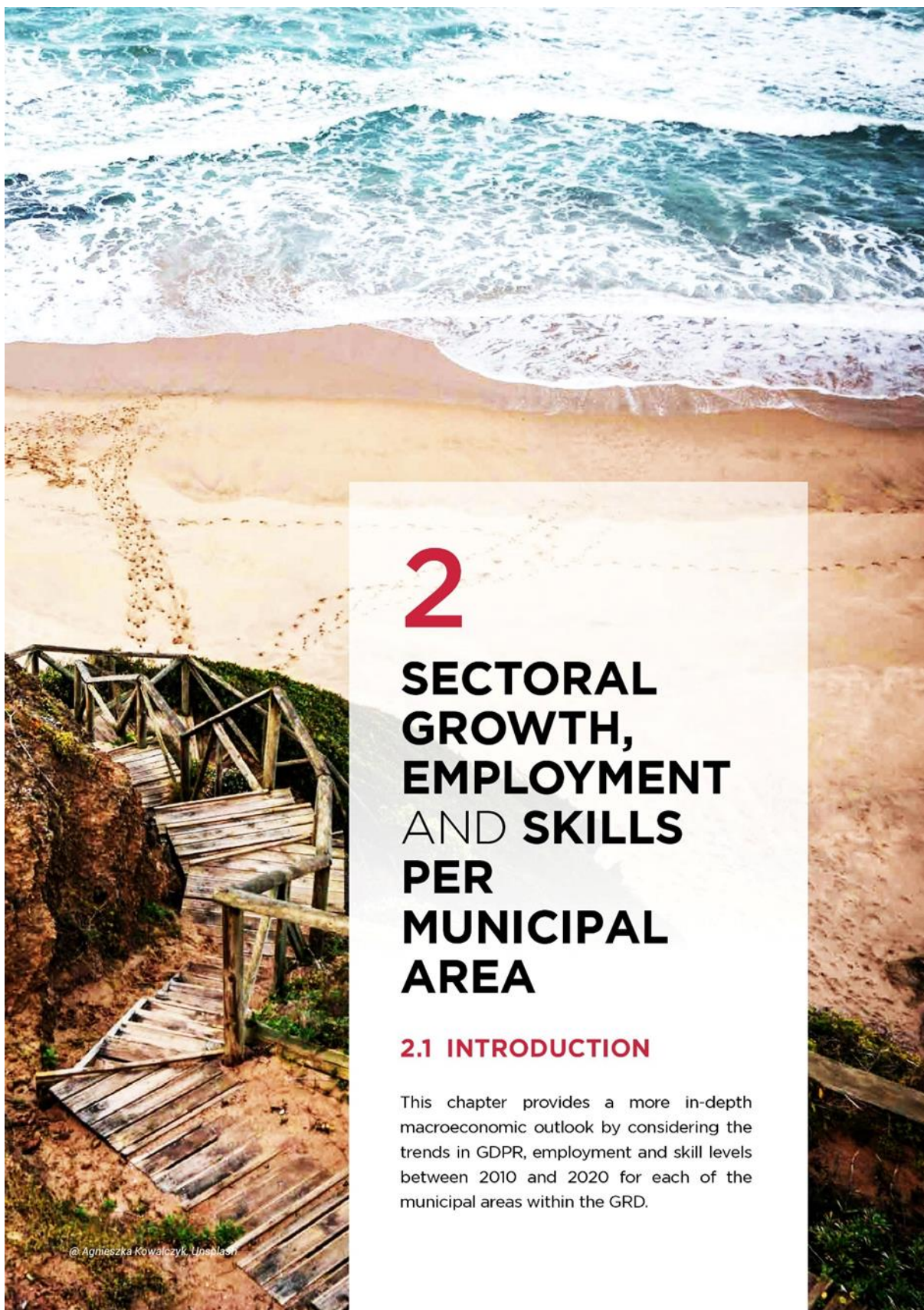
The GRD economy was valued at R46.3 billion in 2019 and contributed 7.6 per cent to the economy of the Western Cape during the same year. Between 2015 and 2019, growth in the District averaged 1.0 per cent, which was similar to that of the Provincial economy over the same period. Estimates for 2020 indicate that the District economy contracted by 6.3 per cent. This contraction is smaller than the estimated contraction of 6.7 per cent for the Provincial economy. Forecasts for 2021 indicate that the GRD economy is expected to grow by 4.9 per cent, with annual growth slowing to 2.7 per cent in 2022.

The George and Mossel Bay municipal areas were the leading contributors to GDPR in 2019. In terms of sectoral performance, the tertiary sector was the largest contributor to economic activity in the District in 2019, with a GDPR contribution of 71.4 per cent during the year. Estimates for 2020 indicate a contraction of 5.9 per cent and 12.2 per cent for the tertiary and secondary sectors respectively. Conversely, the primary sector is expected to have registered a growth rate of 10.5 per cent during the year owing to the strong performance of the agriculture sector.

The trade sector was the single largest contributor to employment in the District in 2019, at 25.6 per cent. This emphasises the importance of the tourism industry when it comes to employment creation in the District. Other notable contributors to employment included the finance (18.0 per cent) and community services (14.7 per cent) sectors.

Between 2019 and 2020, unemployment across the District decreased despite sharp declines in economic activity in 2020. However, the decline in unemployment does not reflect an improvement in labour market conditions in the GRD, as is indicated by the decline in the labour force participation and labour absorption rates. In 2019, jobs in the District amounted to 231 888, with an estimated 15 304 jobs lost in 2020.





2

SECTORAL GROWTH, EMPLOYMENT AND SKILLS PER MUNICIPAL AREA

2.1 INTRODUCTION

This chapter provides a more in-depth macroeconomic outlook by considering the trends in GDP, employment and skill levels between 2010 and 2020 for each of the municipal areas within the GRD.

2.2 GARDEN ROUTE DISTRICT

GEORGE



GDPR



Diagram 2.1

GDPR (CURRENT PRICES) AND EMPLOYMENT, George, 2019 and 2020e

JOBS



Source: Quantec Research, 2021; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2021 (e denotes estimate, f denotes forecast)

⁷ (MDB, 2018).

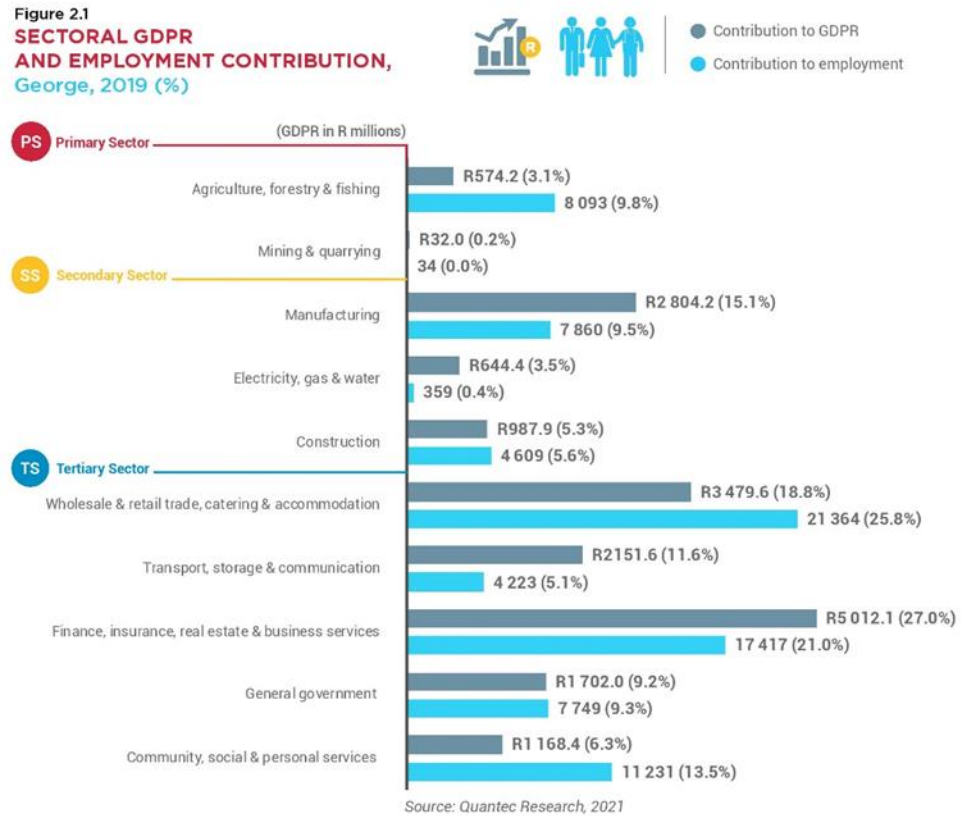
⁸ (George Municipality, 2013).

The George municipal area covers 5 191km²,⁷ stretching from the coastline, where Herold's Bay, Victoria Bay and Wilderness are popular tourist areas, to the drier climate of the Little Karoo in the north. George is the main town in the GRD and serves as a regional node for other municipal areas in the District. Less populated areas in the municipal area include Uniondale, Touwsrante, Haarlem, Hoekwil and Victoria Bay. The George municipal area is well connected to other Districts via the N2, the N9 and the N12, as well as George Airport.⁸ George Airport plays an integral role in the economy of the municipal area as well as the region, as it makes it easier to conduct business and to attract tourists.

2.2.1 GDPR and employment performance

The George municipal area's GDPR was valued at R18.6 billion in 2019 and is estimated to have contracted by 6.4 per cent to R18.1 billion in 2020. It is estimated that 5 047 jobs were shed in the municipal area in 2020, bringing the total number of employed people in the region to 77 892 in 2020. It is forecast that the municipal area will start to recover in 2021, with GDPR growth of 5.5 per cent, and will continue in 2022 with 3.1 per cent growth.

Figure 2.1 depicts the sectoral contribution to employment and GDP in the George municipal area in 2019.



The largest contributors to GDP in the George municipal area in 2019 were the finance sector (27.0 per cent), the trade sector (18.8 per cent) and the manufacturing sector (15.1 per cent).


The trade sector provided the most employment in the George municipal area in 2019, accounting for 25.8 per cent of total employment. The finance sector was the second-largest contributor, with 21.0 per cent, followed by the community services sector with 13.5 per cent. In the George municipal area, these three sectors employed 60.3 per cent of those employed in 2019.

The municipal area's labour-intensive sectors include the trade, agriculture and community services sectors. These sectors contribute more to employment than to GDP. Conversely, the finance sector contributed more to GDP than to employment (27.0 per cent compared with 21.0 per cent), reflecting the capital-intensive nature of this sector. The manufacturing sector and the transport sector are also capital-intensive.

Table 2.1 outlines the George municipal area's GDPR and employment performance per sector.

Table 2.1

GDPR AND EMPLOYMENT PERFORMANCE PER SECTOR, George



SECTOR	GDPR		Employment	
	Trend 2015 – 2019	Real GDPR growth 2020e	Average annual change 2015 – 2019	Net change 2020e
PS Primary Sector	-3.7%	10.8%	131	-380
Agriculture, forestry & fishing	-3.8%	11.9%	132	-378
Mining & quarrying	0.6%	-17.9%	-1	-2
SS Secondary Sector	0.5%	-11.2%	27	-1 151
Manufacturing	1.3%	-8.8%	77	-509
Electricity, gas & water	-1.3%	-7.3%	2	-13
Construction	-1.2%	-21.9%	-52	-629
TS Tertiary Sector	2.1%	-6.0%	1 213	-3 516
Wholesale & retail trade, catering & accommodation	1.0%	-10.3%	462	-1 492
Transport, storage & communication	2.1%	-14.3%	94	-205
Finance, insurance, real estate & business services	3.6%	-3.2%	622	-730
General government	-0.2%	-0.3%	-44	49
Community, social & personal services	1.0%	-2.5%	79	-1 138
Total George	1.5%	-6.4%	1 372	-5 047

Source: Quantec Research, 2021 (e denotes estimate)

Between 2015 and 2019, the George municipal area achieved an average annual growth rate of 1.5 per cent and created an average of 1 372 jobs per annum. The tertiary sector had an annual growth rate of 2.1 per cent and was the sector with the highest growth between 2015 and 2019 in the municipal area. The secondary sector experienced moderate growth of 0.5 per cent, while the primary sector contracted by 3.7 per cent in the period under review.

The sector with the greatest growth in the municipal area between 2015 and 2019 was the finance sector (3.6 per cent per annum). This was followed by the transport sector (2.1 per cent per annum) and the manufacturing sector (1.3 per cent per annum). The sectors that contracted in the George municipal area between 2015 and 2019 were the electricity, gas and water sector (1.3 per cent per annum), the construction sector (1.2 per cent), the general government sector (0.2 per cent per annum) and the agriculture sector (3.8 per cent per annum). The contraction in the agriculture sector was most likely caused by the continued drought in the area during that time. The forestry and timber industry plays an important role in the area's economy and is well supported by Saasveld Forestry College, which trains foresters.

Employment creation in the George municipal area was mainly driven by the finance sector, which experienced an average annual increase of 622 jobs per annum between 2015 and 2019, followed by the trade sector (462 jobs) and the agriculture sector (132 jobs). The sectors that shed the most jobs on an annual basis for the period under review were construction (52 jobs) and general government (44 jobs).

The George municipal area's economy is estimated to have declined by 6.4 per cent in 2020, largely as a result of COVID-19. Manufacturing in the George municipal area is estimated to have declined by 8.8 per cent in 2020, with many local and regional saw-timber operators having experienced declining demand from the construction sector nationally. George is one of the larger towns in the Western Cape and the business hub of the GRD, and the George municipal area's dominant finance sector is estimated to have contracted by 3.2 per cent, impacting the municipal area on a large scale.

The George municipal area coastline is a popular tourist destination and is also popular for second homes, particularly Herold's Bay, Wilderness, Touwsrante and Hoekwil. The popularity of these areas for residential development has a positive impact on the local economy, especially during peak holiday periods. Travel restrictions and the lockdown in the country impacted the trade sector significantly, with an estimated 10.3 per cent decrease in 2020. The construction sector contracted by 21.9 per cent, which could be due to investors and contractors stopping construction on holiday homes and additional retail facilities as a result of COVID-19 regulations.

The only sector that indicated an increase in GDP in 2020 was the agriculture sector (11.9 per cent). This significant growth is a result of improved weather conditions in the region and the fact that this sector could operate under lockdown level five. There are high production volumes of wheat in the municipal area, and the increase in wheat prices also contributed to the growth in this sector.⁹

It is estimated that in 2020, 5 047 jobs were lost, which was as a result of job-shedding in all sectors except the general government sector, which had an increase of 49 jobs. The significant number of jobs lost in the municipal area is a result of the COVID-19 impact. This is likely to increase the demand for public-sector support, which will place additional pressure on the local municipality, as revenue collection may be hampered but the same level of services will still be required.



INDUSTRY PERFORMANCE

The number of unprocessed milk producers in the Western Cape continued its historical downward trend in 2021. There are now approximately 348 milk producers in the Western Cape, compared with 379 in 2020, 402 in 2019 and 533 in 2015. Despite this consolidation, the Western Cape's national contribution to milk production increased from 27.1 per cent in 2009 to 31.0 per cent in 2020, making it the largest producer in the country.¹⁰

Local and international lockdowns resulted in an excess supply of fresh milk, with concomitant increases in demand for UHT milk, milk powders, cheese, buttermilk, maas and other processed products. This would have resulted in increased price pressure on already-squeezed smaller independent farmers, but it buoyed manufacturers operating higher up along the dairy value chain. It is, however, estimated that customers will return to pre-COVID-19 consumption habits beyond 2021.^{11,12}

To read more on the performance of the dairy industry:



⁹ (BFAP, 2020).

¹⁰ (Milk Producers' Organisation, 2021).

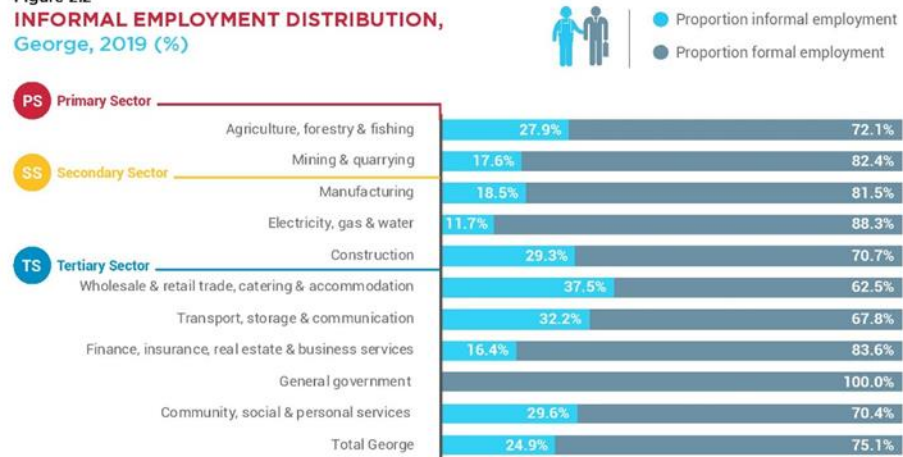
¹¹ (Milk SA, 2021).

¹² (South African Milk Processors' Organisation, 2021).

Figure 2.2 depicts the sectoral informal employment distribution in the George municipal area in 2019.¹³

Figure 2.2

**INFORMAL EMPLOYMENT DISTRIBUTION,
George, 2019 (%)**



Source: Quantec Research, 2021

Informal employment accounted for 24.9 per cent of the GRD's total employment in 2019. The sector that provided the biggest share of informal employment opportunities in 2019 was the trade sector, with 37.5 per cent of the municipal area's employment. This was followed by the transport sector (32.2 per cent) and the community services sector (29.6 per cent).



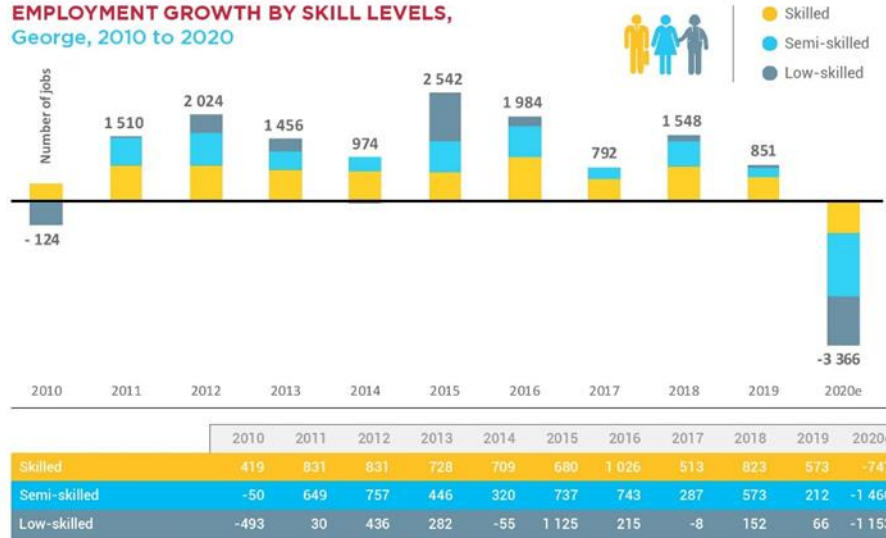
¹³ Throughout this chapter, it should be noted that the number of informal sector workers is determined by using labour data from the Quarterly Employment Statistics (QES) and the Quarterly Labour Force Survey (QLFS). Quantec uses the QES formal figure, to which it adds formal agricultural and domestic workers. Using the total employment from the QLFS, informal employment is calculated as a residual. This residual is higher than the figure given in the QLFS owing to the inclusion of SMMEs, which are not accounted for in the QES.

2.2.2 Skills analysis

Figure 2.3 illustrates the changes in formal employment by skill levels in the George municipal area between 2010 and 2020.

Figure 2.3

EMPLOYMENT GROWTH BY SKILL LEVELS, George, 2010 to 2020



Source: Quantec Research, 2021 (e denotes estimate)

During the aftermath of the 2008 global financial crisis, low-skilled and semi-skilled workers in the George municipal area experienced the impact of job losses. Low-skilled workers lost 493 jobs in 2010, and employment growth has been slow since 2012, with the exception of 2015, when a number of low-skilled jobs were created.¹⁴ Between 2011 and 2019, more semi-skilled jobs were created.

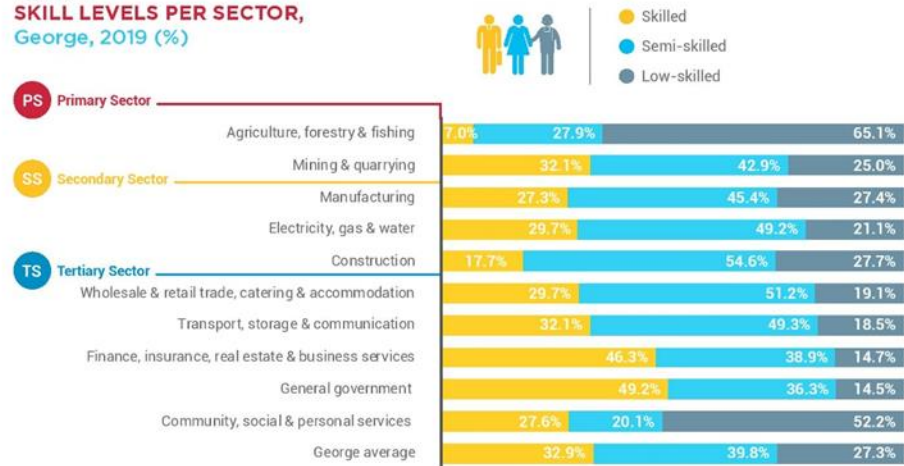
With 419 new jobs generated in 2010, skilled employment demonstrated exceptional resilience in the aftermath of the global financial crisis of 2008. Skilled employment recovered more rapidly than low- and semi-skilled employment, and grew steadily from 2010. Between 2010 and 2019, more workers in the George municipal area found work in the skilled employment sector than in the low- or semi-skilled sector, with the exception of 2015. The impact of COVID-19 resulted in an estimated 3 366 formal jobs being lost in the municipal area. Semi-skilled workers were impacted the most, as 1 466 jobs were lost, followed by low-skilled workers (1 153 jobs) and skilled workers (747 jobs).

¹⁴ In 2015 a new master sample was implemented in the Quarterly Labour Force Survey (QLFS), which may have impacted the data owing to variations in its design (Stats SA, 2015).

Figure 2.4 provides a sectoral overview of the skill levels for formal employment in the George municipal area.

Figure 2.4

**SKILL LEVELS PER SECTOR,
George, 2019 (%)**



Source: Quantec Research, 2021

In 2019, 32.9 per cent of employed people in the George municipal area were skilled employees, while the area had 39.8 per cent semi-skilled employees and 27.3 per cent low-skilled employees. Low-skilled employment was best absorbed in the agriculture sector in the George municipal area, where 65.1 per cent of employees were low-skilled employees in 2019.

The sector that had the largest proportion of semi-skilled workers in the George municipal area in 2019 was the construction sector (54.6 per cent). Apart from the agriculture sector (27.9 per cent) and the community services sector (20.1 per cent), the proportion of semi-skilled workers in the various sectors ranged between 36.3 per cent and 51.2 per cent in 2019. In 2019, 49.2 per cent of employees in the general government sector were skilled workers in the George municipal area. Other sectors that absorbed a large share of skilled employees in the George municipal area were the finance sector (46.3 per cent) as well as the transport sector and the mining sector, both with 32.1 per cent. This indicates that the labour market is changing towards skilled and semi-skilled labour, emphasising the importance of the George municipal area as the region's services-sector hub.





2.3 GARDEN ROUTE DISTRICT

MOSSEL BAY



GDPR

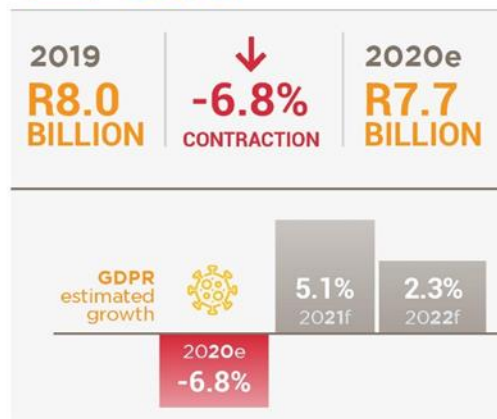


Diagram 2.2
GDPR (CURRENT PRICES) AND EMPLOYMENT,
Mossel Bay, 2019 and 2020e

JOBS



Source: Quantec Research, 2021; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2021 (e denotes estimate, f denotes forecast)

¹⁵ (MDB, 2018).

¹⁶ (Mossel Bay Municipality, 2017).

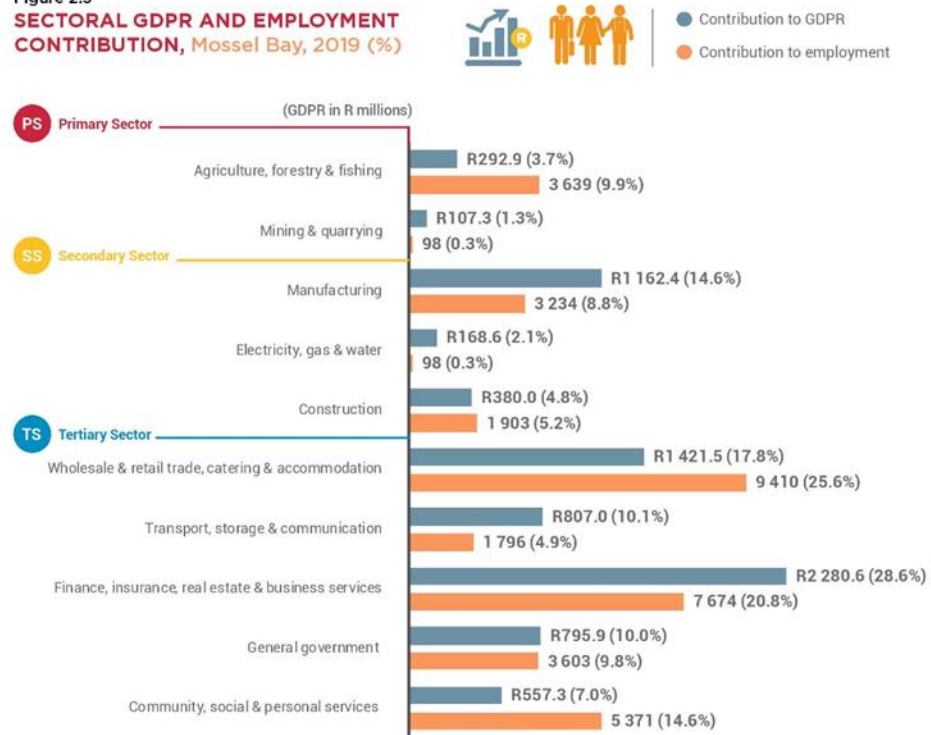
The Mossel Bay municipal area covers 2 001km² and is situated halfway between the Cape Town Metro area and Port Elizabeth in the Eastern Cape.¹⁵ The municipal area has a 122km-long coastline that is characterised by three distinct bays – Vleesbaai, Dana Bay and Mossel Bay. The Moss gas plant and harbour are important infrastructure in the municipal area. The harbour serves the local fishing, gas and tourism sectors. The town of Mossel Bay is the main urban node in the municipal area, while smaller towns include Boggoms Bay, Brandwag, Buisplaas, D'Almeida, Dana Bay, Glentana, Fraaiuitsig, Friemersheim, Great Brak River, Hartenbos, Herbertsdale, Hersham, KwaNonqaba, Little Brak River, Outeniqua Beach, Reebok, Ruiterbos, Southern Cross, Tergniet and Vleesbaai.¹⁶

2.3.1 GDPR and employment performance

The Mossel Bay municipal area's GDPR was valued at R8.0 billion in 2019 and is estimated to have contracted by 6.8 per cent to R7.7 billion in 2020. It is estimated that 2 613 jobs were shed in the municipal area in 2020, bringing the total number of employed people in the region to 34 213 in 2020. It is forecast that in 2021, the municipal area's economy will recover partially with an increase of 5.1 per cent and will grow by a further 2.3 per cent in 2022.

Figure 2.5 illustrates the GDPR and employment contribution per sector in the Mossel Bay municipal area in 2019.

Figure 2.5
SECTORAL GDPR AND EMPLOYMENT
CONTRIBUTION, Mossel Bay, 2019 (%)



Source: Quantec Research, 2021

In 2019, the largest contributors to the economy in the Mossel Bay municipal area were the finance (28.6 per cent), trade (17.8 per cent) and manufacturing (14.6 per cent) sectors. The smallest contributor in 2019 was the mining sector, with only 1.3 per cent, followed by the electricity, gas and water sector (2.1 per cent).


The biggest contributor to employment in the Mossel Bay municipal area in 2019 was the trade sector, with 25.6 per cent. This was followed by the finance sector (20.8 per cent) and the community services sector (14.6 per cent). The finance sector was the largest capital-intensive sector in the municipal area and the trade sector was the largest labour-intensive sector.



A more detailed overview of sectoral contributions to GDP and employment is provided in Table 2.2.

Table 2.2

GDPR AND EMPLOYMENT PERFORMANCE PER SECTOR, Mossel Bay



SECTOR	GDPR		Employment	
	Trend 2015 – 2019	Real GDP growth 2020e	Average annual change 2015 – 2019	Net change 2020e
Primary Sector	-3.7%	6.9%	14	-352
PS Agriculture, forestry & fishing	-4.7%	14.6%	14	-344
Mining & quarrying	0.1%	-18.4%	0	-8
Secondary Sector	-3.0%	-15.2%	-132	-593
SS Manufacturing	-2.6%	-13.5%	-28	-257
Electricity, gas & water	-3.0%	-8.8%	-1	-4
Construction	-4.4%	-24.3%	-103	-332
Tertiary Sector	2.1%	-5.6%	461	-1 668
TS Wholesale & retail trade, catering & accommodation	1.0%	-10.4%	207	-677
Transport, storage & communication	1.4%	-14.9%	27	-82
Finance, insurance, real estate & business services	3.4%	-3.0%	231	-363
General government	0.2%	0.1%	-21	21
Community, social & personal services	1.4%	-2.2%	16	-567
Total Mossel Bay	0.7%	-6.8%	343	-2 613

Source: Quantec Research, 2021 (e denotes estimate)

The Mossel Bay municipal area had a GDP growth of 0.7 per cent annually between 2015 and 2019. The tertiary sector was the only sector in the municipal area that had positive growth over the reference period, experiencing an average growth rate of 2.1 per cent. The GDP growth in the Mossel Bay municipal area was mainly driven by the finance (3.4 per cent) sector, the transport and community services sectors (1.4 per cent each) and the trade sector (1.0 per cent).

The secondary sector's GDP declined by an average of 3.0 per cent per annum between 2015 and 2019. The poor performance of the manufacturing sector, which contracted by 2.6 per cent, is dampening economic prospects in the Mossel Bay municipal area. The primary sector contracted by 3.7 per cent per annum, with the agriculture sector declining at a rate of 4.7 per cent annually between 2015 and 2019.

Between 2015 and 2019, the municipal area created an average of 343 jobs per annum. This was mainly driven by the tertiary sector (461 jobs) and more specifically the finance sector, which created 231 jobs per annum on average. This was followed by the trade sector (207 jobs) and the transport sector (27 jobs).

It is estimated that the Mossel Bay municipal area's GDP contracted by 6.8 per cent in 2020, largely owing to the impact of the COVID-19 pandemic and associated lockdown. In addition to COVID-19-related impacts, the trade sector's 10.4 per cent drop in GDP was influenced by the significant contraction of the tourism industry. The construction sector is estimated to have contracted significantly, as construction-related projects and housing development stagnated owing to lockdown regulations in 2020. The secondary sector is estimated to have contracted by 15.2 per cent. The only sectors estimated to have had a positive growth in 2020 were the general government (0.1 per cent) and agriculture (14.6 per cent) sectors. Relatively lower restrictions during the earlier stages of the national lockdown supported inshore trawl and commercial line fishing from the Mossel Bay Harbour.

The contraction in economic growth in the municipal area resulted in significant job losses of an estimated 2 613 jobs. The tertiary sector was impacted the most, as it is estimated that 1 668 workers lost their jobs, followed by the secondary sector (593 jobs) and the primary sector (352 jobs). The trade sector lost 677 jobs, followed by the community services sector, with 567 jobs lost. The high number of jobs lost in these sectors is the result of the poor tourism performance in 2020 owing to COVID-19-related impacts, and the decrease in household income as people took pay cuts resulted in personal services becoming less affordable and being regarded as unnecessary. It is estimated that the agriculture sector shed 344 jobs in 2020. The general government sector was the only sector that created additional employment, with an estimated 21 jobs created.

INDUSTRY PERFORMANCE

The Deepwater Luiperd-1 well prospect, announced in 2020, represents the second significant announcement made in South Africa's oil and gas sector in the past 24 months. It is estimated that the Luiperd gas prospect, located 175km offshore to the south of Knysna, is 50.0 per cent larger than the Brulpadda find in 2019, which bodes well for the industry. The find's location means that potential future onshore beneficiation is likely to be undertaken in Mossel Bay.¹⁷ Total is the main operator, with a South African consortium holding a 10.0 per cent participating interest stake.¹⁸ To date, the Brulpadda and Luiperd finds have created job opportunities for South Africans in professions such as engineering, aviation, geology and oceanography.¹⁹ These two major finds from the past two years build on the Ibhubesi gas field to the north-west of Saldanha and the Gazania well near Hondeklip Bay.

Unlocking localisation, employment and skills uptake opportunities in the value chain is highly dependent on policy certainty and legislative clarity. In this regard, the Upstream Petroleum Resources Development Bill²⁰ and Gas Amendment Bill²¹ were both introduced in 2021, while the Climate Change Bill of 2018²² is also due to be tabled in Parliament in 2021.²³

¹⁷ (IHS Markit, 2020).

¹⁸ (TotalEnergies, 2020).

¹⁹ (Department of Mineral Resources and Energy, 2020).

²⁰ (Parliament, 2021a).

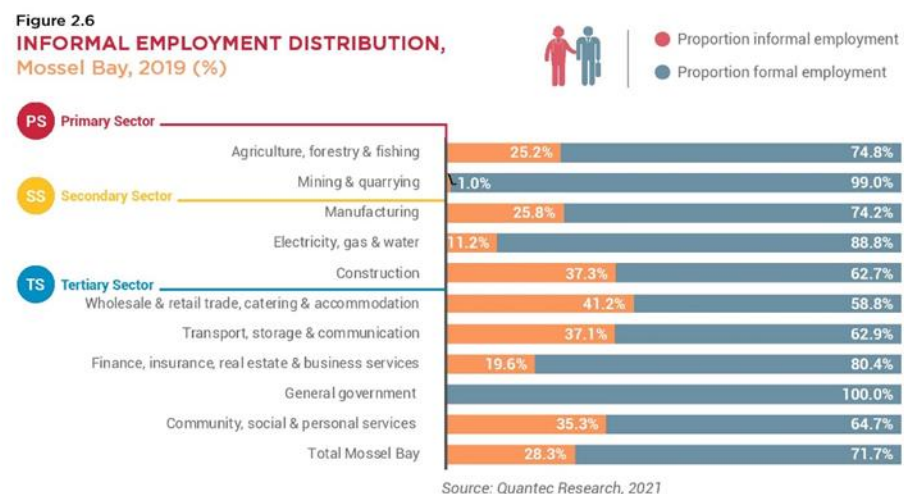
²¹ (Parliament, 2021b).

²² (Department of Forestry, Fisheries and the Environment, 2018).

²³ (Parliamentary Monitoring Group, 2021b).



Figure 2.6 illustrates the sectoral distribution of informal employment in the Mossel Bay municipal area in 2019. Informal employment is a valuable source of employment for 28.3 per cent of the area's employed population.



The sector that provided the largest share of informal employment was the trade sector, with 41.2 per cent of the sector's employment opportunities. This was followed by the construction (37.3 per cent), transport (37.1 per cent) and community services (35.3 per cent) sectors.

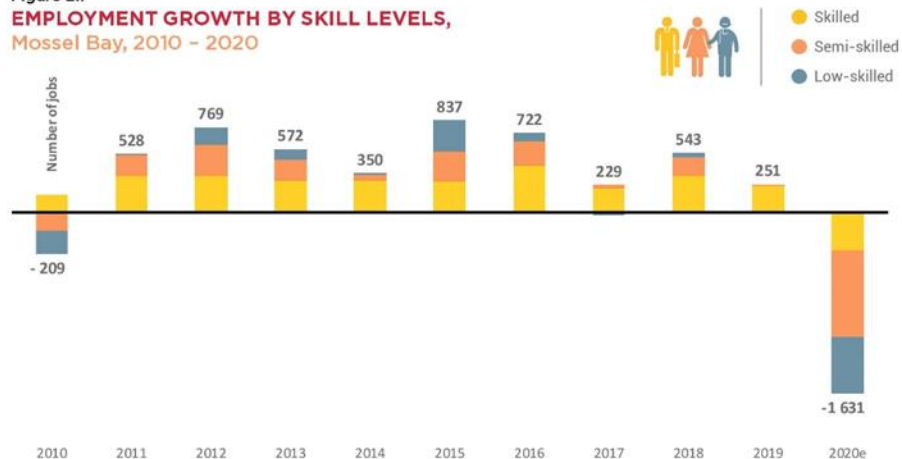
Informal businesses in the Mossel Bay municipal area are constrained by lack of rental space, high rental costs for business space, lack of capital to expand, market access, slow markets, low credit profile and business security. These constraints hinder informal businesses from expanding and creating jobs. Increasing the usage of the Mossel Bay Harbour beyond fishing and mining activities can increase job creation, particularly in the transport sector.

2.3.2 Skills analysis

Figure 2.7 illustrates the changes in formal employment by skill levels in the Mossel Bay municipal area between 2010 and 2020.

Figure 2.7

EMPLOYMENT GROWTH BY SKILL LEVELS, Mossel Bay, 2010 – 2020



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e
Skilled	163	336	336	291	292	279	434	223	332	242	-340
Semi-skilled	-168	184	278	186	55	277	219	27	173	14	-783
Low-skilled	-204	8	155	95	3	281	69	-21	38	-5	-508

Source: Quantec Research, 2021 (e denotes estimate)

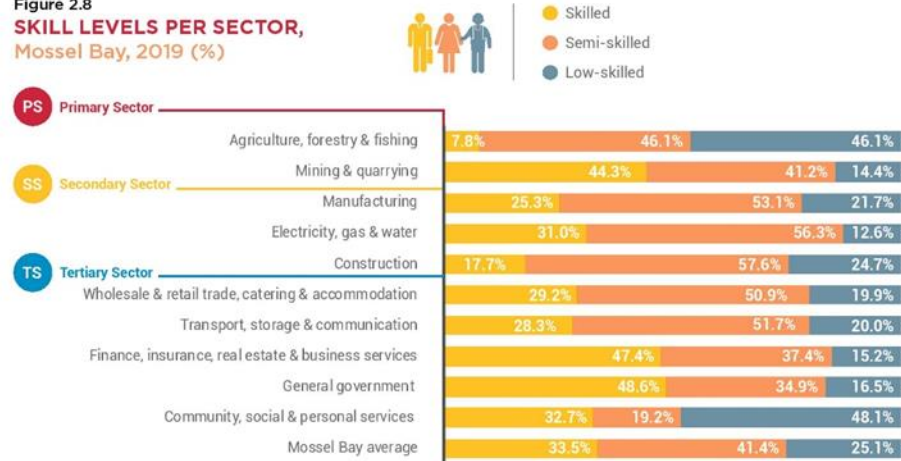
Low- and semi-skilled employees in the Mossel Bay municipal area bore the job-shedding brunt during the aftermath of the 2008 global financial crisis. Low-skilled employees shed jobs in 2010 and have only experienced moderate growth in employment since 2012. Apart from in 2015, few low-skilled employment opportunities were created. A net total of only 623 low-skilled jobs were created between 2011 and 2019 in the municipal area. Semi-skilled employment recovered faster than low-skilled employment between 2011 and 2019. Apart from in 2015, more employment opportunities were created in semi-skilled employment compared with low-skilled employment. A net total of 1 413 semi-skilled jobs were created between 2011 and 2019.

Skilled employment recovered faster than low- and semi-skilled employment, and showed good growth from 2010. Apart from in 2015, more people attained employment in the skilled employment sector than in the low- or semi-skilled sector in the Mossel Bay municipal area between 2010 and 2019, with a net total of 2 928 skilled jobs. This indicates that employment for the skilled workforce is more sustainable in poor economic conditions. The estimated number of formal jobs lost in 2020 owing to the impact of COVID-19 was 1 631 jobs. Semi-skilled workers lost the largest portion of jobs in the municipal area (783 jobs), followed by low-skilled workers (508 jobs) and skilled workers (340 jobs).

The high number of job losses in the municipal area will increase financial strain on local households and will limit revenue collection by the local municipality, which will ultimately have an adverse effect on the service delivery capabilities of the municipality.

Figure 2.8 provides a sectoral overview of the skill levels for formal employment in the Mossel Bay municipal area.

Figure 2.8
SKILL LEVELS PER SECTOR,
Mossel Bay, 2019 (%)



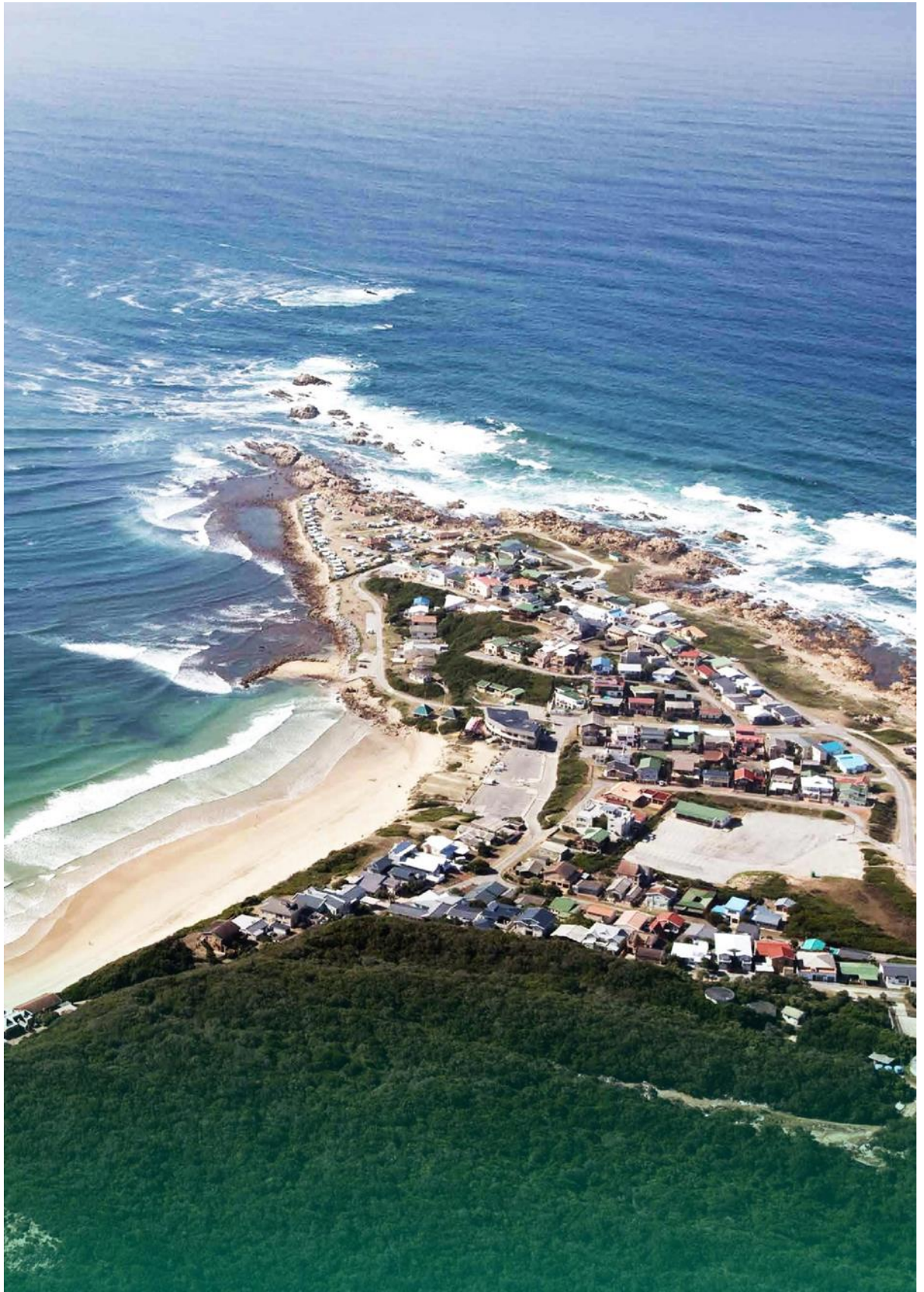
Source: Quantec Research, 2021

In the Mossel Bay municipal area, 33.5 per cent of employed people were skilled employees in 2019, while the area had 41.4 per cent semi-skilled employees and 25.1 per cent low-skilled employees. Low-skilled employment was best absorbed in the community services (48.1 per cent) and agriculture (46.1 per cent) sectors. The sector that absorbed the most semi-skilled workers in the Mossel Bay municipal area was the construction sector (57.6 per cent).

In the general government sector, 48.6 per cent were skilled workers. This was the sector with the largest portion of skilled workers in the municipal area. Other sectors that absorbed a large share of skilled employees were the finance sector (47.4 per cent) and the mining sector (44.3 per cent).

Given the sectoral employment trends in the Mossel Bay municipal area, together with the skills distribution across sectors, it is evident that there is a demand for semi-skilled and skilled workers in the municipal area. Skills development programmes in key economic sectors can therefore boost employment creation in the Mossel Bay municipal area.





2.4 GARDEN ROUTE DISTRICT

KNYSNA



GDPR

2019 R5.1 BILLION	↓ -6.6% CONTRACTION	2020e R4.9 BILLION
---------------------------------	-----------------------------------	----------------------------------

GDPR
estimated
growth



3.2% 2021f	1.5% 2022f
---------------	---------------

2020e
-6.6%

Diagram 2.3

GDPR (CURRENT PRICES) AND EMPLOYMENT, Knysna, 2019 and 2020e



JOBS

2019 26 763	↓ -2 078 CONTRACTION	2020e 24 685
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2019 EMPLOYMENT BREAKDOWN

INFORMAL 25.1%	FORMAL 22.9% Skilled	44.4% Semi-skilled	32.7% Low-skilled
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Source: Quantec Research, 2021; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2021 (e denotes estimate, f denotes forecast)

²⁴ (MDB, 2018).

²⁵ (Knysna Municipality, 2013).

The Knysna municipal area is a popular tourist area and is well known for its estuary, beaches, scenic landscapes and farmlands. The municipal area covers 1 109km²,²⁴ bordering the Outeniqua Mountains and Garden Route National Park to the north, the Knysna Lagoon and the Indian Ocean to the south, the Rondevlei Lake and Swartvlei Lake to the west, and the Harkerville Forest to the east. The town of Knysna is the primary regional service centre and the area consists of mostly tourism settlements such as Sedgefield, Brenton-on-Sea and Buffalo Bay. The municipal area also includes several rural towns such as Rheenendal and Karatara. The N2 is the primary access road to and through the municipal area.²⁵

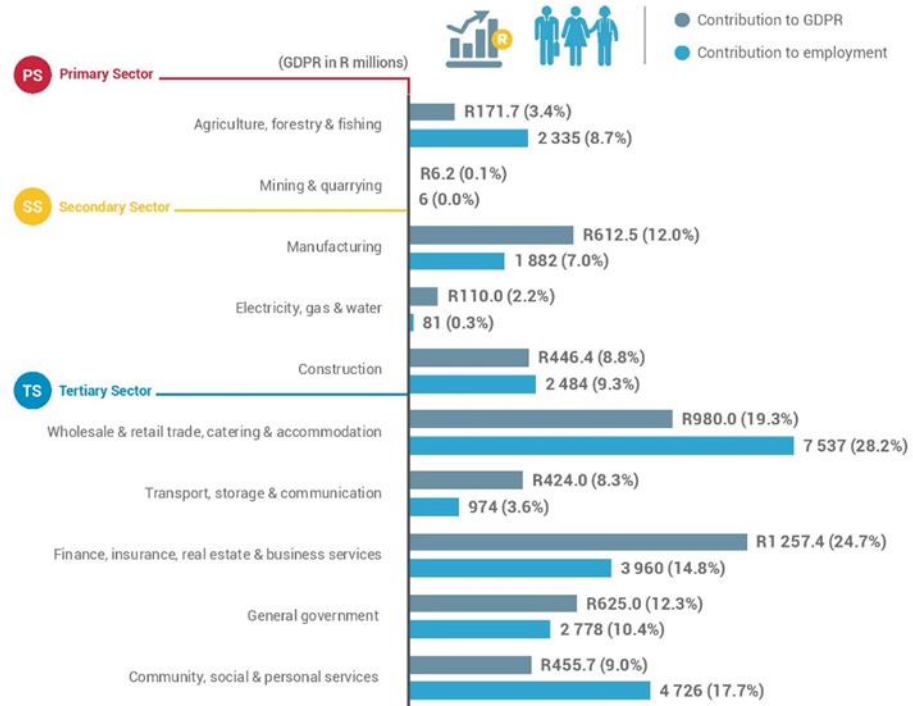
2.4.1 GDPR and employment performance

The Knysna municipal area's GDPR was valued at R5.1 billion in 2019 and is estimated to have contracted by 6.6 per cent to R4.9 billion in 2020. It is estimated that 2 078 jobs were shed in the municipal area in 2020, bringing the total number of employed people in the region to 24 685 in 2020. It is forecast that the economy will recover partially in 2021, with a GDPR growth of 3.2 per cent, while GDPR growth of 1.5 per cent is anticipated for 2022.

Figure 2.9 provides a breakdown of the sectoral contribution to employment and GDP in the Knysna municipal area in 2019.

Figure 2.9

**SECTORAL GDP AND EMPLOYMENT CONTRIBUTION,
Knysna, 2019 (%)**



Source: Quantec Research, 2021

In terms of GDP, the top three sectors in the Knysna municipal area were the finance (24.7 per cent), trade (19.3 per cent) and general government (12.3 per cent) sectors, all falling within the tertiary sector.

The biggest contribution to employment in the Knysna municipal area in 2019 was the trade sector, which contributed 28.2 per cent. This was followed by the community services sector (17.7 per cent) and the finance sector (14.8 per cent). The two largest labour-intensive sectors in the municipal area were the trade sector and the community services sector. The largest capital-intensive sectors were finance and manufacturing.

Table 2.3 provides a more detailed overview of sectoral contributions to GDP and employment in the Knysna municipal area in 2019.

Table 2.3

GDP AND EMPLOYMENT PERFORMANCE PER SECTOR, Knysna

SECTOR	GDP		Employment	
	Trend 2015 – 2019	Real GDP growth 2020e	Average annual change 2015 – 2019	Net change 2020e
PS Primary Sector	-4.9%	12.7%	13	-170
Agriculture, forestry & fishing	-5.0%	13.3%	13	-170
Mining & quarrying	1.7%	-17.2%	0	0
SS Secondary Sector	-0.2%	-14.3%	-32	-529
Manufacturing	0.8%	-10.7%	-9	-162
Electricity, gas & water	-0.7%	-6.0%	2	0
Construction	-1.7%	-21.9%	-25	-367
TS Tertiary Sector	0.7%	-5.9%	346	-1 379
Wholesale & retail trade, catering & accommodation	-0.1%	-10.9%	160	-718
Transport, storage & communication	0.0%	-16.1%	1	-49
Finance, insurance, real estate & business services	1.0%	-4.1%	82	-219
General government	1.0%	1.1%	4	25
Community, social & personal services	1.6%	-1.9%	99	-418
Total Knysna	0.2%	-6.6%	327	-2 078

Source: Quantec Research, 2021 (e denotes estimate)

The average annual growth rate for the Knysna municipal area between 2015 and 2019 was 0.2 per cent. The Knysna municipal area has a very small primary sector, which contracted by 4.9 per cent between 2015 and 2019. The agriculture sector is the predominant sector, and has been underperforming since 2014 owing to droughts experienced in the region. The secondary sector experienced a contraction of 0.2 per cent between 2015 and 2019. The manufacturing sector is characterised by the production of wood and wood products. The fires that destroyed commercial plantations in 2017 therefore reduced activity in this sector. The tertiary sector achieved an average growth rate of 0.7 per cent between 2015 and 2019. The leading sources of economic growth in this sector include the community services sector (1.6 per cent per annum), the finance sector and the general government sector (1.0 per cent per annum each).

In line with its contribution to GDP growth, the tertiary sector had the largest growth in employment in the Knysna municipal area, accounting for 346 jobs per annum between 2015 and 2019. Employment was largely driven by the trade sector, which created an average of 160 jobs per annum during this period. This was followed by the community services sector (99 jobs) and the finance sector (82 jobs).

The secondary sector had a decrease of 32 jobs per year between 2015 and 2019, which was influenced mostly by the 25 jobs lost per year in the construction sector. The primary sector had a growth of 13 jobs per year, with all the jobs created in the agriculture sector.

GDPR is expected to have contracted by 6.6 per cent in the Knysna municipal area in 2020. On a sectoral level, restrictions on tourism in 2020 owing to COVID-19 are estimated to have resulted in a 10.9 per cent drop in the trade sector's GDPR. This emphasises the region's dependence on tourism, and how this creates vulnerability in the face of unforeseen events such as COVID-19. Supporting sectors associated with the Knysna tourism sector are estimated to have followed a similar trajectory in 2020. These sectors include finance (contracting by 4.1 per cent in 2020) and transport (contracting by 16.1 per cent). The only two sectors that had positive growth in 2020 were the general government sector (1.1 per cent) and the agriculture sector (13.3 per cent). The positive growth in the agriculture sector can be attributed to improved weather conditions and the fact that the sector was allowed to operate during the lockdown in the country in 2020.

It is estimated that 2 078 jobs were lost in 2020, with the largest number of jobs lost in the tertiary sector (1 379 jobs), followed by the secondary sector (529 jobs) and the primary sector (170 jobs). This indicates the severe impact that COVID-19 had on the local economy and the pressure on business to maintain profits. The impact on the trade sector was significant, with 718 jobs lost, followed by the community services sector with 418 jobs lost. The only sector that created additional jobs in 2020 was the general government sector, with an estimated 25 jobs created.

INDUSTRY PERFORMANCE

The recently approved Forestry Sector Masterplan has the return to production of 17 000ha fire-affected areas in the Western Cape by 2026 as one of its objective statements.²⁶ Approximately 22 000ha of category A plantations are managed by the Department of Forestry, Fisheries and the Environment (DFFE) in the Western Cape, with a further 22 000ha of state-owned forests managed by other entities.²⁷ The opportunity-cost trade-off interface between DFFE plantations and indigenous community development needs was recently brought to the fore in Grabouw, as some forestry land parcels became sites of contestation. Innovative approaches will be required to protect the rights of public, private and First Nation actors in this and other similar conflicts.²⁸ One potential (but partial) solution that was recently mooted at the Garden Route Waste and Biomass Beneficiation Conference is the extraction of economic value from alien plants and forestry residues.²⁹ Another potential solution is for mediated partnerships between entities such as the Western Cape Forestry Sector Forum and beneficiary community trusts identified through land rights enquiry processes in the Boland and Southern Cape.³⁰

To read more about the Forestry Sector Masterplan:



²⁶ (Forestry South Africa, 2020).

²⁷ (Department of Forestry, Fisheries and the Environment, 2020).

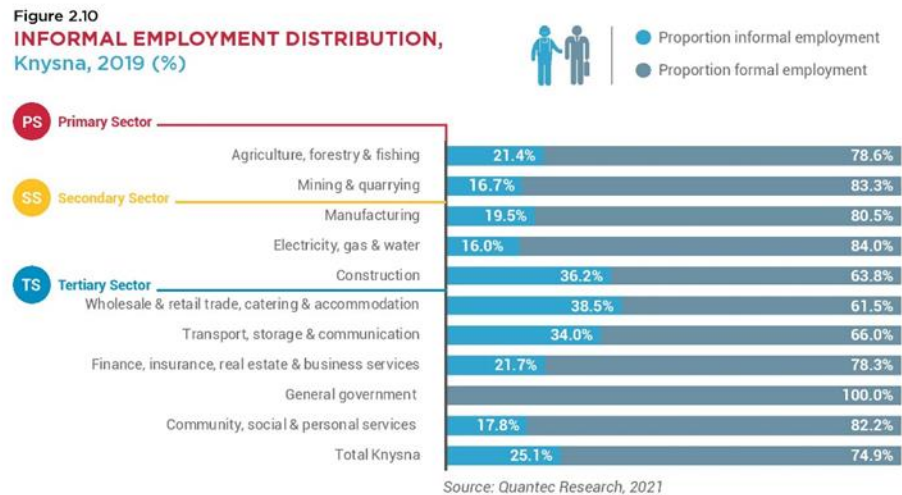
²⁸ (Western Cape Department of Human Settlements, 2021).

²⁹ (Garden Route Municipality, 2021).

³⁰ (Department of Forestry, Fisheries and the Environment, 2021).



Figure 2.10 illustrates the proportion of informal and formal employment per sector in the Knysna municipal area in 2019.

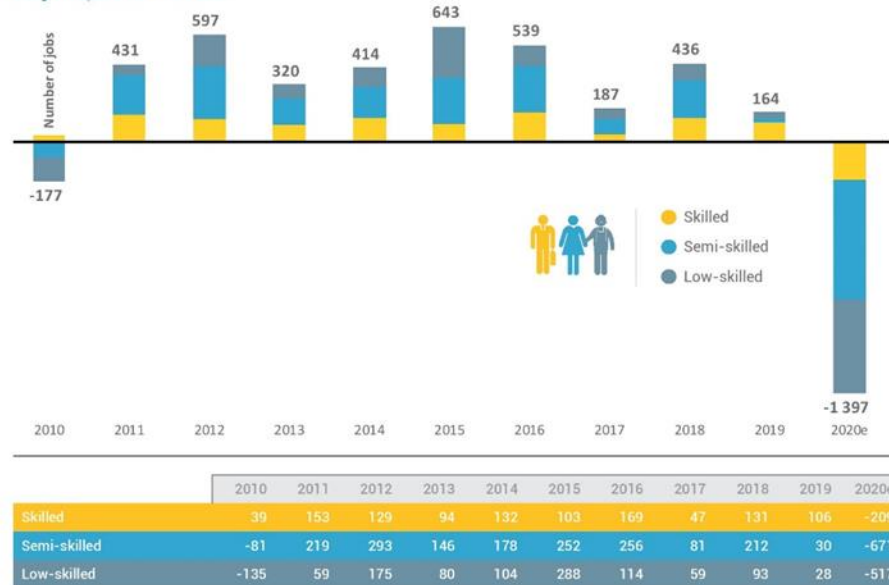


The Knysna municipal area consists mainly of formal employment opportunities, with informal employment only accounting for 25.1 per cent of the area's total employment in 2019. The sector that provided the largest share of informal employment opportunities in 2019 was the trade sector (38.5 per cent). Other notable sources of informal employment were the construction (36.2 per cent) and transport (34.0 per cent) sectors. Some of the constraints that hinder informal businesses in the Knysna municipal area from expanding and creating jobs are lack of access to financial support, poor business planning and record-keeping skills, as well as compliance challenges.

2.4.2 Skills analysis

Figure 2.11 illustrates the changes in formal employment by skill levels in the Knysna municipal area between 2010 and 2020.

Figure 2.11
EMPLOYMENT GROWTH BY SKILL LEVELS,
Knysna, 2010 – 2020



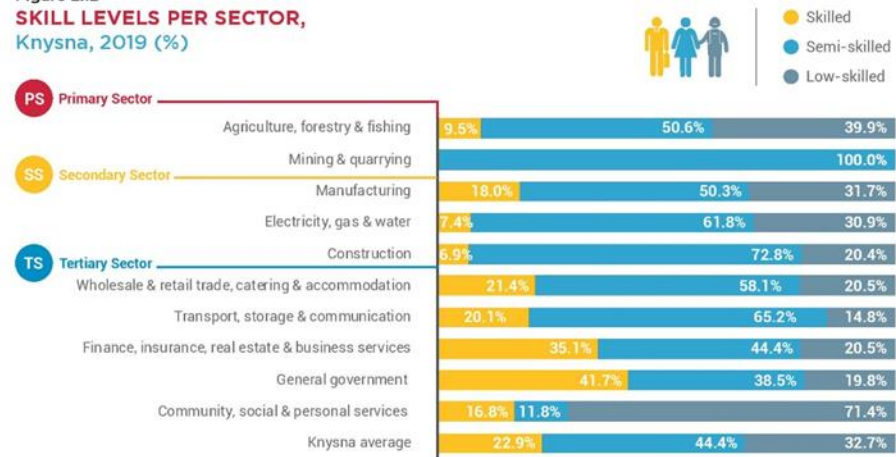
Source: Quantec Research, 2021 (e denotes estimate)

Low- and semi-skilled employees in the Knysna municipal area felt the job-shedding impact during the aftershock of the 2008 global financial crisis. Low-skilled employment shed jobs in 2010, and has only experienced low growth since 2012. Apart from in 2015, few low-skilled employment opportunities were created, with a net total of 1 000 jobs between 2011 and 2019. Semi-skilled employment recovered better than low-skilled employment between 2011 and 2019. Apart from in 2015, more employment opportunities were created in semi-skilled employment than at the skilled and low-skilled employment levels, with a net total of 1 667 jobs created between 2011 and 2019. Skilled employment showed resilience during the aftermath of the 2008 global financial crisis.

It is estimated that a total of 1 397 formal jobs were lost in 2020, with the majority of jobs in the semi-skilled workforce (671 jobs), followed by the low-skilled (517 jobs) and skilled (209 jobs) workforce.

Figure 2.12 provides a sectoral overview of the skill levels for formal employment in the Knysna municipal area.

Figure 2.12
SKILL LEVELS PER SECTOR,
Knysna, 2019 (%)



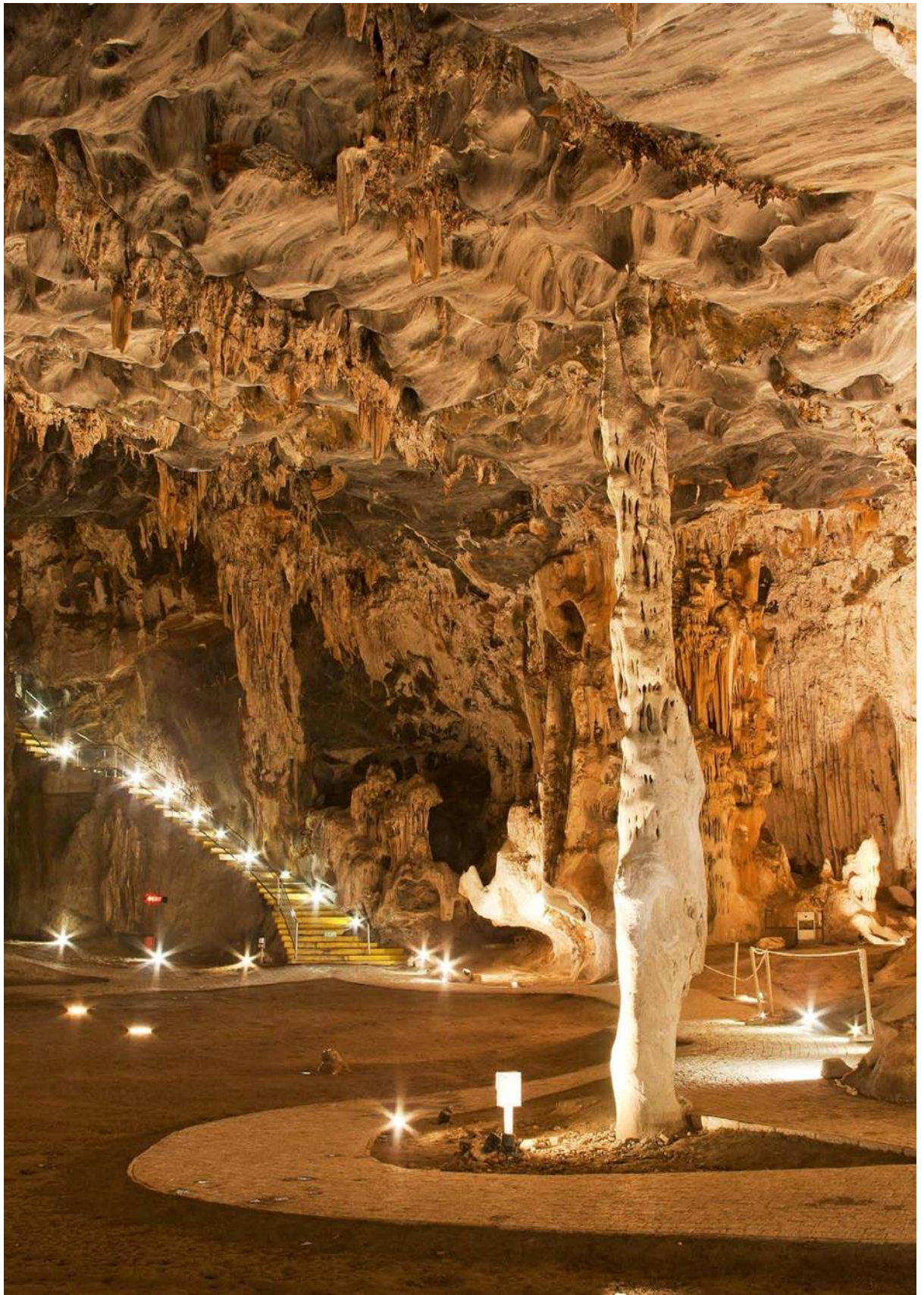
Source: Quantec Research, 2021

In the Knysna municipal area, 22.9 per cent of people were skilled employees in 2019, while the area had 44.4 per cent semi-skilled employees and 32.7 per cent low-skilled employees.

The sector that had the largest proportion of semi-skilled workers in the Knysna municipal area in 2019 was the mining sector (100.0 per cent), followed by the construction sector (72.8 per cent). The community services sector had the smallest share of semi-skilled workers (11.8 per cent). In 2019 the community services (71.4 per cent) and agriculture (39.9 per cent) sectors in the Knysna municipal area had the largest proportion of low-skilled workers.

The general government sector had the largest share of skilled employment, as 41.7 per cent of workers in this sector in 2019 were skilled employees. Other sectors that absorbed a large share of skilled employees were the finance (35.1 per cent) and trade (21.4 per cent) sectors.



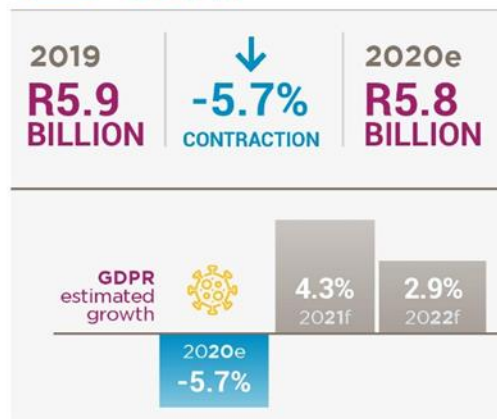


2.5 GARDEN ROUTE DISTRICT

OUTDSHOORN



GDPR



The Oudtshoorn municipal area, which is internationally renowned for its ostrich sector, is located in the heart of the Little Karoo and covers 3 540km².³¹ The town of Oudtshoorn has the largest population in the region and is the main service centre in the region. Other large towns in the municipal area include Dysselsdorp and De Rust, while Volmoed, Schoemanshoek, Spieskamp, De Hoop, Vlakteplaas, Grootkraal and Matjiesrivier are classified as rural settlements.³²

Diagram 2.4
GDPR (CURRENT PRICES) AND EMPLOYMENT,
Oudtshoorn, 2019 and 2020e

JOBS



2.5.1 GDPR and employment performance

The Oudtshoorn municipal area's GDPR was valued at R5.9 billion (current prices) in 2019 and is estimated to have contracted by 5.7 per cent to R5.8 billion in 2020 (current prices). It is estimated that 1 833 jobs were shed in the municipal area in 2020, bringing the total number of employed people in the region to 28 320. The municipal area is forecast to show marginal growth of 4.3 per cent in 2021, and stagnates in 2022 with only 2.9 per cent growth.

Source: Quantec Research, 2021; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2021 (e denotes estimate, f denotes forecast)

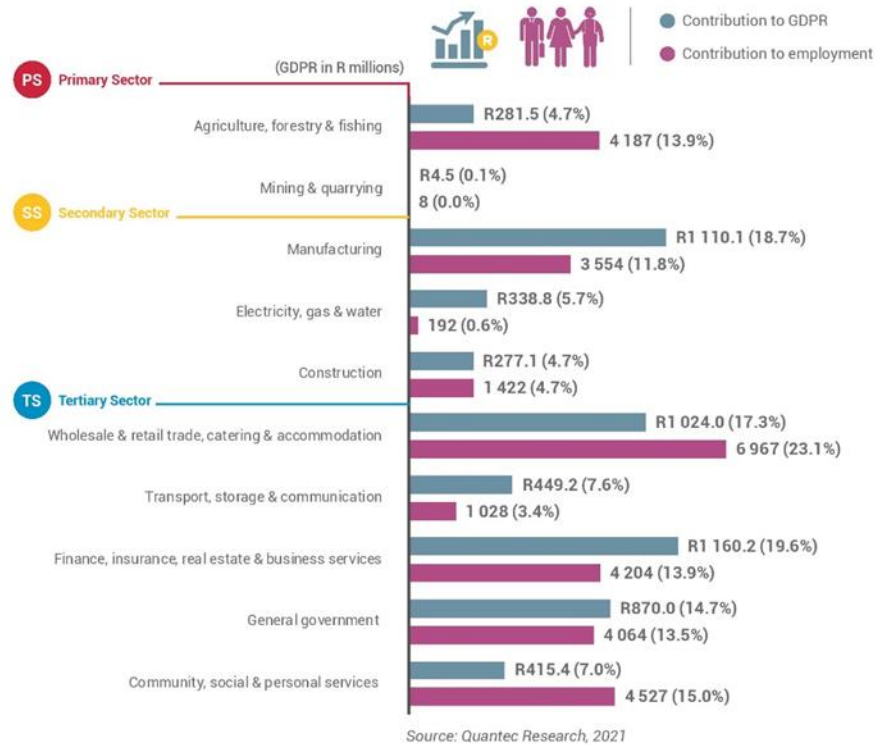
³¹ (MDB, 2018).

³² (Oudtshoorn Municipality, 2017).

Figure 2.13 depicts the sectoral GDPR and employment contribution in the Oudtshoorn municipal area in 2019.

Figure 2.13

**SECTORAL GDPR AND EMPLOYMENT CONTRIBUTION,
Oudtshoorn, 2019 (%)**



The top three sectors in the Oudtshoorn municipal area, in terms of GDPR, were the finance (19.6 per cent), manufacturing (18.7 per cent) and trade (17.3 per cent) sectors. The smallest contributor in the municipal area was mining (0.1 per cent), followed by the construction and agriculture (4.7 per cent each) sectors.

The trade sector made the biggest contribution to employment in the Oudtshoorn municipal area in 2019, with 23.1 per cent of all employment opportunities in the area. This was followed by the community services (15.0 per cent) and agriculture and finance (13.9 per cent each) sectors.

Recent developments in the trade sector include a proposed R550 million mall, the R30 million Queens Mall, extensions to the existing Pick n Pay and a Truck Stop in Dysselsdorp. It must, however, be noted that some national retailers (Woolworths, Edgars, Russells) have recently terminated their footprints in the municipal area.³³


The agriculture sector and the community services sector were the largest labour-intensive sectors in the municipal area. The manufacturing, finance and general government sectors were the largest capital-intensive sectors, as they contributed more to GDPR than to employment.

³³ (Oudtshoorn Municipality, 2021).

Table 2.4 outlines the performance of GDPR and employment per sector in the Oudtshoorn municipal area.

Table 2.4

GDPR AND EMPLOYMENT PERFORMANCE PER SECTOR, Oudtshoorn

 SECTOR	GDPR		Employment	
	Trend 2015 – 2019	Real GDPR growth 2020e	Average annual change 2015 – 2019	Net change 2020e
PS Primary Sector	-3.3%	10.8%	100	-151
Agriculture, forestry & fishing	-3.3%	11.1%	100	-150
Mining & quarrying	-0.2%	-18.3%	0	-1
SS Secondary Sector	1.3%	-9.9%	72	-418
Manufacturing	1.7%	-8.5%	65	-215
Electricity, gas & water	0.9%	-5.7%	4	-4
Construction	-0.2%	-21.0%	2	-199
TS Tertiary Sector	1.3%	-5.6%	208	-1 264
Wholesale & retail trade, catering & accommodation	0.6%	-10.5%	150	-522
Transport, storage & communication	1.1%	-15.0%	16	-39
Finance, insurance, real estate & business services	4.0%	-2.5%	134	-187
General government	-1.5%	-1.3%	-89	-32
Community, social & personal services	0.1%	-3.4%	-2	-484
Total Oudtshoorn	1.0%	-5.7%	380	-1 833

Source: Quantec Research, 2021 (e denotes estimate)

The Oudtshoorn municipal area GDPR grew by an average annual rate of 1.0 per cent between 2015 and 2019, while creating an average of 380 jobs per annum. The tertiary sector experienced an increase of 1.3 per cent between 2015 and 2019. The best growth performance out of all the sectors in the Oudtshoorn municipal area was in the finance sector, which achieved an average annual growth rate of 4.0 per cent per annum. The secondary sector experienced an average growth rate of 1.3 per cent between 2015 and 2019. The manufacturing sector is an important local sector contributing significantly to economic growth. This sector grew at an average annual rate of 1.7 per cent. Manufacturing activities are mainly agro-processing-related, which makes the sector dependent on the output of the agriculture sector. Owing to the drought, as well as the outbreak of avian influenza, the agriculture sector has become severely constrained, contracting by 3.3 per cent per annum between 2015 and 2019.

Between 2015 and 2019, the sector that experienced the largest employment growth in the municipal area was the trade sector, which experienced an average annual increase of 150 jobs during this period. This was followed by the finance sector (134 jobs) and the agriculture sector (100 jobs). The general government and community services sectors shed jobs on an annual basis for the period under review.

The Oudtshoorn municipal area's GDP is estimated to have contracted by 5.7 per cent in 2020. It is estimated that the trade sector also contracted by 10.5 per cent. The restrictions on travel and the subsequent closure of tourist attractions contributed to the contraction of the trade sector. The ostrich industry in Oudtshoorn plays an important role in the economy of the municipal area, as well as that of the GRD, as exports from this industry contribute significantly to the District's exports. The industry is also a major tourist attraction in the region. However, the agriculture sector is estimated to have realised growth of 11.1 per cent in 2020, indicating that the weather conditions improved and that the ostrich market is busy recovering. The sector was also able to operate under lockdown level five, as it was exempted.

As a result of the economic pressure of COVID-19 and its related impacts, employment in the municipal area is estimated to have contracted by 1 833 jobs in 2020. The tertiary sector was impacted the hardest, as an estimated 1 264 jobs were lost, mostly owing to the 522 jobs lost in the trade sector, as tourism-related business was significantly impacted. The community services sector is estimated to have shed 484 jobs, which could be related to a decreased demand for personal services as household income decreased as a result of economic pressure. It is estimated that the secondary sector shed 418 jobs, with the manufacturing sector contracting by 215 jobs in 2020. The agriculture sector is estimated to have shed 150 jobs in the same year.

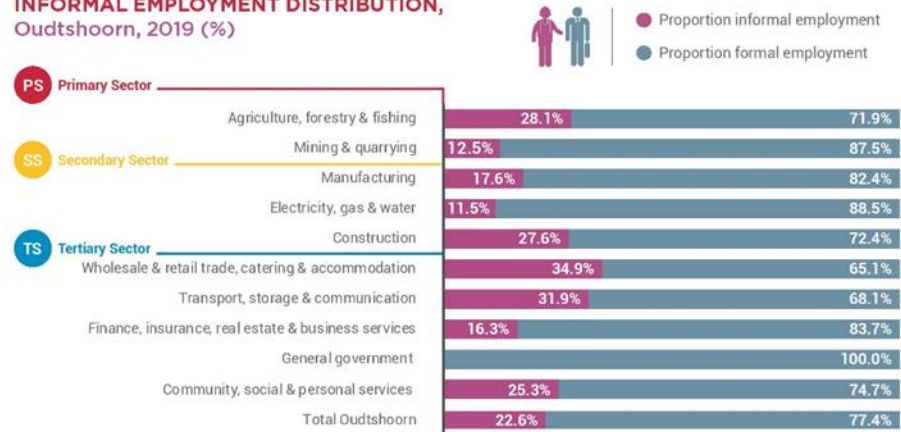
It is anticipated that employment in the construction sector will be boosted by proposed residential developments such as the Toekomrus apartment development and the planned Pepperwood Estate.³⁴



³⁴ (Oudtshoorn Municipality, 2021).

Figure 2.14 illustrates the proportion of informal and formal employment per sector in the Oudtshoorn municipal area in 2019.

Figure 2.14
INFORMAL EMPLOYMENT DISTRIBUTION,
Oudtshoorn, 2019 (%)



Source: Quantec Research, 2021

The municipal area mainly comprised formal employment (77.4 per cent), but also provided informal employment opportunities for 22.6 per cent of people employed in the municipal area in 2019. The sector with the largest proportion of informal employment was the trade sector, with informal employment accounting for 34.9 per cent of the sector's employment opportunities. This was followed by the transport sector (31.9 per cent), the agriculture sector (28.1 per cent) and the construction sector (27.6 per cent).

Job losses in the past year led to some individuals establishing formal and informal businesses as a means of supplementing or replacing lost income. In this regard, the number of SMMEs registered on the municipal database increased by 12.5 in 2020. Investments into the local fibre network by Herotel and Frogfoot in 2020 are anticipated to allow the establishment of more "footloose" businesses in the near future.³⁵



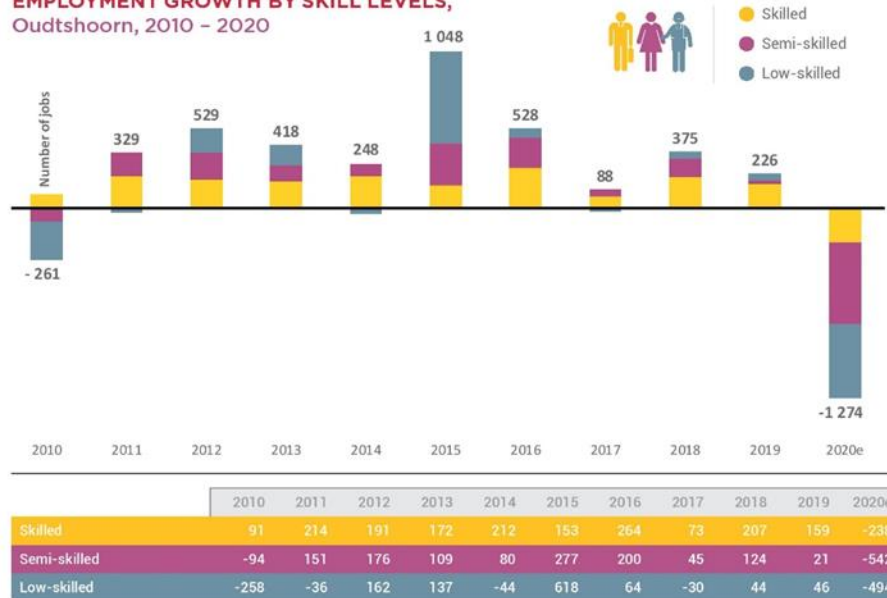
³⁵ (Oudtshoorn Municipality, 2021).

2.5.2 Skills analysis

Figure 2.15 illustrates the changes in formal employment by skill levels in the Oudtshoorn municipal area between 2010 and 2020.

Figure 2.15

EMPLOYMENT GROWTH BY SKILL LEVELS, Oudtshoorn, 2010 – 2020



Source: Quantec Research, 2021 (e denotes estimate)

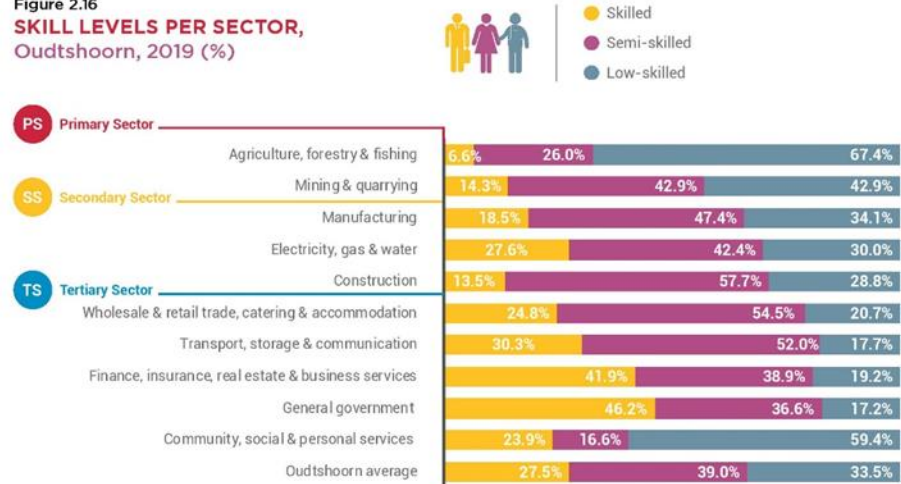
Low- and semi-skilled employees in the Oudtshoorn municipal area experienced the job-shedding impact during the aftermath of the 2008 global financial crisis. Low-skilled employment shed jobs in 2010 and 2011, and has only experienced moderate growth in employment since 2012, with further job-shedding occurring in 2014 and 2017. Apart from in 2015,³⁶ few low-skilled employment opportunities were created. Between 2011 and 2019, a net total of 961 jobs were created in the municipal area for low-skilled workers. Semi-skilled employment recovered better than low-skilled employment between 2011 and 2019, with a net total of 1 183 jobs created. Skilled employment showed remarkable resilience during the aftermath of the 2008 global financial crisis. Skilled employment recovered faster than low- and semi-skilled employment, and showed good growth from 2010. A net total of 1 645 jobs were created between 2011 and 2019 in the municipal area for skilled workers.

The estimated total number of formal jobs lost in 2020 as a result of COVID-19 in the municipal area was 1 274. The majority of jobs lost were in the semi-skilled workforce (542 jobs), followed by low-skilled workers (494 jobs), while the skilled workforce lost 238 jobs in 2020.

³⁶ In 2015 a new master sample was implemented in the Quarterly Labour Force Survey (QLFS), which may have impacted the data owing to variations in its design (Stats SA, 2015).

Figure 2.16 provides a sectoral overview of the skill levels for formal employment in the Oudtshoorn municipal area.

Figure 2.16
SKILL LEVELS PER SECTOR,
Oudtshoorn, 2019 (%)



Source: Quantec Research, 2021

A total of 27.5 per cent of those employed in the Oudtshoorn municipal area in 2019 were skilled employees, while the area had 39.0 per cent semi-skilled employees and 33.5 per cent low-skilled employees. Low-skilled employment was best absorbed in the agriculture (67.4 per cent) and the community services (59.4 per cent) sectors. The construction sector had the highest portion of semi-skilled workers (57.7 per cent) of all the economic sectors in the municipal area, followed by the trade sector (54.5 per cent). The general government sector comprised 46.2 per cent of skilled workers in the Oudtshoorn municipal area in 2019. Other sectors that absorbed a large share of skilled employees in the Oudtshoorn municipal area were the finance (41.9 per cent), transport (30.3 per cent) and electricity, gas and water (27.6 per cent) sectors. The proposed R75.0 million Dysselsdorp solar plant will add to the sector's contribution of skilled and semi-skilled employees.³⁷

The municipal area has high volumes of low-skilled workers, and the impact of COVID-19 on the economy and employment will put the municipality under pressure, as revenue will decrease and the need for basic service delivery will increase. Skills development programmes should be a priority in the municipal area so that employees can gain skills to work in various sectors as the economy fluctuates.

³⁷ (Oudtshoorn Municipality, 2021).

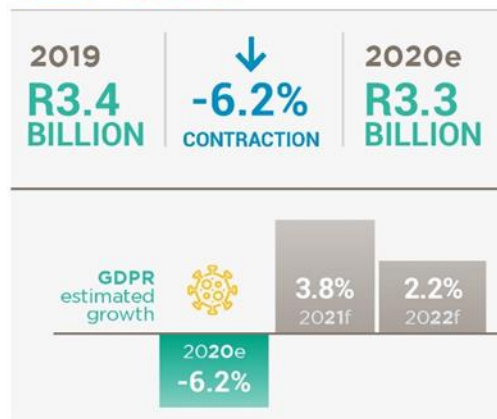


2.6 GARDEN ROUTE DISTRICT

BITOU



GDPR



The Bitou Municipality is the gateway to the Western Cape from the Eastern Cape. It is the smallest municipal area in the GRD in terms of geographical spread, covering 992km²,³⁸ and is mostly rural, with the majority of the population scattered along the coast. Plettenberg Bay is the main service node in the Bitou municipal area and is a popular tourist destination. Other settlements include Keurboomstrand, Krantshoek, Kurland, Kwanokuthula, Nature's Valley and Wittedrift. The N2 is a valuable transport route traversing the municipal area.³⁹

Diagram 2.5
GDPR (CURRENT PRICES) AND EMPLOYMENT, Bitou, 2019 and 2020e

JOBS



2.6.1 GDPR and employment performance

The Bitou municipal area's GDPR was valued at R3.4 billion (current prices) in 2019 and is estimated to have contracted by 6.2 per cent to R3.3 billion (current prices) in 2020. It is estimated that 1 495 jobs were shed in the municipal area in 2020, bringing the total number of employed people in the region to 18 371 in 2020. It is forecast that the municipal area will partially recover in 2021, with a GDPR growth of 3.8 per cent, and will grow by a further 2.2 per cent in 2022.

Source: Quantec Research, 2021; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2021 (e denotes estimate, f denotes forecast)

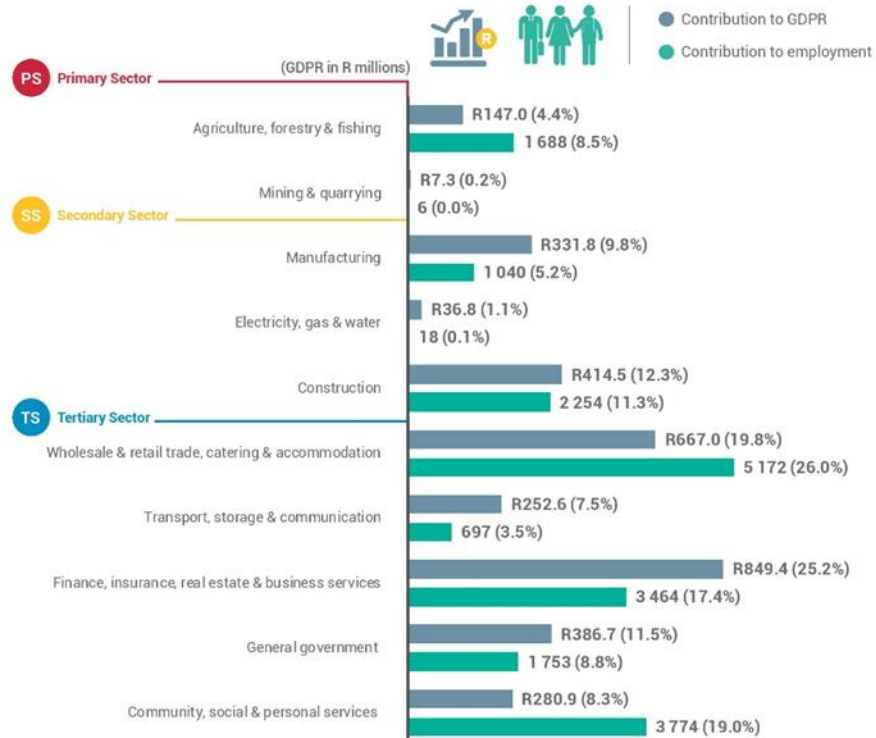
³⁸ (MDB, 2018).

³⁹ (Bitou Municipality, 2013).

Figure 2.17 illustrates the sectoral GDPR and employment contribution in the Bitou municipal area in 2019.

Figure 2.17

**SECTORAL GDPR AND EMPLOYMENT CONTRIBUTION,
Bitou, 2019 (%)**




Source: Quantec Research, 2021

The largest contributors to GDP in the Bitou municipal area were the finance (25.2 per cent), trade (19.8 per cent) and construction (12.3 per cent) sectors. The smallest sectors in the municipal area were mining (0.2 per cent) and electricity, gas and water, with a contribution of only 1.1 per cent.

The biggest contributor to employment in the Bitou municipal area in 2019 was the trade sector, which contributed 26.0 per cent to employment in the area. This was followed by the community services sector (19.0 per cent) and the finance sector (17.4 per cent). The largest labour-intensive sector in the municipal area was the community services sector, and the finance sector was the largest capital-intensive sector in 2019.

Table 2.5 provides a more detailed overview of sectoral contributions to GDP and employment in the Bitou municipal area

Table 2.5
GDP AND EMPLOYMENT PERFORMANCE PER SECTOR, Bitou



SECTOR	GDP		Employment	
	Trend 2015 – 2019	Real GDP growth 2020e	Average annual change 2015 – 2019	Net change 2020e
PS Primary Sector	-3.5%	13.0%	24	-120
Agriculture, forestry & fishing	-3.6%	14.3%	25	-119
Mining & quarrying	-1.6%	-19.7%	-1	-1
SS Secondary Sector	0.4%	-14.5%	-6	-387
Manufacturing	1.1%	-7.9%	-1	-77
Electricity, gas & water	0.0%	-6.5%	0	0
Construction	-0.3%	-21.4%	-6	-310
TS Tertiary Sector	1.2%	-5.4%	339	-988
Wholesale & retail trade, catering & accommodation	0.9%	-10.2%	168	-448
Transport, storage & communication	-0.4%	-15.8%	-5	-39
Finance, insurance, real estate & business services	1.1%	-4.0%	79	-186
General government	2.5%	2.7%	29	35
Community, social & personal services	2.1%	-1.7%	68	-350
Total Bitou	0.7%	-6.2%	356	-1 495

Source: Quantec Research, 2021 (e denotes estimate)

The Bitou municipal area achieved marginal economic growth of 0.7 per cent between 2015 and 2019, and created 356 jobs on average per annum. The tertiary sector had the largest growth in the municipal area and experienced an increase of 1.2 per cent. Growth drivers between 2015 and 2019 included the finance sector (1.1 per cent), the general government sector (2.5 per cent), the community services sector (2.1 per cent) and the trade sector (0.9 per cent).

The secondary sector realised marginal growth of 0.4 per cent in the period under review. The manufacturing sector experienced growth of 1.1 per cent, as this sector was boosted by increased output from the manufacturing of wood and wood products. The construction sector contracted by 0.3 per cent per annum, which is a concern, as this sector contributes significantly to the municipal area's economy. The contraction could be related to a decrease in demand for projects, and the fact that new developments get outsourced to outside contractors. The primary sector's contraction was due to the poor performance of the agriculture sector, as the sector contracted by 3.6 per cent annually between 2015 and 2019. The contraction could be related to poor commodity prices and the drought experienced over the reference period.

The tertiary sector realised the largest growth of employment on an average annual basis, with 339 jobs created. The sector that experienced the largest employment growth in the Bitou municipal area between 2015 and 2019 was the trade sector, which employed an additional 168 people per annum for this period. This was followed by the finance sector (an additional 79 jobs per annum) and the community services sector (an additional 68 jobs per annum). The sector that shed the most jobs annually was the construction sector (six jobs), which is in line with the poor GDP performance of this sector.

It is estimated that the municipal area's economy declined by 6.2 per cent in 2020 owing to the COVID-19 pandemic and associated impacts. Sectors that make significant contributions to the Bitou economy will be at the forefront of this decline, with finance estimated to have contracted by 4.0 per cent, trade by 10.2 per cent and construction by 21.4 per cent. The large decline in the trade sector will probably be as a result of lower tourist visitor numbers in coastal settlements such as Plettenberg Bay. The only two sectors that achieved positive growth in 2020 were the general government sector (an estimated 2.7 per cent) and the agriculture sector (14.3 per cent). The municipal area has a high number of cattle, and the improved weather conditions and dairy prices contributed to the positive growth in this sector.⁴⁰

The economic impact of COVID-19 directly affected employment in the municipal area. It is estimated that a total of 1 495 jobs were lost, 988 of which were in the tertiary sector, and 448 of these jobs were lost in the trade sector. The decline in tourism impacted local restaurants and accommodation facilities, as retrenchment was enforced so that businesses could remain open during this challenging economic period. The only sector that created additional jobs was the general government sector (an estimated 35 jobs).

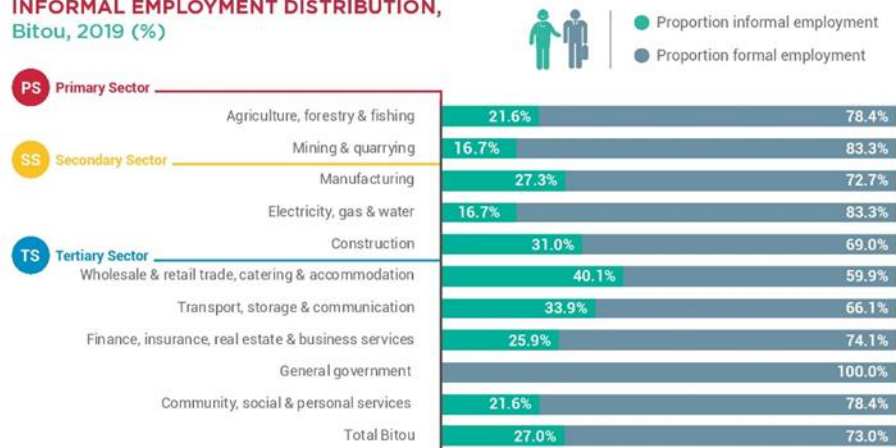


⁴⁰ (BFAP, 2020).

As illustrated in Figure 2.18, informal employment accounted for 27.0 per cent of the Bitou municipal area's total employment in 2019.

Figure 2.18

**INFORMAL EMPLOYMENT DISTRIBUTION,
Bitou, 2019 (%)**



Source: Quantec Research, 2021

The sector that provided the biggest share of informal employment opportunities was the trade sector, with informal employment accounting for 40.1 per cent of the sector's employment

opportunities. Other significant sources of informal employment were the transport (33.9 per cent), construction (31.0 per cent) and manufacturing (27.3 per cent) sectors.



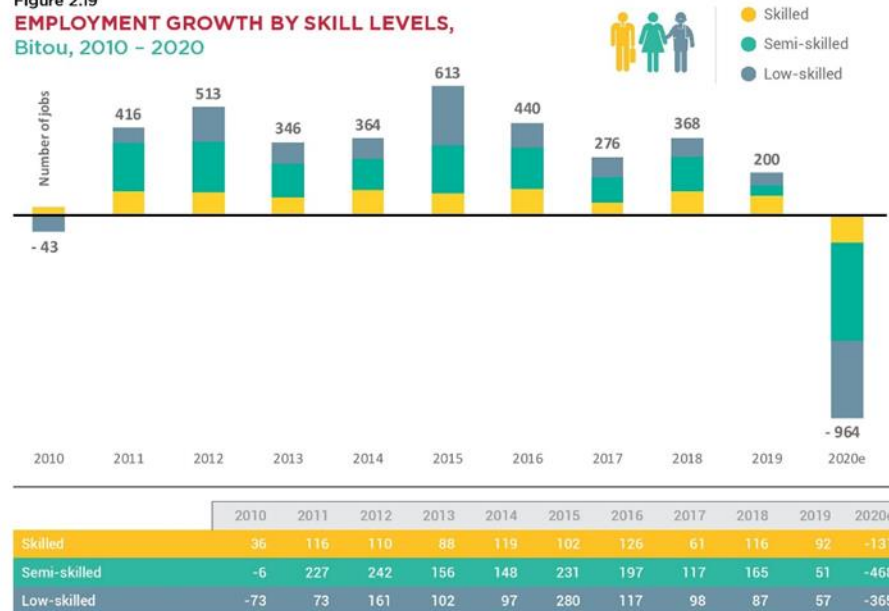
The informal economy provides low-cost labour, inputs, goods and services to both formal and informal businesses, as well as low-cost goods and services to the municipal area, especially the poorer areas. This shows the importance of informal employment in the municipal area.

2.6.2 Skills analysis

Figure 2.19 illustrates the changes in formal employment by skill levels in the Bitou municipal area between 2010 and 2020.

Figure 2.19

EMPLOYMENT GROWTH BY SKILL LEVELS, Bitou, 2010 – 2020



Source: Quantec Research, 2021 (e denotes estimate)

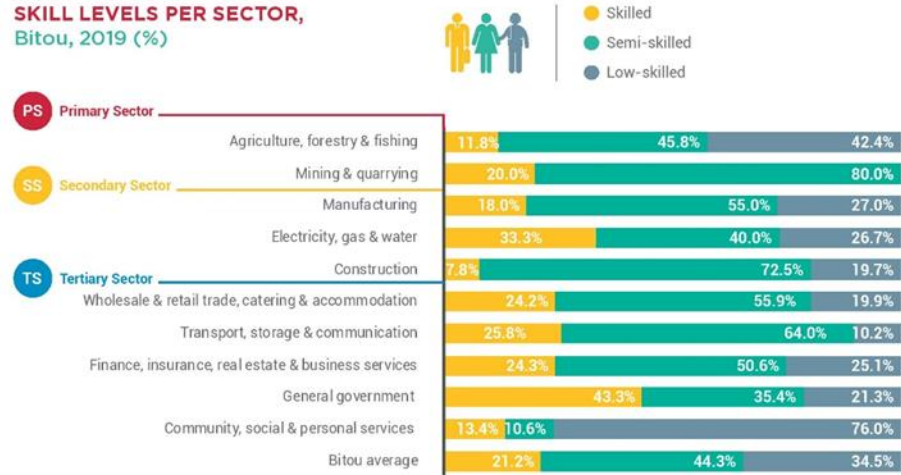
In the aftermath of the global financial crises, low-skilled and semi-skilled employees shed jobs in 2010, while skilled employment recovered. Since then, most jobs that were created in the municipal area were for semi-skilled employees, followed by low-skilled employees. Between 2011 and 2019, a net total of 1 534 jobs were created for semi-skilled workers, followed by 1 072 jobs for low-skilled workers. Over this period, 930 jobs were created for skilled employees.

The impact of COVID-19 on formal employment was significant, with an estimated 964 jobs lost in the municipal area in 2020. The semi-skilled workforce was affected the most, with 468 jobs lost, followed by low-skilled employees (365 jobs), and the skilled workforce lost 131 jobs in the same year.

Figure 2.20 provides a sectoral overview of the skill levels for formal employment in the Bitou municipal area.

Figure 2.20

**SKILL LEVELS PER SECTOR,
Bitou, 2019 (%)**



Source: Quantec Research, 2021

Employees in the municipal area were 21.2 per cent skilled, 44.3 per cent semi-skilled and 34.5 per cent low-skilled employees in 2019. The community services (76.0 per cent) and agriculture (42.4 per cent) sectors had the largest portion of low-skilled employees in their respective workforces in 2019. The construction sector consisted of 72.5 per cent semi-skilled workers, followed by the transport sector, with 64.0 per cent semi-skilled workers.

The general government sector employed the largest portion of skilled employees in 2019, with 43.3 per cent. Other sectors with a large share of skilled employees were the electricity, gas and water (33.3 per cent) and transport (25.8 per cent) sectors.

The impact of COVID-19 on the municipality means that revenue will decrease and the need for basic services will increase. The municipality should initiate skills development training for employees, especially for low-skilled workers, to reduce the pressure of the economic downturn in 2020 and enhance recovery for the years to come.



2.7 GARDEN ROUTE DISTRICT

HESSEQUA



GDPR

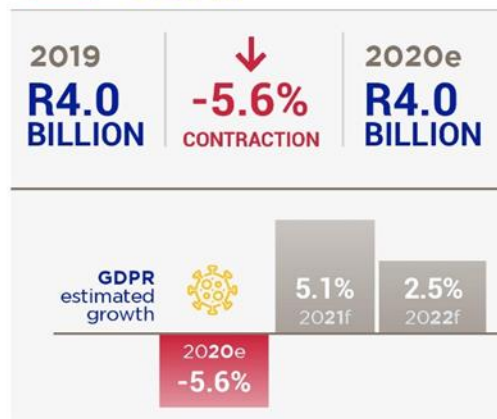


Diagram 2.6

GDPR (CURRENT PRICES) AND EMPLOYMENT, Hessequa, 2019 and 2020e



JOBS



Source: Quantec Research, 2021; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2021 (e denotes estimate, f denotes forecast)

⁴¹ (MDB, 2018).

⁴² (Hessequa Municipality, 2017).

The Hessequa municipal area is bordered by the Indian Ocean and traversed by the N2. It is the largest municipal area in the GRD in terms of geographical spread, covering 5 733km².⁴¹ The Hessequa municipal area has several scattered settlements, the largest of which include Riversdale, Albertinia and Heidelberg. Coastal towns in the municipal area include Witsand, Jongensfontein, Still Bay and Gouritsmond.⁴² These are also popular tourist areas.

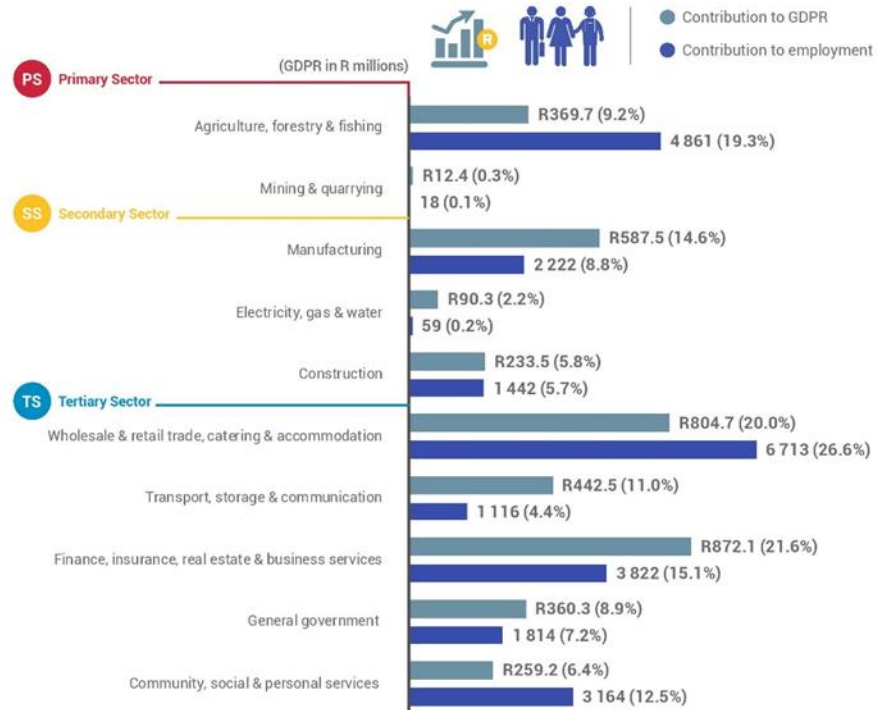
2.7.1 GDPR and employment performance

The Hessequa municipal area's GDPR was valued at R4.0 billion in 2019 and 2020 in current prices. However, in real terms it is estimated to have contracted by 5.6 per cent in 2020. It is estimated that 1 655 jobs were also shed in the municipal area in 2020, bringing the total number of employed people in the region to 23 576 in 2020. It is forecast that the local municipality will realise a 5.1 per cent growth in GDPR in 2021, and 2.5 per cent in 2022.

Figure 2.21 provides a breakdown of the sectoral contribution to employment and GDP in the Hessequa municipal area in 2019.

Figure 2.21

SECTORAL GDP AND EMPLOYMENT CONTRIBUTION, Hessequa, 2019 (%)



Source: Quantec Research, 2021

In the Hessequa municipal area, the finance sector (21.6 per cent), the trade sector (20.0 per cent) and the manufacturing sector (14.6 per cent) were the largest contributors to GDP in 2019.

In terms of employment contribution, the trade sector, with 26.6 per cent, was the largest contributor in the municipal area in 2019. This was followed by the agriculture sector (19.3 per cent) and the finance sector (15.1 per cent).

Table 2.6 provides a more detailed overview of sectoral contributions to GDP and employment in the Hessequa municipal area.

Table 2.6
GDP AND EMPLOYMENT PERFORMANCE PER SECTOR, Hessequa

SECTOR	GDP		Employment	
	Trend 2015 – 2019	Real GDP growth 2020e	Average annual change 2015 – 2019	Net change 2020e
Primary Sector	-4.6%	10.6%	65	-279
PS Agriculture, forestry & fishing	-4.7%	11.4%	65	-277
Mining & quarrying	-2.0%	-19.9%	-1	-2
Secondary Sector	0.3%	-11.7%	-45	-382
SS Manufacturing	2.2%	-8.2%	28	-138
Electricity, gas & water	-4.3%	-9.6%	-1	-5
Construction	-3.4%	-23.5%	-71	-239
Tertiary Sector	1.8%	-6.3%	282	-994
TS Wholesale & retail trade, catering & accommodation	1.2%	-10.3%	135	-471
Transport, storage & communication	1.9%	-14.4%	25	-30
Finance, insurance, real estate & business services	3.0%	-3.2%	143	-149
General government	-0.1%	-0.1%	-15	4
Community, social & personal services	1.3%	-2.4%	-6	-348
Total Hessequa	0.7%	-5.6%	302	-1 655

Source: Quantec Research, 2021

The Hessequa municipal area had a marginal 0.7 per cent average annual GDP growth rate between 2015 and 2019. The tertiary sector had the best economic growth in the municipal area (1.8 per cent per annum). The main individual sector contributors to growth were the finance sector (3.0 per cent), the manufacturing sector (2.2 per cent) and the transport sector (1.9 per cent per annum). The secondary sector experienced near stagnant growth of 0.3 per cent between 2015 and 2019. This poor performance is a result of the contracting construction (3.4 per cent) and electricity, gas and water (4.3 per cent) sectors. Despite its small size in GDP, the agriculture sector is critical to the region's economy, especially in terms of local manufacturing and job creation. This sector has been underperforming in recent years, contracting by an average annual rate of 4.7 per cent between 2015 and 2019. The negative performance of this sector could be related to the extreme drought experienced in the region.

The municipal area achieved an average growth of 302 additional jobs per annum between 2015 and 2019. The finance sector experienced the largest employment growth in the Hessequa municipal area between 2015 and 2019, with an additional 143 jobs per annum.

This was followed by the trade sector (135 jobs) and the agriculture sector (65 jobs per annum). The secondary sector contracted by an average of 45 jobs per annum, mostly as a result of the large number of jobs shed in the construction sector (71 jobs). New infrastructure development projects are often sourced to outside contractors; as local construction businesses struggle to gain additional contracts they therefore need to reduce their number of employees.

The Hessequa municipal area's economy is estimated to have contracted by 5.6 per cent in 2020 owing to the local impact of COVID-19. The municipal area's strong tertiary sector is estimated to have contracted by 6.3 per cent, while the finance sector contracted by 3.2 per cent. The gin production near Still Bay and heritage attractions in the region such as the Blombos Cave attract tourists to the area. The travel and alcohol sale restrictions in 2020 impacted the tourism industry significantly; the trade sector is estimated to have contracted by 10.3 per cent. It is estimated that the construction sector contracted by 23.5 per cent in 2020, owing to COVID-19 and related impacts. The only sector that had positive growth in 2020 was the agriculture sector, with an estimated 11.4 per cent increase. The municipal area is mainly comprised of livestock and wheat, and the improved weather conditions and commodity prices added to the positive growth in this sector. It is worth noting that this sector was able to operate under lockdown level five regulations in 2020.

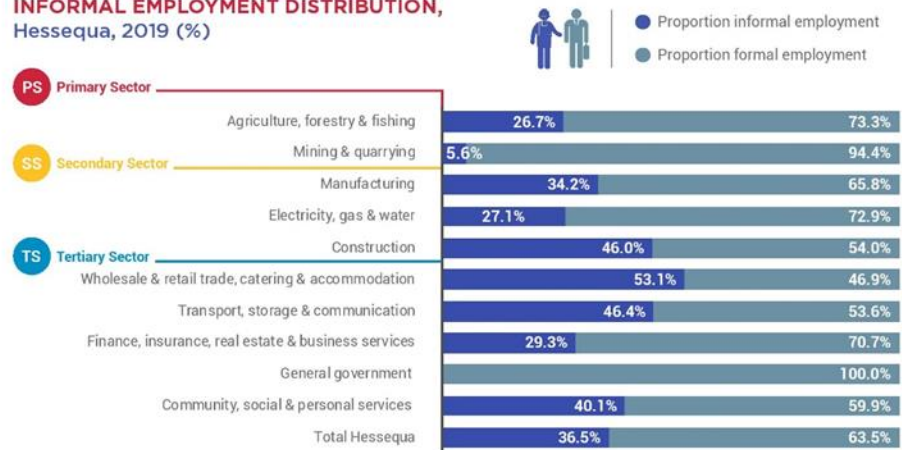
In line with the contraction in the economic conditions of the municipal area, employment was impacted significantly, with an estimated loss of 1 655 jobs in 2020. The tertiary sector shed an estimated 994 jobs, mostly owing to the high number of job losses in the trade sector (471 jobs) and the community services sector (348 jobs). The secondary sector shed an estimated 382 jobs, with the construction sector shedding 239 jobs. Despite the positive economic growth in the agriculture sector, an estimated 277 jobs were lost in this sector in 2020.



Figure 2.22 illustrates the sectoral distribution of informal employment in the Hessequa municipal area in 2019.

Figure 2.22

INFORMAL EMPLOYMENT DISTRIBUTION, Hessequa, 2019 (%)



Source: Quantec Research, 2021

The Hessequa municipal area's informal employment accounted for 36.5 per cent of the area's total employment in 2019, while formal employment accounted for 63.5 per cent. The trade sector had the largest share of informal employment opportunities in 2019, with 53.1 per cent. This was followed by the transport sector (46.4 per cent), the construction sector (46.0 per cent) and the community services sector (40.1 per cent).

Owing to a lack of adequate skills and funding, as well as a shortage of available land, informal businesses in the Hessequa municipal area are unable to expand and create jobs. As a result of the economic pressure, the purchasing power of clients in informal businesses is also decreasing.

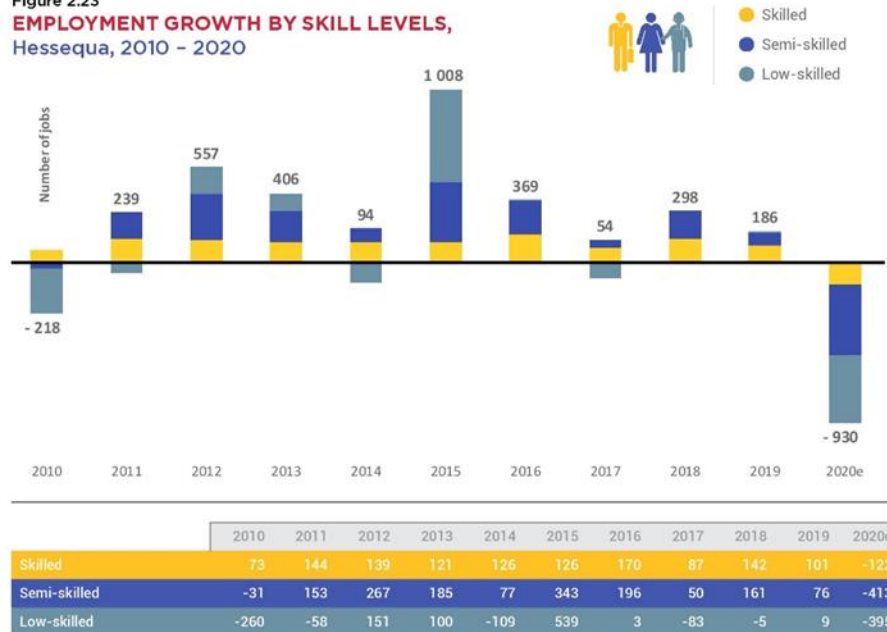


2.7.2 Skills analysis

Figure 2.23 illustrates the changes in formal employment by skill levels in the Hessequa municipal area between 2010 and 2020.

Figure 2.23

EMPLOYMENT GROWTH BY SKILL LEVELS,
Hessequa, 2010 – 2020



Source: Quantec Research, 2021 (e denotes estimate)

Low- and semi-skilled employees in the Hessequa municipal area were impacted the most during the aftermath of the 2008 global financial crisis. Low-skilled employees experienced job losses in 2010 and 2011, and job creation has fluctuated since 2012, with job losses in 2014, 2017 and 2018, with a sharp increase in jobs in 2015.⁴³ A net total of 287 low-skilled jobs were created between 2010 and 2019. Semi-skilled employment recovered better than low-skilled employment between 2011 and 2019, with a net of 1 477 jobs created between 2010 and 2019.

Skilled employment showed resilience during the aftermath of the 2008 global financial crisis, with no jobs lost in the Hessequa municipal area in 2010. Skilled employment recovered faster than low- and semi-skilled employment, and has shown substantial growth since 2010, with 1 229 jobs created between 2010 and 2019.

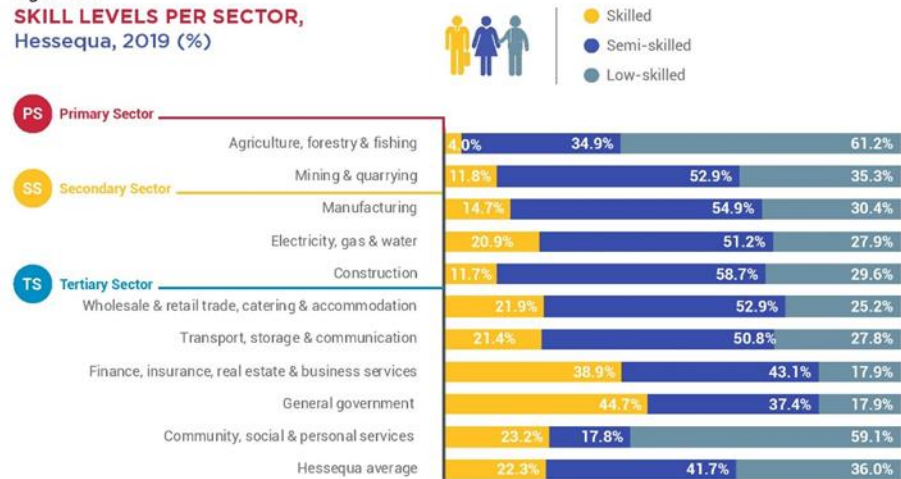
The COVID-19 pandemic resulted in significant job losses, with 930 formal jobs lost in the Hessequa municipal area. Semi-skilled and low-skilled workers were mostly affected, with 413 jobs and 395 jobs lost respectively.

⁴³ In 2015 a new master sample was implemented in the Quarterly Labour Force Survey (QLFS), which may have impacted the data owing to variations in its design (Stats SA, 2015).

Figure 2.24 provides a sectoral overview of the skill levels for formal employment in the Hessequa municipal area.

Figure 2.24

**SKILL LEVELS PER SECTOR,
Hessequa, 2019 (%)**



Source: Quantec Research, 2021

In the Hessequa municipal area during 2019, 22.3 per cent of employed people were skilled employees, while the area had 41.7 per cent semi-skilled employees and 36.0 per cent low-skilled employees. Low-skilled employment was best absorbed in the agriculture (61.2 per cent) and community services (59.1 per cent) sectors. This could be because the skill levels required for successful operation in both these sectors are low.

The sector with the largest share of semi-skilled workers was the construction sector (58.7 per cent), followed by the manufacturing sector with 54.9 per cent semi-skilled workers. The general government sector had the largest share of skilled workers in 2019, with 44.7 per cent. The other sector with a large share of skilled employees in the Hessequa municipal area in 2019 was the finance sector (38.9 per cent).

The significant job losses in the municipal area, especially in the low-skilled and semi-skilled workforce, will impact the revenue of the municipality, which means that the need for basic services in the municipal area will increase. Skills development programmes will be important to ensure that the skill levels of employees are improved, so that employees can adapt to different economic conditions and fluctuations.

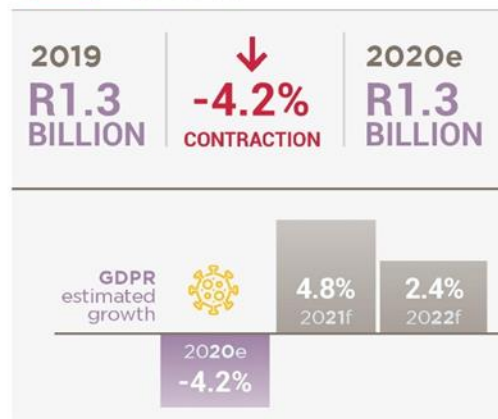


2.8 GARDEN ROUTE DISTRICT

KANNALAND



GDP



The Kannaland municipal area is also located in the Little Karoo and covers 4 765 km².⁴⁴ The area stretches from the Swartberg Mountains in the north to the Bitou Mountains in the south. It is bordered by the Anysberg and Gamkaberg Mountains in the west and east. The main economic node in the Kannaland municipal area is Ladismith, while smaller towns include Calitzdorp (known as the port wine capital), Zoar, Van Wyksdorp and Hoeko.⁴⁵

2.8.1 GDP and employment performance

The Kannaland municipal area's GDP was valued at R1.3 billion (current prices) in 2019 and is estimated to have contracted by 4.2 per cent in 2020 in real terms. However, it is important to note that the stagnation in current prices is due to inflation. It is estimated that 583 jobs were shed in the municipal area in 2020, bringing the total number of employed people in the region to 9 527. It is forecast that the GDP will increase by 4.8 per cent in 2021 and 2.4 per cent in 2022.

Diagram 2.7

GDPR (CURRENT PRICES) AND EMPLOYMENT,
Kannaland, 2019 and 2020e

JOBS



Source: Quantec Research, 2021; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2021 (e denotes estimate, f denotes forecast)

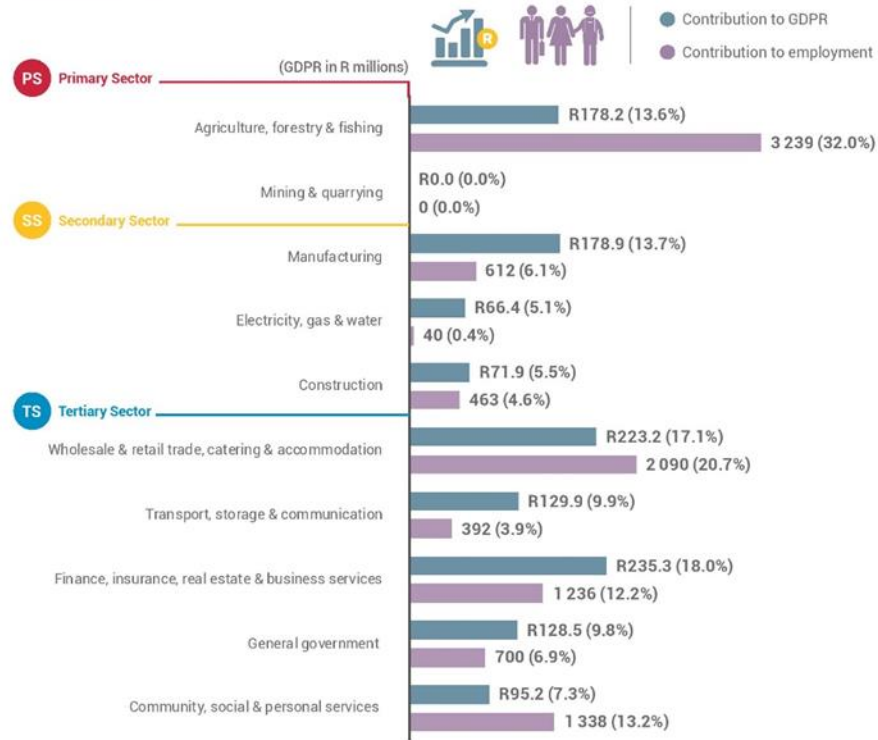
⁴⁴ (MDB, 2018).

⁴⁵ (Kannaland Municipality, 2017).

Figure 2.25 illustrates the GDP and employment contribution per sector in the Kannaland municipal area in 2019.

Figure 2.25

SECTORAL GDP AND EMPLOYMENT CONTRIBUTION,
Kannaland, 2019 (%)



Source: Quantec Research, 2021


The finance (18.0 per cent), trade (17.1 per cent) and manufacturing (13.7 per cent) sectors were the largest contributors to the municipal area's economy in 2019. The biggest contribution to employment in the Kannaland municipal area in 2019 was the agriculture sector, which contributed 32.0 per cent of all employment in the area. This was followed by the trade sector (20.7 per cent) and the community services sector (13.2 per cent).

The sector that was the most capital-intensive in the municipal area was the manufacturing sector, and the agriculture sector was the most labour-intensive sector in 2019. These two sectors are linked through agro-processing activities.

Table 2.7 outlines the Kannaland municipal area's GDP and employment performance per sector.

Table 2.7

GDP and EMPLOYMENT PERFORMANCE PER SECTOR, Kannaland

 SECTOR	GDP		Employment	
	Trend 2015 – 2019	Real GDP growth 2020e	Average annual change 2015 – 2019	Net change 2020e
PS Primary Sector	-4.1%	10.6%	55	-128
Agriculture, forestry & fishing	-4.1%	10.6%	55	-128
Mining & quarrying	0.0%	0.0%	0	0
SS Secondary Sector	-0.2%	-11.6%	-7	-112
Manufacturing	-0.7%	-10.1%	-12	-55
Electricity, gas & water	0.3%	-6.1%	0	-1
Construction	1.2%	-20.2%	4	-56
TS Tertiary Sector	2.9%	-5.6%	97	-343
Wholesale & retail trade, catering & accommodation	1.5%	-10.1%	49	-147
Transport, storage & communication	3.2%	-13.4%	13	-6
Finance, insurance, real estate & business services	6.8%	-1.8%	47	-41
General government	-1.7%	-1.7%	-10	-2
Community, social & personal services	1.2%	-2.6%	-2	-147
Total Kannaland	0.9%	-4.2%	145	-583

Source: Quantec Research, 2021 (e denotes estimate)

The total Kannaland municipal area had marginal growth of 0.9 per cent between 2015 and 2019. The tertiary sector was the driver in the municipal area in terms of GDP growth between 2015 and 2019, with an increase of 2.9 per cent. The best annual growth out of all the sectors in the municipal area was in the finance sector (6.8 per cent). This was followed by the transport sector (3.2 per cent). Both the primary and secondary sectors contracted on an annual basis for the reviewed period, with contractions of 4.1 per cent and 0.2 per cent respectively. The agriculture sector is critical to the region's economy, especially in terms of local manufacturing and job creation. The lack of water security affected not only the primary production but also agro-processing, particularly in the town of Ladismith. The sector contracted by 4.1 per cent between 2015 and 2019.

It is estimated that the economy of the municipal area contracted by 4.2 per cent in 2020. The construction sector is estimated to have contracted the most (20.2 per cent), followed by the transport sector (13.4 per cent). The municipal area's largest sector, the finance sector, is estimated to have contracted by 1.8 per cent.

The tourism industry in the municipal area was significantly affected by the impact of COVID-19 and the regulations enforced by the Government. The trade sector is estimated to have contracted by 10.1 per cent in 2020. It is believed that several restaurants and small trade shops closed down as a result of the decline in the tourism industry and travel restrictions. The manufacturing sector is estimated to have contracted by 10.1 per cent, as agro-processing was impacted and restricted in 2020 as a result of COVID-19 regulations, and the Ladismith Cheese Company was also affected in the municipal area. The only sector that is estimated to have had positive growth in 2020 was the agriculture sector, with a 10.6 per cent increase. This could be the result of improved weather conditions and higher commodity prices.

The municipal area created 145 jobs on an annual basis between 2015 and 2019. The sector that experienced the biggest employment growth in the Kannaland municipal area between 2015 and 2019 was the agriculture sector, which created 55 jobs annually. This was followed by the trade sector (49 jobs) and the finance sector (47 jobs). Jobs were shed in the manufacturing sector (12 jobs), general government sector (10 jobs) and community services sector (two jobs).

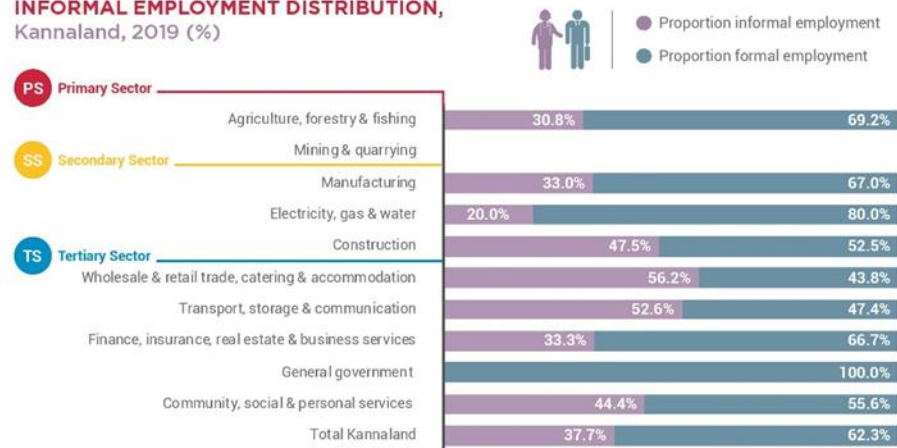
Owing to the economic downturn, an estimated 583 jobs were lost in the municipal area in 2020. All sectors shed jobs, with the tertiary sector contributing the most to the number of jobs lost (343 jobs). The trade sector and the community services sector are estimated to have lost the largest number of jobs, shedding 147 jobs each. The agriculture sector is estimated to have shed 128 jobs in 2020.



As illustrated in Figure 2.26, informal employment accounted for 37.7 per cent of the Kannaland municipal area's total employment in 2019.

Figure 2.26

**INFORMAL EMPLOYMENT DISTRIBUTION,
Kannaland, 2019 (%)**



Source: Quantec Research, 2021

The trade sector and the transport sector had a larger proportion of informal employment than formal employment, with informal employment accounting for 56.2 per cent and 52.6 per cent of the sector's total employment respectively. Other prominent sources of informal employment were the construction sector (47.5 per cent) and the community services sector (44.4 per cent).

Land availability and internet access are the two main factors that are considered important in creating future SMME employment in Kannaland. In this regard, the Kannaland Municipality is currently collaborating with the Western Cape Provincial Government to facilitate improved fibre internet access in Ladismith.⁴⁶

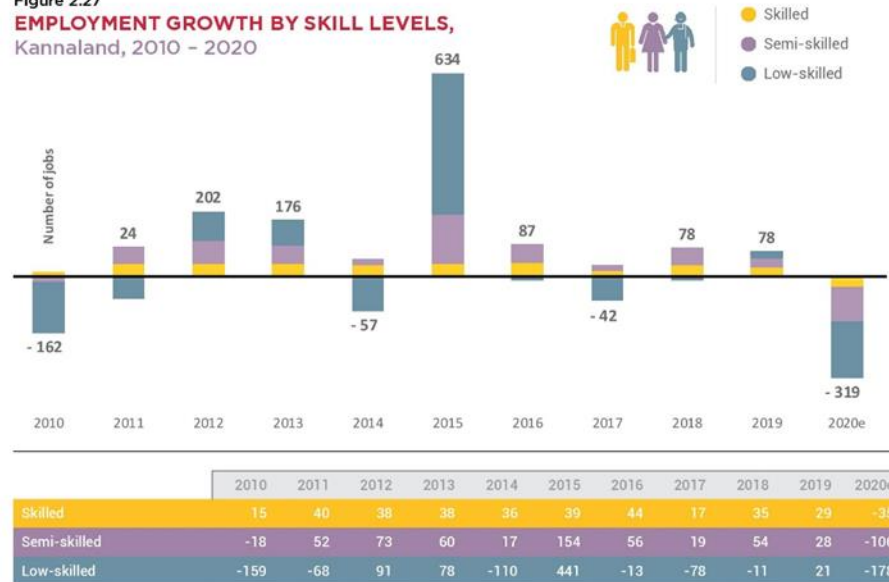
⁴⁶ (Kannaland Municipality, 2021).

2.8.2 Skills analysis

Figure 2.27 illustrates the changes in formal employment by skill levels in the Kannaland municipal area between 2010 and 2020.

Figure 2.27

EMPLOYMENT GROWTH BY SKILL LEVELS,
Kannaland, 2010 – 2020



Source: Quantec Research, 2021 (e denotes estimate)

The municipal area experienced formal job losses in 2010 as a result of the aftermath of the 2008 financial crisis. Other years in which the municipal area lost formal jobs were 2014 and 2017. A net total of 1 018 jobs were created in the municipal area between 2010 and 2019.

Low- and semi-skilled employees in the Kannaland municipal area were impacted by job-shedding during the aftermath of the 2008 global financial crisis. Low-skilled employees shed jobs in 2010 and 2011, and again in 2014, 2016, 2017 and 2018. In 2015, there was a surge in low-skilled employment in the area. This indicates that low-skilled employment in the municipal area is fragile when there are difficult economic conditions. The total net employment created for the low-skilled workforce in the municipal area between 2010 and 2019 was 192 jobs. Semi-skilled employment recovered better than low-skilled employment between 2011 and 2019. Apart from in 2015, more employment opportunities were created in semi-skilled employment than low-skilled employment. Between 2016 and 2019, more people were in semi-skilled employment than in skilled or low-skilled employment in the Kannaland municipal area. A net total of 495 semi-skilled jobs were created between 2010 and 2019. Skilled employment showed remarkable resilience during the aftermath of the 2008 global financial crisis. Skilled employment recovered faster than low- and semi-skilled employment, and showed growth from 2010, having a net total of 331 jobs created between 2010 and 2019.

It is estimated that a total of 319 formal jobs were lost in 2020 owing to the impact of COVID-19. A total of 178 jobs were lost in the low-skilled workforce, followed by 106 jobs in the semi-skilled workforce, and 35 skilled employees lost their jobs.

Figure 2.28 provides a sectoral overview of the skill levels for formal employment in the Kannaland municipal area.

Figure 2.28
SKILL LEVELS PER SECTOR,
Kannaland, 2019 (%)



Source: Quantec Research, 2021

Within the municipal area, 17.5 per cent were skilled employees, 34.9 per cent were semi-skilled employees and the majority of employment was classified as low-skilled in 2019. Low-skilled employment was best absorbed in the agriculture sector (77.6 per cent). Other sectors that absorbed a large share of low-skilled employees were the community services (62.0 per cent) and electricity, gas and water (50.0 per cent) sectors. The sector that had the largest share of semi-skilled workers was the construction sector (63.4 per cent), followed by the manufacturing sector, with 58.0 per cent semi-skilled workers.

The general government sector employed the most skilled workers (41.4 per cent). Other sectors that absorbed a large share of skilled employees in 2019 were the finance (34.1 per cent) and transport (24.2 per cent) sectors.

The high number of low-skilled workers in the municipal area and the severe impact that COVID-19 had on employment will result in a decrease in municipal revenue, and the need for additional basic services will increase.

2.9 CONCLUDING REMARKS

Within all of the GRD municipal areas, the tertiary sector is the largest contributor to GDP. The secondary sector also plays a significant role in all municipal regions, accounting for a quarter of GDP in each municipality. The primary sector is small in all municipal Districts and is mostly dependent on agriculture's GDP contribution to the sector, which, despite its small size, is very important to the local economy, particularly as an input for the manufacturing sector (agro-processing) and job creation.

In 2019, informal employment in the GRD varied from 24.9 per cent in George to 37.7 per cent in Kannaland. The trade sector supplied the most informal job opportunities in all municipal areas of the GRD. Construction, transport and community services were consistently among the top three sectors that supplied informal job opportunities in each municipal area.

During the aftermath of the 2008 global financial crisis, low- and semi-skilled workers in all municipal regions across the GRD experienced the burden of job losses. Low-skilled employment grew at a slower rate than skilled and semi-skilled employment across the GRD municipal areas. Between 2010 and 2011, skilled employment outperformed low- and semi-skilled employment in terms of resilience and recovery. Between 2011 and 2019, skilled or semi-skilled employment was the primary driver of employment in all municipal regions, with the exception of 2015, when low-skilled employment saw a considerable increase in numbers. In six of the seven municipal areas, semi-skilled employment was the main skill level. Only in Kannaland was low-skilled employment the main skill level, while it also had the fewest skilled employees. Low-skilled employment was best absorbed in the community services sector and the agriculture sector in most municipal areas in the GRD in 2019.

The estimates for 2020 in terms of GDP in all the municipalities in the GRD contracted owing to COVID-19 and the associated impacts. The trade sector is a strong contributor in all the municipal areas, and the poor performance of the tourism industry impacted this sector significantly. The municipal areas are forecasted to show resilience and initiate recovery in 2021. The agriculture sector was the only sector that had significant growth in 2020. This could be as a result of improved weather conditions, higher commodity prices and the fact that this sector was able to operate under the strict level five lockdown regulations in 2020.





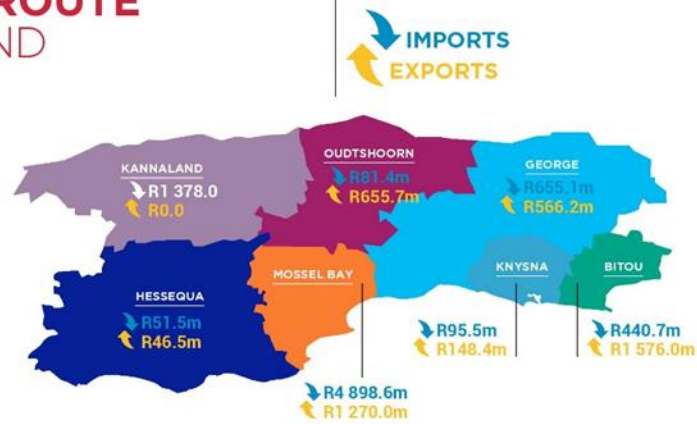
3

TRADE, TOURISM AND INVESTMENT

3.1 INTRODUCTION

District and local economies in the GRD are influenced not only by the spending of local households but also by several economic activities within the region. These economic activities include local and international cross-border trade of goods and services, domestic and international tourists visiting towns and attractions within the region, as well as private- and public-sector investments. Therefore, exports, tourism and investments can be considered injections into the economy, while imports are considered leakages.

GARDEN ROUTE TRADE AND TOURISM



TRADE



This section explores trade, tourism and investment dynamics on a District level and analyses the comparative advantages of the various economic sectors within the District to identify growth opportunities and potential risks in the GRD.

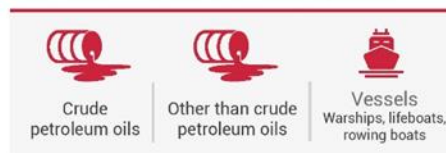
TOP 3 EXPORTED PRODUCTS



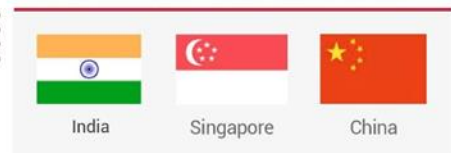
TOP 3 EXPORT DESTINATIONS



TOP 3 IMPORTED PRODUCTS



TOP 3 IMPORT DESTINATIONS



TOURISM

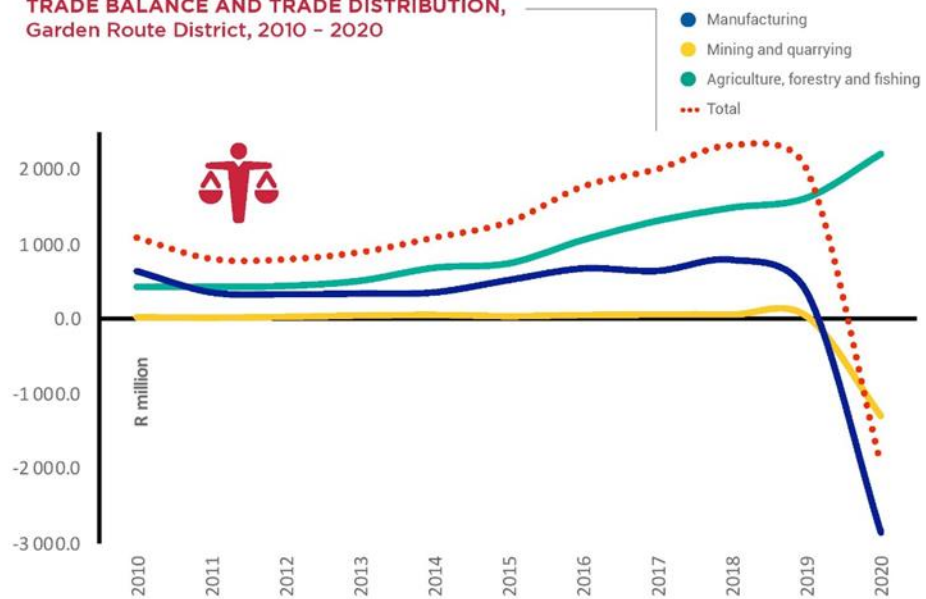


3.2 INTERNATIONAL TRADE

One of the indicators for international trade in an area is the trade balance, which is obtained by subtracting imports from exports. A positive trade balance therefore indicates that the GRD exports more than it imports, and vice versa. Furthermore, a positive trade balance indicates a net inflow of foreign currency, which is beneficial to the economy. Figure 3.1 provides an overview of the trade balance for the GRD between 2010 and 2020. The figure illustrates the total trade balance, as well as the trade balance for the main sectors that export and import goods, namely agriculture, manufacturing and mining.

Figure 3.1

TRADE BALANCE AND TRADE DISTRIBUTION, Garden Route District, 2010 – 2020



Source: Quantec Research, 2021

The GRD maintained a positive trade balance between 2010 and 2019 (peaking in 2018), which was largely due to the trade surplus realised in the agriculture sector. In 2020, however, the District experienced a significant trade deficit, which was driven by trade deficits in the manufacturing sector and the mining sector. The decline in these sectors caused the GRD to experience its first trade deficit since 2010. In 2020, more than 70.0 per cent of total imports into the District were petroleum oils and oils obtained from bituminous minerals, other than crude products, and petroleum oils and oils obtained from bituminous minerals, crude products. The GRD also imported more manufactured products such as vessels, aircraft and automatic data-processing machines in 2020 than in 2019.

In 2020, manufacturing accounted for 77.5 per cent of total imports into the District, whereas the mining sector accounted for 21.2 per cent and the agriculture sector accounted for 1.3 per cent of imports. In terms of exports, the agriculture sector accounted for 53.4 per cent of exports, the manufacturing sector accounted for 46.1 per cent of exports and mining accounted for 0.5 per cent of exports in 2020.

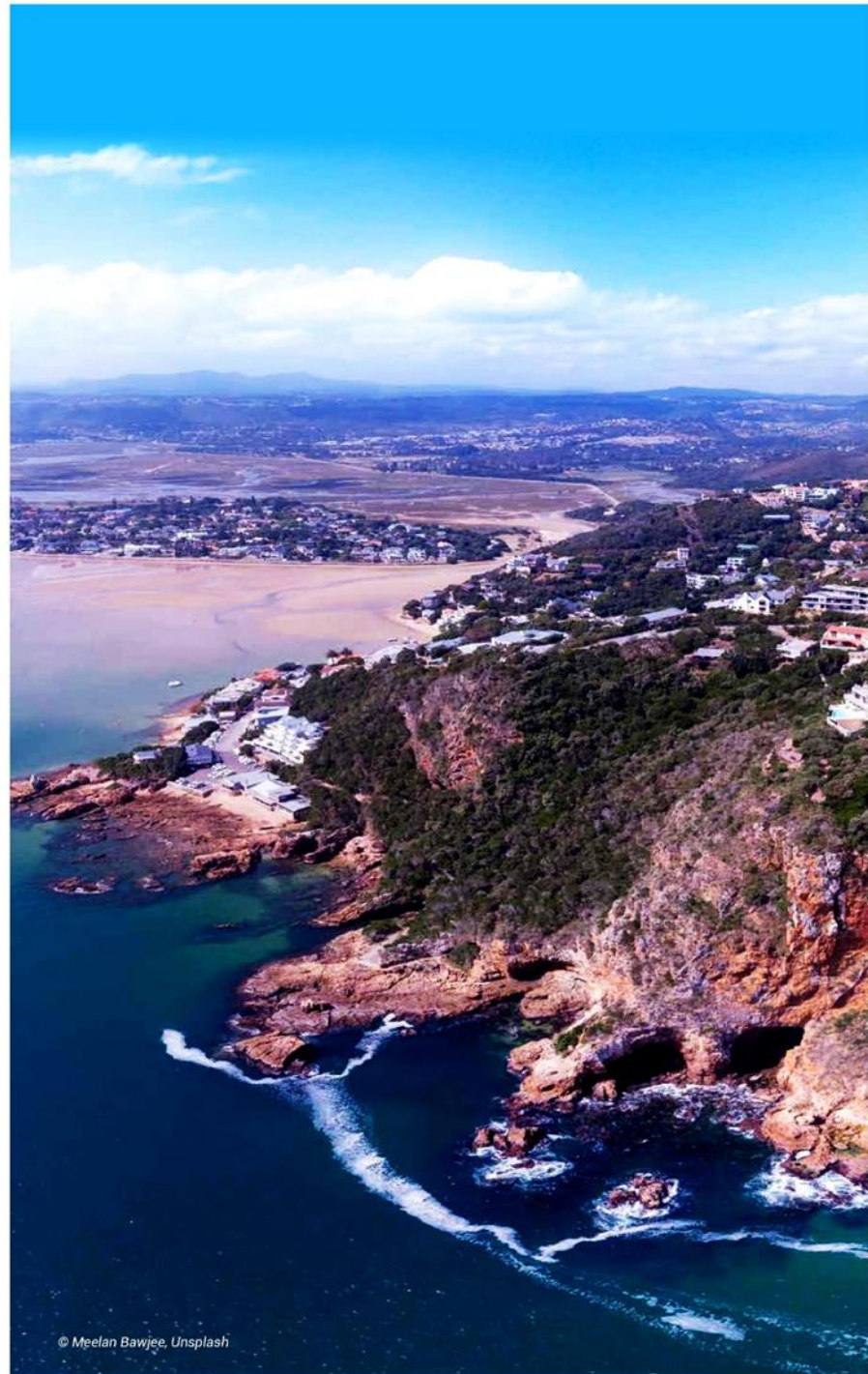
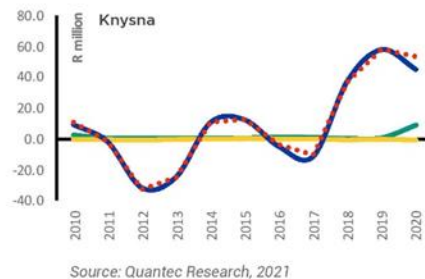
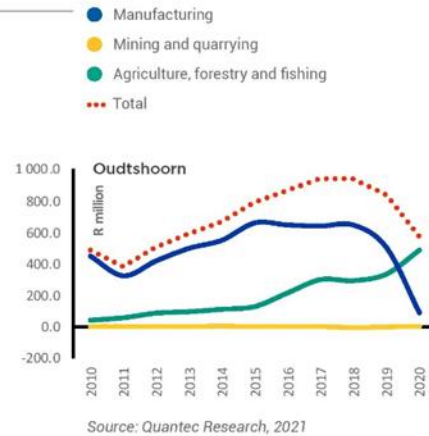


Figure 3.2 provides an overview of the trade balance per municipal area between 2010 and 2020.

Figure 3.2
TRADE BALANCE PER MUNICIPAL AREA,
Garden Route District, 2010 – 2020

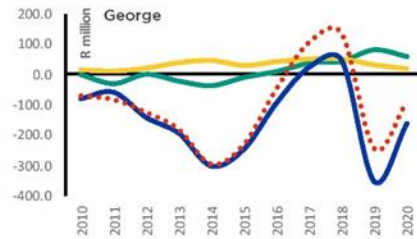


The Knysna municipal area experienced both trade surpluses and deficits between 2010 and 2020. These fluctuations are mainly due to fluctuations in the manufacturing sector trade balance. The manufacturing sector contributed 93.7 per cent of the total exports in 2020. During 2020, the trade surplus in the municipal area fell from R57.9 million in 2019 to R52.9 million in 2020. During this period the manufacturing sector fell from a surplus of R57.7 million in 2019 to R44.9 million in 2020. The agriculture sector recorded a positive trade surplus when the trade surplus increased from R0.3 million in 2019 to R8.6 million in 2020. Agricultural exports therefore boosted the local economy during the tough economic conditions brought about by the COVID-19 restrictions.



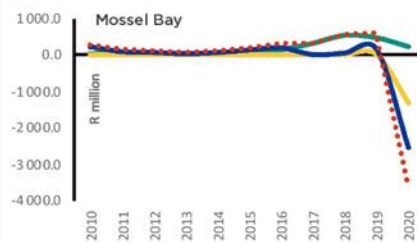
The Oudtshoorn municipal area maintained a trade surplus between 2010 and 2020, which peaked in 2017 (R941.8 million). However, the trade surplus declined in 2020 compared with 2019. Despite the increase in the trade surplus from the agriculture sector (R487.0 million), the municipal area recorded a lower manufacturing trade surplus (R87.3 million), which lowered the overall trade balance in the District. The decline in the manufacturing surplus was a result of increased imports coupled with a significant decline in exports from the sector. In 2020, the agriculture sector made up 81.7 per cent of exports, while manufacturing made up 18.3 per cent of Oudtshoorn's exports.





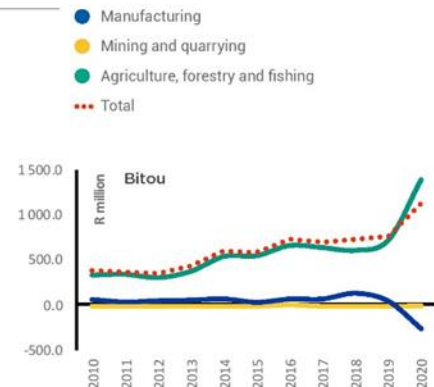
Source: Quantec Research, 2021

The **George municipal area** experienced a trade deficit between the period under review, with the exception of 2017 and 2018. However, the trade deficit improved in recent years when it decreased from R243.4 million in 2019 to R88.8 million in 2020. The deficit was as a result of the trade deficit in the manufacturing sector, which improved from R350.9 million in 2019 to R161.4 million in 2020. With regard to sectoral distribution, the manufacturing sector accounted for 95.7 per cent of imports and 82.2 per cent of exports in 2020.



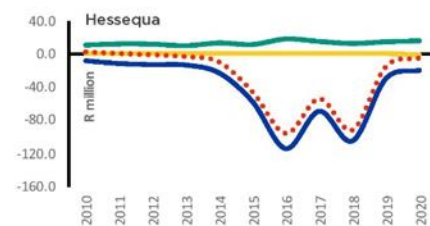
Source: Quantec Research, 2021

The **Mossel Bay municipal area** experienced a trade surplus from 2010 to 2019. However, a significant trade deficit was experienced in 2020. This deficit was largely due to the significant net imports of the manufacturing sector. The manufacturing sector contributed 73.1 per cent to total imports and 81.4 per cent to total exports during 2020.



Source: Quantec Research, 2021

The **Bitou municipal area** maintained a positive trade balance during the period under review, with the trade surplus peaking in 2020. The municipal area experienced an increase from R760.4 million in 2019 to R1.1 billion in 2020. The positive trade balance experienced was largely driven by the agriculture sector, which accounted for 88.8 per cent of exports in 2020.



Source: Quantec Research, 2021

The **Hessequa municipal area** experienced a trade deficit from 2012 to 2020, with a significantly higher trade deficit in 2016 and 2018. This deficit was largely due to the significant net imports of the manufacturing sector. The manufacturing sector contributed 98.7 per cent to total imports and 66.0 per cent to total exports during 2020.

Note: No trade data available for Kannaland municipal area

3.2.1 IMPORTS



Figure 3.3 illustrates the GRD's top 10 import partners in 2020.

Table 3.1 illustrates the main import products from the GRD in 2020. The imports to the GRD are not confined to a specific product but are rather distributed over a wide variety of products

Figure 3.3
TOP 10 IMPORT PARTNERS,
Garden Route District, 2020



Table 3.1
MAIN IMPORT PRODUCTS,
Garden Route District, 2020

PRODUCT	R million 2020	% share	Main trading partners
Petroleum oils and oils obtained from bituminous minerals, other than crude	3 064.1	49.2%	India, Singapore, Malaysia
Petroleum oils and oils obtained from bituminous minerals, crude	1 313.7	21.1%	Nigeria, United States, Norway
Vessels, including warships and lifeboats other than rowing boats	222.3	3.6%	Singapore
New pneumatic tyres of rubber	138.2	2.2%	China
Aircraft (for example, helicopters, aeroplanes) and spacecraft (including satellites) and suborbital and spacecraft launch vehicles	112.7	1.8%	Netherlands, Italy, Unclassified
Frozen fish	67.5	1.1%	Namibia
Aircraft parts	60.9	1.0%	Italy, United States
Automatic data-processing machines and units thereof	50.7	0.8%	Mexico, China
Chromium oxides and hydroxides	48.4	0.8%	Turkey, Estonia, Kazakhstan
Aluminium bars, rods and profiles	46.3	0.7%	Mauritius
Total imports	6 222.8		

Source: Quantec Research, 2021

India is the GRD's leading import partner, contributing 19.0 per cent to imports (R1.2 billion). Other significant import partners include Singapore (14.3 per cent), China (12.9 per cent), Nigeria (11.4 per cent) and Malaysia (10.2 per cent). Petroleum oils and oils obtained from bituminous minerals, other than crude, made the largest import contribution (49.2 per cent) to the GRD and had a value of nearly R3.1 billion in 2020. These products were mainly imported from India, Singapore and Malaysia. Furthermore, petroleum oils and oils obtained from bituminous minerals, crude, were imported from Nigeria, the United States and Norway. These imports contributed 21.1 per cent (R1.3 billion) to the total imports of the District. Petroleum imports are likely to be utilised as inputs by the oil and gas industry in the Mossel Bay municipal area.

3.2.2 EXPORTS



Figure 3.4 illustrates the GRD's top 10 export partners in 2020.

Table 3.2 illustrates the main export products from the GRD in 2020.

Table 3.2
MAIN EXPORT PRODUCTS,
Garden Route District, 2020

PRODUCT	R million 2020	% share	Main trading partners
Citrus fruit	1 049.2	24.6%	China, Netherlands, Bangladesh
Seeds, fruit and spore used for sowing	481.1	11.3%	United States, Netherlands, Japan
Apples, pears and quinces	451.5	10.6%	Russian Federation, Bangladesh, Malaysia
Leather further prepared after tanning or crusting	393.4	9.2%	France, United States, Mexico
Skins and other parts of birds with their feathers or down	198.7	4.7%	China, Hong Kong, Italy
Petroleum oils and oils obtained from bituminous minerals, other than crude	137.5	3.2%	Netherlands
Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators	91.9	2.2%	Tanzania, Uganda, Swaziland
Light vessels, fire floats, dredgers, floating cranes and other vessels the navigability of which is subsidiary to their main function	80.8	1.9%	United Arab Emirates
Other prepared or preserved meat, meat offal or blood	73.7	1.7%	Germany, Belgium
Motor cars and other motor vehicles principally designed for the transport of persons	61.8	1.5%	Kenya
Total exports	4 263.0		

Source: Quantec Research, 2021

The Netherlands was the District's leading export partner in 2020, making a contribution of 11.7 per cent towards total exports. This was followed by the United States and China, which contributed 8.5 per cent and 7.0 per cent towards exports respectively. Non-reciprocal trade arrangements, such as the Generalised System of Preferences (GSP) and the African Growth and Opportunity Act (AGOA), exist between the Netherlands, the United States and South Africa. These agreements allow products from developing countries to qualify for preferential market access into these listed markets. Products include selected agricultural and industrial goods.⁴⁷

⁴⁷ (DTIC, 2021).

Figure 3.4
TOP 10 EXPORT PARTNERS,
Garden Route District, 2020



Citrus made the largest contribution towards exports, contributing 24.6 per cent (R1.0 billion) to total exports, and was mainly exported to China, the Netherlands and Bangladesh. The onset of the COVID-19 pandemic boosted export volumes and prices increased globally.⁴⁸ Seeds, fruit and spore used for sowing were exported to the United States, the Netherlands and Japan, contributing 11.3 per cent (R481.1 million). Klein Karoo Seed Production (Pty) Ltd specialises in the production of high-quality vegetable, forage, pasture, agronomy and organic seed on a contract basis for seed companies from all over the world. The company is based between the Swartberg and Outeniqua mountain ranges. Companies in the northern hemisphere regard Klein Karoo, in the southern hemisphere, as a strategic provider of seed for a year-round seed supply.⁴⁹

In 2020, leather further prepared after tanning or crusting made up 9.2 per cent of total exports from the District and was valued at R393.4 million. These products were mainly exported to France, the United States and Mexico. The leather industry in George is made up of long-standing manufacturing companies that can supply both the local and international markets.⁵⁰ Ostrich leather is also produced by third- and fourth- generation artisans in Oudtshoorn. Ostrich leather is a high-quality and exotic leather that is distinctive for its pattern of raised quill follicles.⁵¹

Skins and other parts of birds with their feathers or down are also likely to be linked to the large ostrich farms located in Oudtshoorn. In 2020, these products, with a value of R198.7 million, made up 4.7 per cent of total exports. These products were mainly exported to China, Hong Kong and Italy.



⁴⁸ (BFAP, 2020).

⁴⁹ (Klein Karoo Seed Production [Pty] Ltd, 2021).

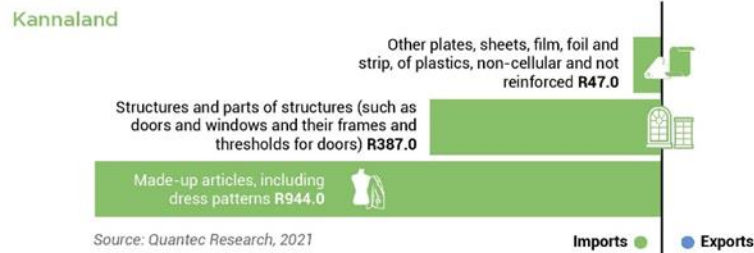
⁵⁰ (Mossop Leather, 2021).

⁵¹ (Safari Ostrich Farm, 2021).

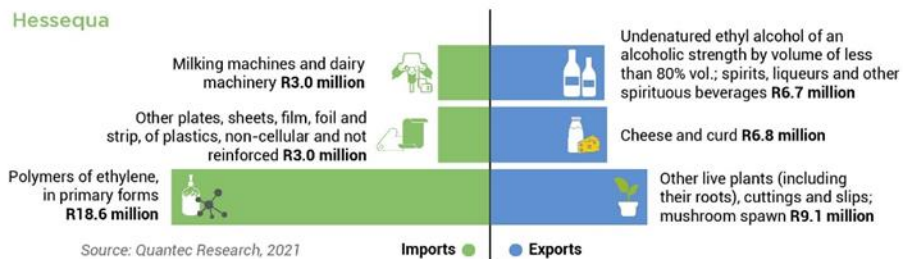
3.2.3 Municipal imports and exports

Imports and exports are a catalyst for economic growth and development. Importing goods is often required for individual consumers, and in other cases it's required for production in a given value chain. The following figure relays the main import and export products for all municipal areas in the GRD.

Figure 3.5
TOP 3 IMPORTS AND EXPORTS PER MUNICIPAL AREA, Garden Route District, 2020

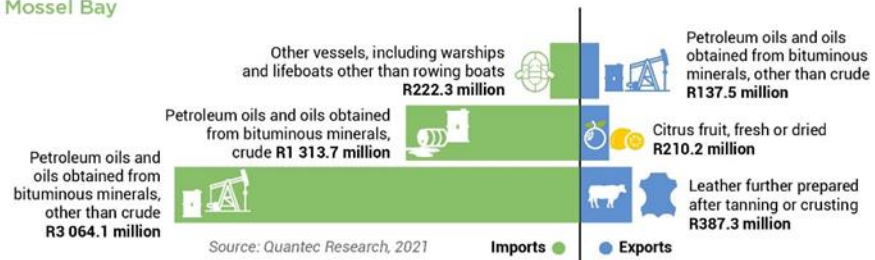


The Kannaland municipal area recorded very little international trade in 2020, with only imports worth R1 378.0 and no exports. Imported articles included made-up articles such as dress patterns, structures such as door and window frames and plates, sheets or film of plastics.



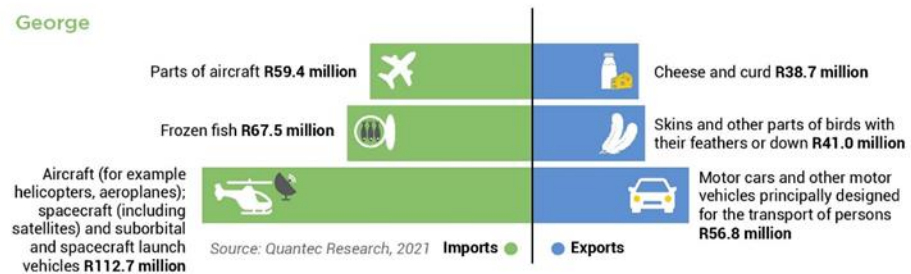
The main import into the Hessequa municipal area in 2020 was polymers of ethylene worth R18.6 million. This is often used as part of plastic packaging and is therefore an input into the local manufacturing sector. The municipal area also imported plates, sheets or film of plastics (R3.0 million) and milking machines (R3.0 million). The municipal area has a large dairy industry, and these imports therefore suggest new capital investment into the sector. Exports include live plants (R9.1 million), cheese (R6.8 million) and undenatured ethyl alcohol (R6.7 million).

Mossel Bay



Imports into the Mossel Bay municipal area are mainly crude and other petroleum oils (R4.4 billion in 2020), which are used as inputs into the PetroSA refinery in Mossel Bay. PetroSA is experiencing a decline in the supply of local gas feedstock and imports are therefore necessary. However, new offshore gas finds such as Brulpadda and Luiperd could be a valuable injection into the sector. Top exports from the municipal area in 2020 included leather (R387.3 million), citrus (R210.2 million) and non-crude petroleum oils (R137.5 million).

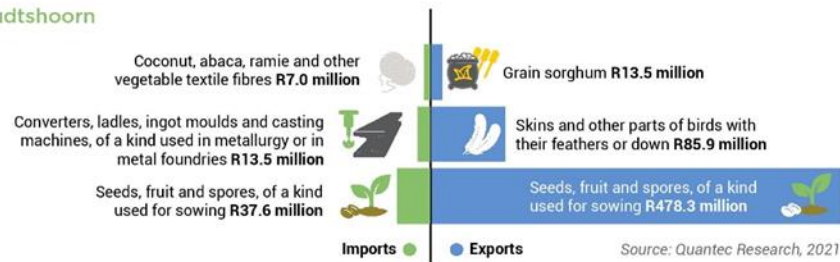
George



The George municipal area imported aircraft to the value of R112.7 million, as well as parts of aircraft worth R59.4 million in 2020. These imports could be associated with George Airport, which is a valuable transport asset for the region. The municipal area also imported frozen fish (R67.5 million). The George municipal area exported motor vehicles (R56.8 million), bird skins and feathers (R41.0 million), and cheese and curd (R38.7 million) in 2020. The ostrich and dairy industries in the region therefore contribute substantially to exports from the George municipal area.

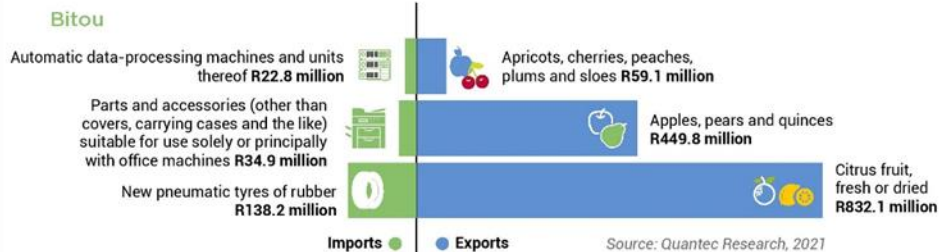


Oudtshoorn



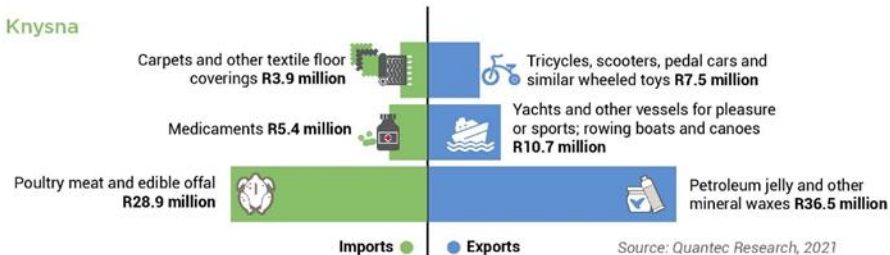
The top imported product in the Oudtshoorn municipal area in 2020 was seeds, fruit and spores used for sowing (R37.6 million). This product was also the leading export product (R478.3 million). The Oudtshoorn municipal area also exported skins and feathers of birds worth R85.9 million, as well as grain sorghum worth R13.5 million in 2020.

Bitou



The top three exports from the Bitou municipal area included citrus (R832.1 million), apples, pears and quinces (R449.8 million), and apricots, cherries, peaches, plums and sloes (R59.1 million). The Bitou municipal area is not a major producer of these fruits, but rather provides export services to the producing regions. This shows the value of a well-developed agriculture sector value chain across the region. Imports included new pneumatic rubber tyres (R138.2 million), parts and accessories for office machinery (R34.9 million) and automatic data-processing machines (R22.8 million). These machinery imports are a form of capital investment into local businesses, which is a positive indicator given the poor economic climate.

Knysna



The Knysna municipal area's main import was poultry meat (R28.9 million), while its main export was petroleum jelly and other mineral waxes (R36.5 million). Other large exports included yachts and other pleasure boats (R10.7 million), and tricycles and other similar toys (R7.5 million). These are goods from the local manufacturing sector. Creating an enabling environment in terms of land and infrastructure availability for industrial development could therefore play a valuable role in boosting exports from the region.

3.3 TOURISM PROFILE⁵²

The GRD is a paradise for bird and nature lovers, and is a unique eco-destination offering many things to see and explore. Located between mountain ranges and a vivid blue coastline, the well-renowned Garden Route towns boast countless attractions, including their indigenous environment and culinary pleasures. The most popular activities for visitors in the GRD include scenic drives, sport and outdoor activities, as well as culture and heritage.

Some of the top must-see stops in the District include the Wilderness National Park, the Knysna National Lake Area, Tsitsikamma National Park, the Karoo National Park, Storms River Mouth, the Bloukrans Bridge, Plettenberg Bay, the Knysna Heads, Kaaimans River Bridge, the Post Office Tree and Mossel Bay.

The tourism sector is not a stand-alone economic sector, as tourists demand goods and services from a variety of sectors, such as travel and transport services, accommodation, restaurants, general shopping and fuel. However, the catering and accommodation sector is often used to determine at least a portion of the size of the tourism industry in an area. The catering and accommodation services industry was valued at R701.7 million in 2019 and employed 11 607 people, with informal employment accounting for 42.4 per cent of the industry's total employment. Estimates for 2020 indicate that the industry was valued at R648.7 million and that it shed 2 009 jobs.

3.3.1 The impact of COVID-19 on the tourism sector

The tourism sector is one of the sectors that was hit the hardest by COVID-19. Many tourism businesses suffered big losses in revenue and many jobs were also lost. Each region of the Western Cape offers a unique product that attracts many international and domestic tourists annually. The GRD is a popular leisure destination among both international and domestic markets for enjoying short or weekend getaways.

The future of tourism is uncertain owing to travel and movement restrictions, which frequently change. However, it is important for the sector, along with the relevant management authorities, to improve the "readiness" of tourism destinations to receive visitors and prioritise their wellbeing through the implementation of COVID-19 health and safety protocols.

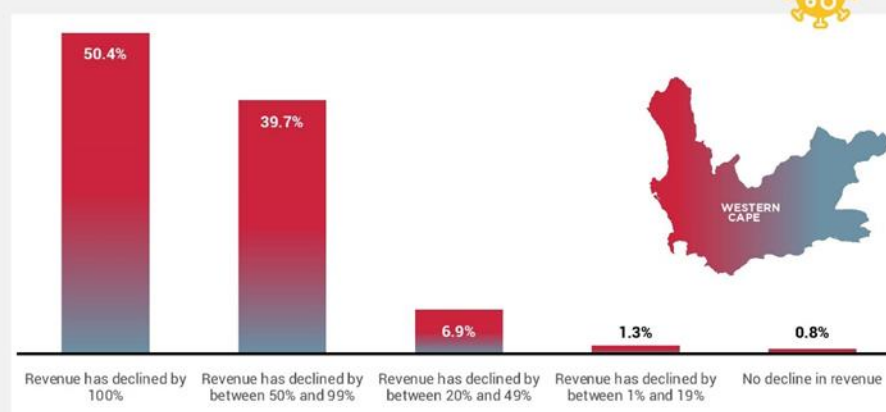


⁵² The Regional Visitor Trends reports published by Wesgro were used to report on regional tourism performance. It is important to note that the regional visitor tracking surveys can only be used as a proxy to indicate the key trends within the region owing to their survey collection method and sample size. Therefore, the information reported on cannot be seen as absolute figures. Furthermore, the information cannot be compared with other regions, nor with the information released by South African Tourism. It is also not advisable to compare year-on-year information, as the sample sizes are not comparable.

The full extent of the economic damage caused by COVID-19 and the subsequent national lockdown cannot be determined with certainty because, at the time of writing this publication, the national lockdown is still ongoing. A closer look at the labour market indicates a decline in household income owing to job losses and business closures, while the South African economy is under severe pressure to sustain livelihoods.

Figure 3.6 indicates the overall impact of COVID-19 on the Western Cape tourism businesses.

Figure 3.6
IMPACT OF COVID-19 ON TOURISM BUSINESSES, Western Cape, 2020



Source: Wesgro, 2021

It is estimated that more than half of the respondents experienced a 100.0 per cent loss of revenue because of the COVID-19 pandemic and about 39.7 per cent saw their revenue decline between 50.0 and 99.0 per cent.

Other COVID-19 impacts on the Western Cape tourism sector:⁵³

- Approximately 43.2 per cent of the respondents did not lose any workers. However, nearly half of the sector lost between one and 10 workers, and a further 7.5 per cent lost between 11 and 50 workers.
- Approximately 70.0 per cent of respondents had between one and 10 workers before COVID-19 and just under 50.0 per cent lost at least one worker.
- Approximately 20.8 per cent of respondents had between 11 and 50 workers before the pandemic and 52.6 per cent lost between one and 10 workers.
- Approximately 30.8 per cent of respondents who employed 51 to 250 workers before COVID-19 lost between one and 10 workers, and 26.9 per cent of respondents lost between 11 and 50 workers.
- Approximately 46.7 per cent of the respondents had to reduce employee salaries.

⁵³ (Wesgro, 2021).

- The temporary closure of businesses and increased marketing efforts were among the most widely used methods to reduce the impact of the pandemic on the sector. Other methods implemented to reduce the impact included applying for payment holidays and adding more specials to secure future bookings. Many businesses also had to access their savings to cope during the pandemic.
- More than half of the respondents did not receive financial support from the Government. However, 54.3 per cent of the respondents who did not receive funding did not apply for it at all.
- Approximately 23.2 per cent of the respondents received funding and 9.1 per cent of respondents who received funding did not receive sufficient funding for their operational needs.
- Approximately 55.2 per cent of the respondents applied for funding from the Unemployment Insurance Fund's TERS, 30.1 per cent applied to the Department of Tourism's Tourism Relief Fund and 18.4 per cent applied to the SMME Debt Relief Finance Fund.
- The national government implemented a risk-adjusted strategy that allowed certain activities to open under lockdown levels three and four. Approximately 40.0 per cent of the respondents indicated that occupancy levels or revenue slightly increased because of this relief measure.
- The easing of restrictions also had a huge impact on almost 10.0 per cent of respondents, who experienced a moderate to significant increase in revenue. However, almost 50.0 per cent of respondents did not experience any change in occupancy or revenue.

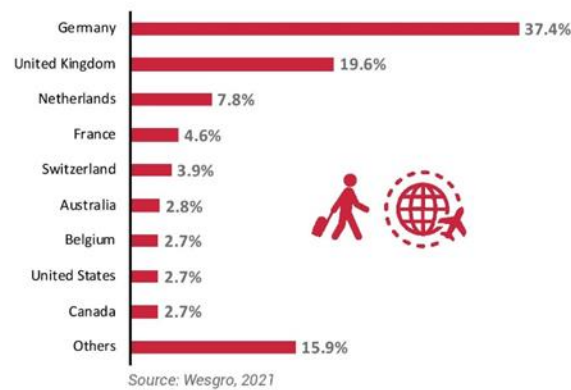


3.3.2 Demographic profile of visitors

Figure 3.7 illustrates the proportionate share of international and domestic travellers to the GRD in 2020.

Figure 3.7

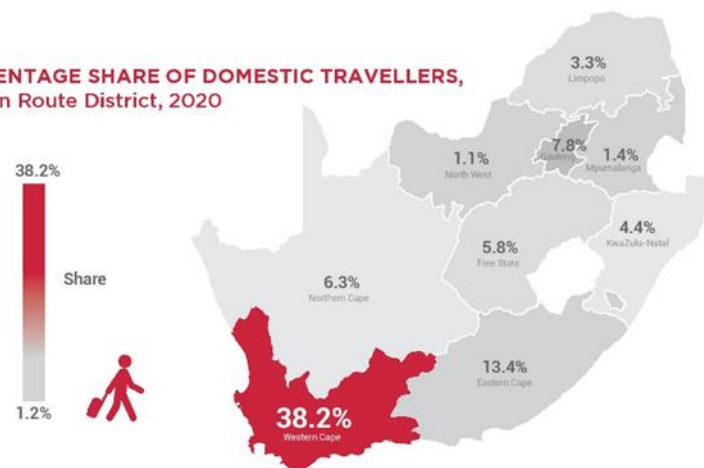
PERCENTAGE SHARE OF INTERNATIONAL TRAVELLERS, Garden Route District, 2020



The top three international source markets to the GRD in 2020 travelled from Germany (37.4 per cent), the United Kingdom (19.6 per cent) and the Netherlands (7.8 per cent). The international visitor trend to the GRD is consistent with the Province in the sense that European countries dominate source markets.

Map 3.1

PERCENTAGE SHARE OF DOMESTIC TRAVELLERS, Garden Route District, 2020



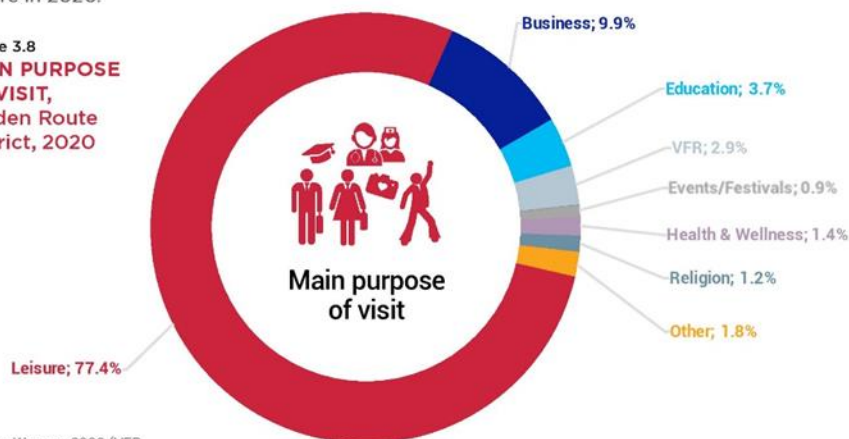
Note: 18.4 per cent of respondents were unspecified.

The top three domestic source markets to the GRD in 2020 were the Western Cape (38.2 per cent), the Eastern Cape (13.4 per cent) and Gauteng (7.8 per cent). Despite the COVID-19 regulations on travel, the trends indicate that the domestic market started to travel to this region once the restrictions were eased, confirming that the Garden Route area is a popular destination for leisure activities for domestic tourists. However, the poor performance of the economy is negatively impacting household income, and spending by domestic tourists is therefore likely to be affected.

3.3.3 Purpose and duration of visit

Figure 3.8 illustrates the main purpose of visits to the GRD in 2020. The GRD is primarily considered a leisure destination, with 77.4 per cent of visitors travelling to the District for leisure in 2020.

Figure 3.8
MAIN PURPOSE
OF VISIT,
Garden Route
District, 2020

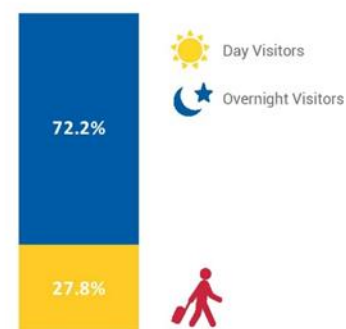


Source: Wesgro, 2020 (VFR denotes visiting friends or relatives)

Apart from leisure travel, 9.9 per cent of travel was for business and 3.7 per cent was for educational purposes.

Figure 3.9 illustrates the spread of day and overnight visitors to the GRD in 2020.

Figure 3.9
OVERNIGHT VS DAY VISITORS, Garden Route, District, 2020



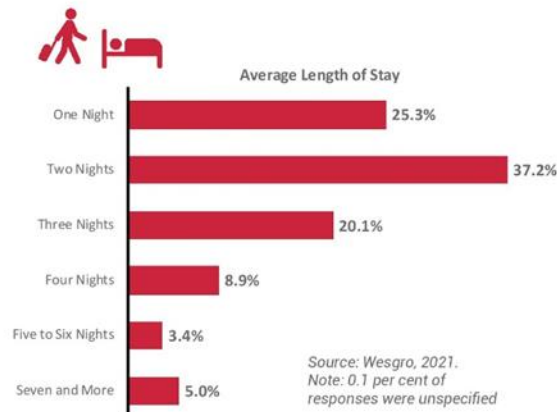
Source: Wesgro, 2021



The GRD is a popular destination for overnight visitors, accounting for 72.2 per cent of visits in 2020, while day visitors accounted for 27.8 per cent. This confirms that visitors like to visit for short getaways or weekends.

Figure 3.10 illustrates the average length of stay of visitors to the GRD in 2020.

Figure 3.10
AVERAGE LENGTH OF STAY BY VISITORS, Garden Route District, 2020

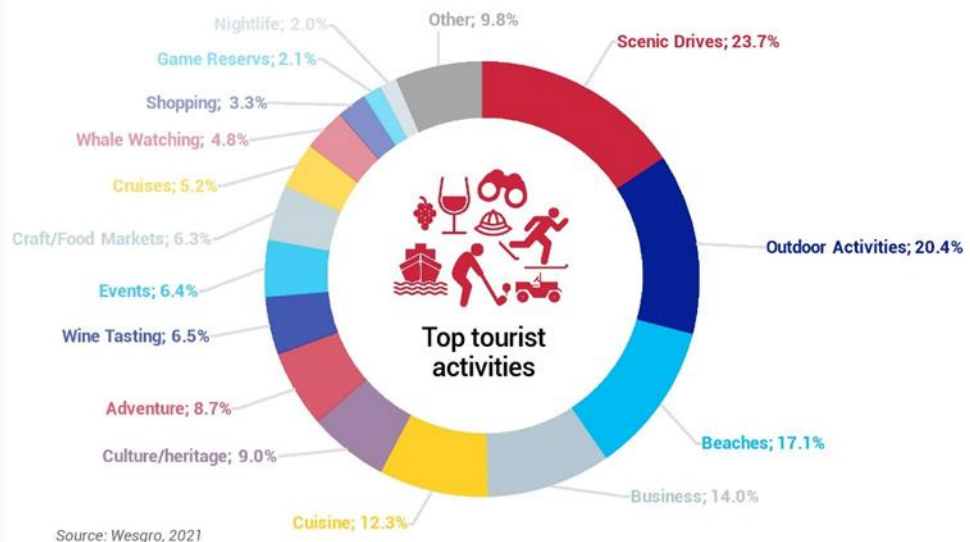


The region is popular for getaways of between one and three nights, and tourists make use of self-catering accommodation, guest houses, B&Bs and hotels. The length of stay is one of the key elements in a tourist's decision-making process and is of great economic importance for the tourist destination. Therefore, promoting longer stays would have a positive economic impact, especially when targeting the international markets, as they tend to spend more.

3.3.4 Activities, expenditure and transport

Figure 3.11 indicates the top activities undertaken by visitors in the GRD in 2020.

Figure 3.11
TOP TOURIST ACTIVITIES UNDERTAKEN, Garden Route District, 2020



Activities enjoyed in 2020 by tourists to the GRD included scenic drives (23.7 per cent), outdoor activities (20.4 per cent) and beaches (17.1 per cent). Activities participated in the least by tourists included nightlife (2.0 per cent) and game reserves (2.1 per cent).

Figure 3.12 shows the daily expenditure patterns among the visitors who travel to the GRD.

Figure 3.12

AVERAGE DAILY EXPENDITURE BY VISITORS, Garden Route District, 2020

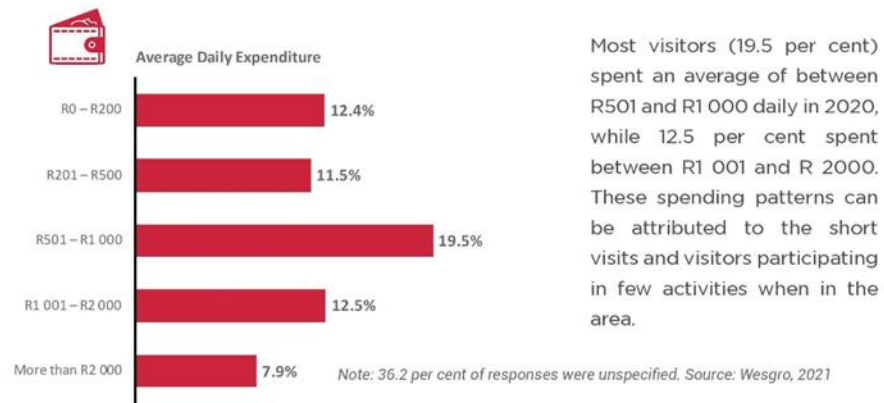
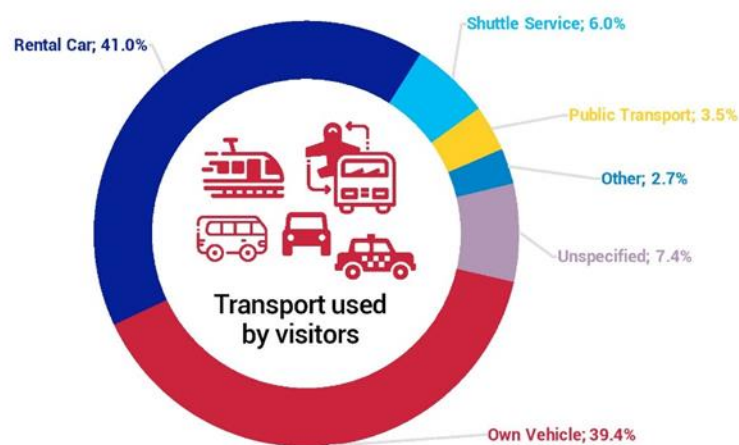


Figure 3.13 illustrates the mode of transport used by visitors to travel to and within the GRD.

Figure 3.13

MODE OF TRANSPORT USED BY VISITORS, Garden Route District, 2020



Source: Wesgro, 2020

In terms of the preferred mode of transport, most tourists made use of rental cars (41.0 per cent), followed by their own vehicle (39.4 per cent). The high rental car percentage could indicate that a high number of international tourists made trips to the Garden Route region.


3.4 COMPARATIVE ADVANTAGE AND EMPLOYMENT POTENTIAL

The purpose of this section is to analyse the comparative advantage of the various economic sectors within the GRD by exploring the historic growth of the respective sectors to identify growth opportunities for the District economy.

A location quotient is used to determine the level of specialisation in the different economic sectors of the GRD. The location quotient is a ratio between two economies – in this case, the national and District economies – that indicates whether the District is exporting, is self-sufficient or is importing goods and services from a particular sector.

Table 3.3 provides further details about the classification and interpretation of the location quotient. A location quotient of more than one indicates that a comparative advantage exists in the local economy compared with the national economy, whereas a location quotient of less than one indicates that the representation of the sector is weaker in the local economy than in the national economy.⁵⁴ Furthermore, a location quotient of one indicates that the representation of the sector in the local economy is the same as its representation in South Africa.

Table 3.3
LOCATION QUOTIENT INTERPRETATION

LOCATION QUOTIENT	Classification	 Interpretation
Less than 0.75	Low	Regional needs are probably not being met by the sector, resulting in an import of goods and services in this sector.
0.75 to 1.24	Medium	The sector is meeting most local needs. The region will probably be both importing and exporting goods and services in this sector.
1.25 to 4.99	High	The sector is serving needs beyond the border, exporting goods and services in this sector to other regions or provinces.
More than 5.00	Very High	This is indicative of a very high level of local dependence on the sector, typically in a "single-industry" community.


Source: Urban-Econ, 2021

A location quotient does not consider external factors such as government policies, investment incentives, proximity to markets, etc. These factors could influence the comparative advantage of an area in a given economic space. Additionally, the location quotient indicates the relative importance of the local economy to the Provincial economy and does not necessarily indicate that the sector is small or large within a local economy, nor does it indicate the value of importance. A value between 0.75 and 1.24 does not necessarily indicate that the local economy is exporting goods or services and does not indicate that local needs are not being met.

⁵⁴ (Fennig & DaCosta, 2010).

Table 3.4 provides the location quotient for the GRD in terms of GDP and employment.

Table 3.4
LOCATION QUOTIENT IN TERMS
OF GDP AND EMPLOYMENT,
Garden Route District, 2019



SECTOR	In terms of GDP	In terms of employment
PS Primary Sector		
Agriculture, forestry & fishing	2.1	1.7
Mining & quarrying	0.0	0.0
SS Secondary Sector		
Manufacturing	1.1	0.9
Electricity, gas & water	0.8	0.9
Construction	1.6	1.1
TS Tertiary Sector		
Wholesale & retail trade, catering & accommodation	1.2	1.1
Transport, storage & communication	1.0	0.9
Finance, insurance, real estate & business services	1.3	1.0
General government	0.6	0.8
Community, social & personal services	1.2	0.9

Source: Quantec Research, 2021

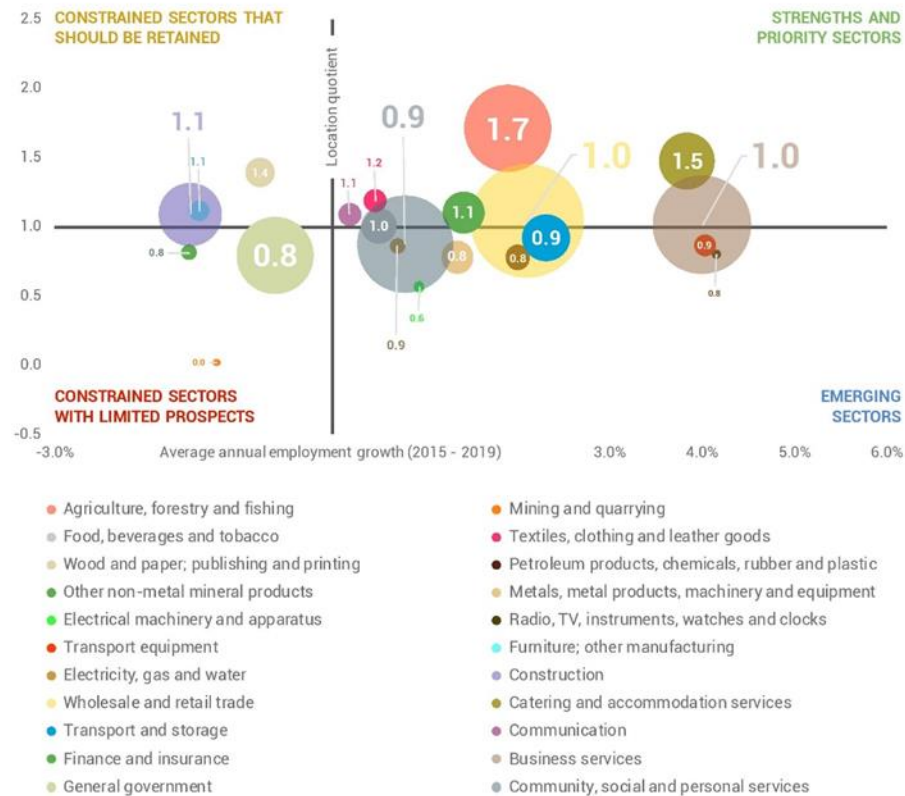
The sector in which the GRD had the highest comparative advantage in 2019 was the agriculture sector (in terms of GDP and employment). The GRD also had a high comparative advantage in terms of GDP in the trade sector, the finance sector and the construction sector. The location quotient for these three sectors in terms of employment was also one or greater than one, which shows that these sectors are also of relative importance to employment.

The sector with the smallest location quotient was the mining sector. Compared with the country, the GRD has very few mining resources, but compared with the Province, this sector is still of relative importance. The local mining industry has forward linkages to the construction sector, which is a key local sector, as illustrated above.



In order to assess the sectoral development opportunities in the GRD, the comparative advantage in sectors is further analysed, together with the historical sectoral employment growth rate. Figure 3.14 illustrates the comparative advantage and the average sectoral employment growth in the GRD.

Figure 3.14
COMPARATIVE ADVANTAGE AND SECTORAL EMPLOYMENT GROWTH,
Garden Route District, 2019



Note: Size of bubble illustrates the contribution to total employment (2019). Source: Quantec Research, 2021

Sectors that have a location quotient greater than one and that recorded positive employment growth during the period from 2015 to 2019 are priority sectors for employment growth. Sectors that have a location quotient greater than one but have shed jobs over the period under analysis may require intervention, whether it be financial, regulatory or capacity-building, to benefit from the comparative advantage.

Sectors in which the GRD does not have a comparative advantage (a location quotient less than one) but that have shown positive employment growth are considered to be emerging sectors, but prospects may be limited owing to the size of the sector or external trends.

The table below provides further information relating to the sectors that are considered to be strengths in terms of job creation based on historic trends, as well as the sectors that should be retained, despite their lack of employment growth.

Table 3.5
PRIORITY SECTORS
FOR EMPLOYMENT,
Garden Route District, 2019

SECTOR	GDPR R million 2019	GDPR trend 2015 – 2019	Number of jobs 2019	% informal jobs 2019	Average annual change in employment 2015 – 2019	Average gross fixed capital formation growth 2015 – 2019
Agriculture, forestry and fishing	2 015.2	-4.2%	28 042	26.8%	404	-4.7%
Food, beverages and tobacco	2 342.1	1.9%	4 546	21.4%	21	2.6%
Textiles, clothing and leather goods	234.1	-1.3%	1 843	24.5%	8	0.5%
Wood and paper; publishing and printing	931.6	-0.9%	3 287	21.9%	-27	-1.0%
Furniture; other manufacturing	730.7	1.7%	1 512	28.8%	-24	-0.9%
Construction	2 811.2	-1.7%	14 577	33.8%	-250	2.8%
Wholesale and retail trade	7 898.2	1.2%	47 646	40.1%	934	2.2%
Catering and accommodation services	701.7	-2.7%	11 607	42.4%	397	-2.4%
Communication	990.5	3.3%	1 870	27.3%	2	5.7%
Finance and insurance	3 322.7	3.3%	6 488	9.2%	85	-0.9%
Business services	8 344.3	3.1%	35 289	21.9%	1 254	-0.5%

Source: Quantec Research, 2021

Agriculture, forestry and fishing

The agriculture sector's output shrank between 2015 and 2019, in large part as a result of the Provincial drought. Some of the main crops in the GRD include fruit, vegetables and wheat. Livestock farming (for dairy production purposes) and ostrich farming are also prevalent in the GRD. The sector created jobs while the value of this output declined, indicating a reduction in capital intensity as farmers divested from their expansion and maintenance budgets. Despite this lacklustre performance, it remains a high priority retention target sector given the area's latent natural resource endowment attributes. Furthermore, approximately 26.8 per cent of workers in this sector were informally employed in 2019. Initiatives such as the Klein Karoo Calitzdorp Pomegranate Export Agri Hub and the proposed Garden Route Fresh Produce Market will support smallholder farmers' future access to retail markets and improved prices. Similarly, platforms such as the recently hosted Garden Route Waste and Biomass Beneficiation Conference, and the Garden Route District Municipality Home Composting Pilot Project show the importance of considering circular economy opportunities in the forestry and other subsectors.

Food, beverages and tobacco

The value of this sector's GDP contribution (R2.3 billion) was larger than that of agriculture, underscoring the importance of value-adding activities to transform raw produce into various food products. Activities in this sector include honeybush, aloe, nut, ostrich, dairy and fishmeal processing. The food, beverages and tobacco sector grew by an average annual rate of 1.9 per cent between 2015 and 2019. In 2019 the sector employed 4 546 people, 21.4 per cent of whom were informally employed. Investment in this sector has grown substantially since 2015, with an average annual gross fixed capital formation of 2.6 per cent between 2015 and 2019. Creating an enabling environment for development, such as ensuring the availability of serviced land for industrial purposes, can serve as a catalyst for attracting new investment. Furthermore, supporting small-scale and emerging processors through export support and market linkages can further strengthen the sector to create new employment opportunities.

Other manufacturing subsectors

Other manufacturing subsectors in which the GRD has a comparative advantage, and which have recorded a positive employment growth trend, include the textiles, clothing and leather goods sector. The GRD also has a comparative advantage in the wood and paper, publishing and printing sector, as well as the furniture and other manufacturing sector, but these two sectors shed jobs between 2015 and 2019. The textiles, clothing and leather goods sector, the wood and paper, publishing and printing sector, and the furniture and other manufacturing sector contributed R234.1 million, R931.6 million and R730.7 million respectively to the GDP of the GRD in 2019. Furthermore, the textiles, clothing and leather goods sector and the wood and paper, publishing and printing sector contracted by an average annual rate of 1.3 per cent and 0.9 per cent respectively between 2015 and 2019. The wood and paper, publishing and printing sector is of particular importance in the Knysna municipal area. The fires of 2017 resulted in a severe loss of commercial forests, which dampened the industry's performance and outlook.

The export-oriented leather industry in Mossel Bay, Oudtshoorn and surrounding areas is key to the performance of the textiles, clothing and leather goods sector. This in turn is derived from the local ostrich- and cattle-farming industry. Support measures for this sector at the national level (Department of Trade, Industry and Competition [DTIC] incentives) and Provincial scale create linkages with the fashion industry, which is largely clustered around Cape Town.

Local furniture manufacturing is typically from indigenous woods. Prospects for this sector's growth are currently limited, with municipal support possibly advancing retention of existing light industry and niche enterprises (rather than seeking new investment attraction).

Construction

This sector shed a large number of jobs between 2015 and 2019 (the highest sectoral rate of job loss in the District), mirroring the overheating property industry. Prospects for this sector are limited until the broader national macroeconomic leading indicator conditions improve significantly.

The ongoing Garden Route Dam spillway reconstruction and drainage channel excavation in George Municipality, which began in May 2021, will provide temporary relief for the sector, albeit only until the middle of 2022. It is anticipated that some of the short-term employment opportunities from this project would have accrued to graduates from the GRD Municipality National Qualifications Framework-rated construction process supervision learnership programme. The GRD Municipality's human settlement capabilities were bolstered in 2021 by the achievement of several administrative, planning and capacity milestones. These augur well for the local construction sector, as some housing opportunities may arise in the coming year.

Catering and accommodation services

The tourism sector interfaces strongly with the catering and accommodation sector, and contributes to this sector's high location quotient. This sector had a GDP of R701.7 million in 2019 and provided employment for 11 607 people, 42.4 per cent of whom were informally employed. Furthermore, between 2015 and 2019, the catering and accommodation sector created 397 jobs on average per annum. The COVID-19 restrictions had a significant impact on the sector and led to large-scale job losses. Promoting domestic tourism will play a valuable role in reviving the local industry.

Other services sectors

The George municipal area is a growing commercial hub in the GRD, and many of the tertiary sectors are therefore becoming increasingly important for creating sustainable jobs. Skills mismatches between the demand and supply for labour should therefore be addressed. Key sectors include the trade sector, the communication sector and the finance sector. The community services sector is also an emerging sector in terms of job creation, particularly in the Bitou and Knysna municipal areas.

Information and communications technology (ICT) infrastructure, as well as electricity and public transport infrastructure, are key public-sector investments that will make the services sectors in the GRD attractive for investment.



3.5 INVESTMENTS

This subsection discusses various forms of investments occurring in the GRD, including building plans passed and completed, new investments from prominent local companies and a consolidated overview of municipal spending on contracted services.

3.5.1 Private-sector investment

3.5.1.1 Sectoral investments and business expansion

Two foreign investments were made into the District between July 2019 and July 2021. The first was by Klinger South Africa of Austria, which invested USD3.0 million in the industrial equipment industry. Klinger is the world's leading manufacturer and provider of industrial gaskets and valves. The company is a pioneer in gasket technology and is currently a globally active group made up of 45 independent global manufacturing, sales and service companies offering consultancy services in numerous countries worldwide. Its customers comprise leading companies belonging to the following industries and sectors: manufacturing, infrastructure, automotive, marine, oil and gas, chemical, pulp and paper, energy, food and beverages, and pharmaceutical.⁵⁵

The second investment was by the company Mallcomm from the United Kingdom, which invested USD5.2 million in the software and information technology services industry. Mallcomm is a business-to-business and business-to-consumer communications medium created by the Toolbox Group. The company enables real-estate owners to manage and engage their communities efficiently through instant communication between the management team and retailers. The platform has been implemented by leading retail asset managers across the globe.⁵⁶

3.5.1.2 Building plans passed and completed

Building plans passed and completed are a couple of the indicators used to measure economic activity and business cycle changes. The value of building plans passed⁵⁷ can be used as a leading indicator, while building plans completed⁵⁸ can be used as a lagging indicator. Building plans passed and completed have further implications for municipal spatial planning and budgeting. Furthermore, building plans passed indicate the private sector's willingness to invest in an area, while business plans completed highlight money that has been spent. The development of non-residential buildings has a positive impact on the local economy during the construction phase, as well as the operational phase.

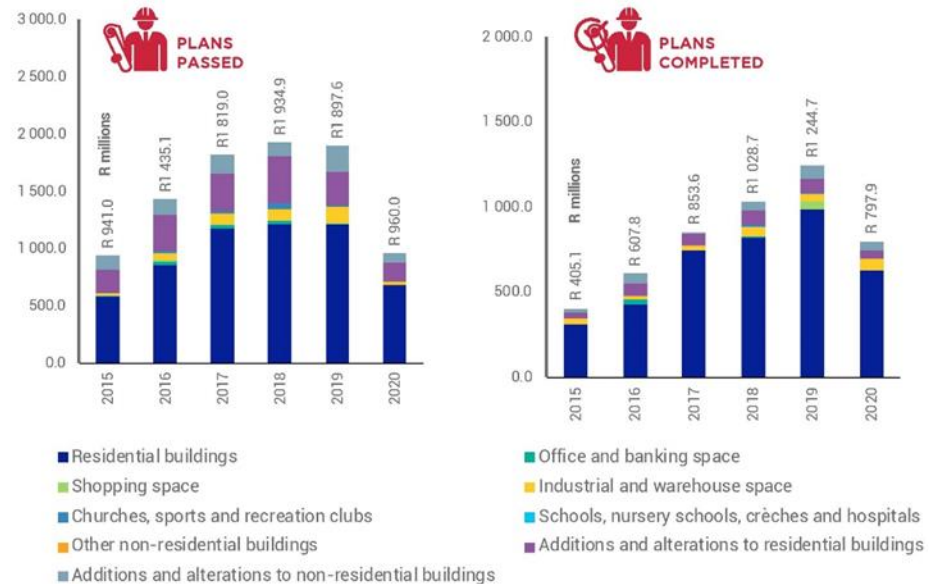
Stats SA's information on building plans passed and completed is only available for the George, Mossel Bay, Oudtshoorn, Knysna and Bitou municipal areas.

⁵⁷ Number of residential building plans passed larger than 80m².

⁵⁸ Value of non-residential buildings completed (constant prices).

Figure 3.15 illustrates the value of building plans passed and completed in the George municipal area between 2015 and 2020. The values of building plans passed and completed are expressed in current prices.

Figure 3.15
VALUE OF BUILDING PLANS PASSED AND COMPLETED, George, 2015 – 2020 (R million)



Source: Stats SA & Quantec Research, 2021

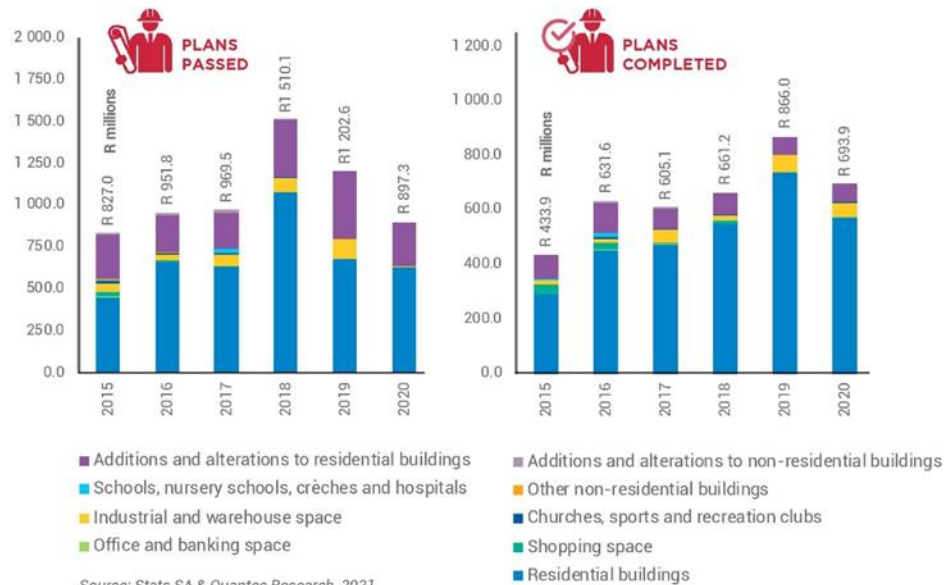
In the George municipal area, the total value of building plans passed increased from R941.0 million in 2015 to R1.9 billion in 2018, before declining to R960.0 million in 2020. During the period under review, residential building plans made up most of all building plans passed. This was followed by additions and alterations to residential buildings, and additions and alterations to non-residential buildings. Household income and demand for residential property in the George municipal area therefore play a significant role in economic activities associated with property development.

Building plans passed for residential buildings increased from R589.8 million in 2015 to R1.2 billion in 2019, before declining to R684.5 million in 2020. Building plans passed for industrial and warehouse space had a value of R29.6 million in 2020, which was notably lower than previous years, peaking at R134.7 million in 2019. In 2020 the value of building plans passed decreased significantly compared with 2019. This could be attributed to the global COVID-19 pandemic, which resulted in strict regulations and restrictions.

The value of building plans completed increased from R405.1 million to R1.2 billion in 2019, before declining to R797.9 million in 2020. Most building plans completed between 2015 and 2020 were for residential buildings. The value of building plans completed for residential developments increased from R312.6 million in 2015 to R990.0 million in 2019 before declining to R628.2 million in 2020. Other building plans completed in 2020 included industrial and warehouse space (R70.2 million), additions and alterations to residential buildings (R51.4 million), as well as additions and alterations to non-residential buildings (R48.1 million).

Figure 3.16 illustrates the value of building plans passed and completed in the Mossel Bay municipal area between 2015 and 2020.

Figure 3.16
VALUE OF BUILDING PLANS PASSED AND COMPLETED,
Mossel Bay, 2015 – 2020 (R million)



In the Mossel Bay municipal area, the total value of building plans passed increased from R827.0 million in 2015 to R1.5 billion in 2018, before declining to R897.3 million in 2020. During the period under review, residential building plans made up most of all building plans passed. This was followed by additions and alterations to residential buildings, and additions and alterations to non-residential buildings. In 2020, building plans passed for residential buildings were valued at R622.6 million, while building plans passed for additions and alterations to residential buildings were valued at R257.3 million.

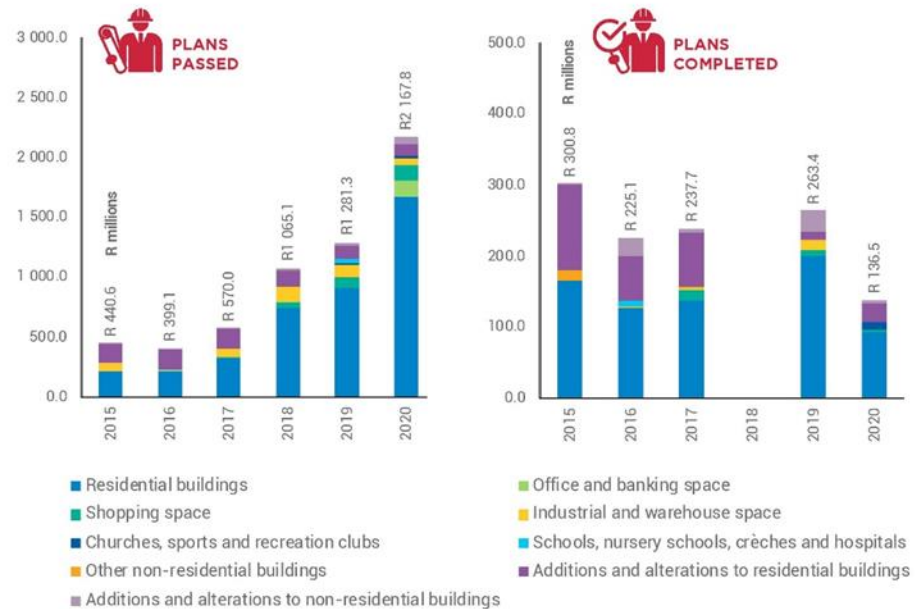
In terms of commercial property, most building plans passed during the reference period were for industrial and warehouse space. This is a positive indicator for manufacturing and transport sector development. However, the value of building plans passed declined from R112.0 million in 2019 to R13.2 million in 2020.

The value of building plans completed in the Mossel Bay municipal area increased from R433.9 million in 2015 to R866.0 million in 2019 before declining to R693.9 million in 2020. This decline was mainly attributed to a decline in building plans completed for residential and industrial buildings. Building plans completed for shopping space have consistently declined from R35.0 million to zero in 2019. However, they increased to R2.6 million in 2020. This would have been a valuable injection for the trade sector, despite the tough economic conditions.

Figure 3.17 illustrates the value of building plans passed and completed in the Knysna municipal area between 2015 and 2020.

Figure 3.17

VALUE OF BUILDING PLANS PASSED AND COMPLETED, Knysna, 2015 – 2020 (R million)



Note: No data for building plans completed in 2018. Source: Stats SA & Quantec Research, 2021

Building plans passed steadily increased over the reference period, peaking at R2.2 billion in 2020. In 2020, building plans passed for residential buildings were valued at R1.7 billion, shopping space building plans passed were valued at R130.3 million and plans for office and banking space were valued at R129.5 million. If these projects are realised, it will be a substantial boost not only to the local construction industry but also to tertiary sector activities. Despite the tough economic conditions, additions and alterations to non-residential buildings increased from R18.8 million in 2019 to R61.1 million in 2020.

Building plans completed declined from R300.8 million in 2015 to R237.7 million in 2017, and from R263.4 million in 2019 to R136.5 million in 2020. The lockdown restrictions likely affected construction projects. Building plans completed for residential buildings declined from R200.5 million in 2019 to R92.8 million in 2020. However, building plans completed for additions and alterations to residential buildings increased from R10.7 million in 2019 to R25.1 million in 2020. Smaller construction works such as additions and alterations to residential property would have boosted SMMEs in the construction industry as well as retail sales of hardware and other inputs required for small-scale renovations.

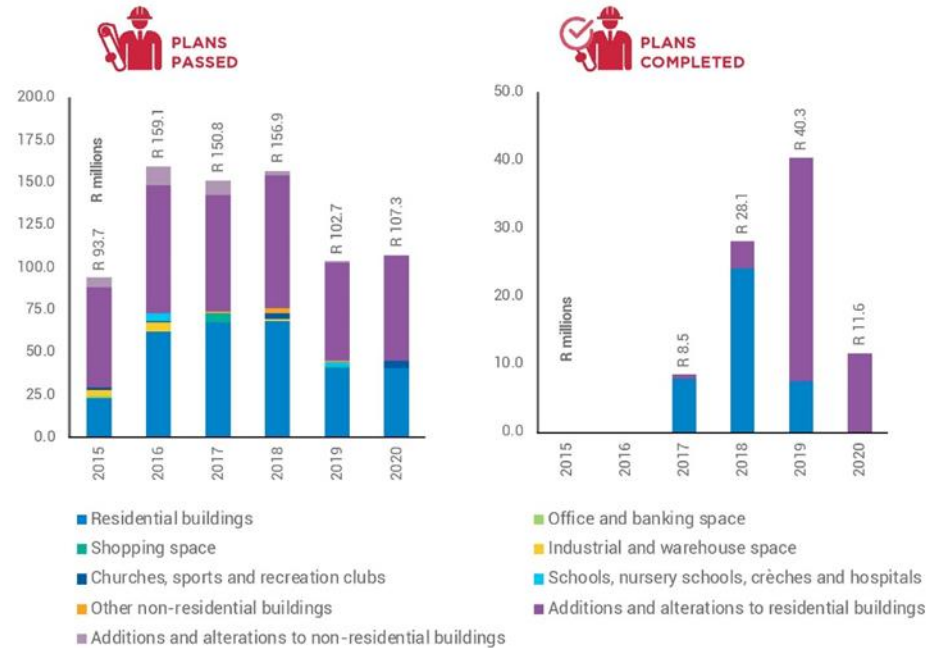
However, future large-scale developments in the Knysna municipal area will be constrained by shortages of well-located land for housing and urban development, as well as capacity constraints in the municipal planning and building control departments.⁹⁹

⁹⁹ (Knysna Municipality, 2021).

Figure 3.18 illustrates the value of building plans passed and completed in the Oudtshoorn municipal area between 2015 and 2020.

Figure 3.18

**VALUE OF BUILDING PLANS PASSED AND COMPLETED,
Oudtshoorn, 2015 - 2020 (R million)**



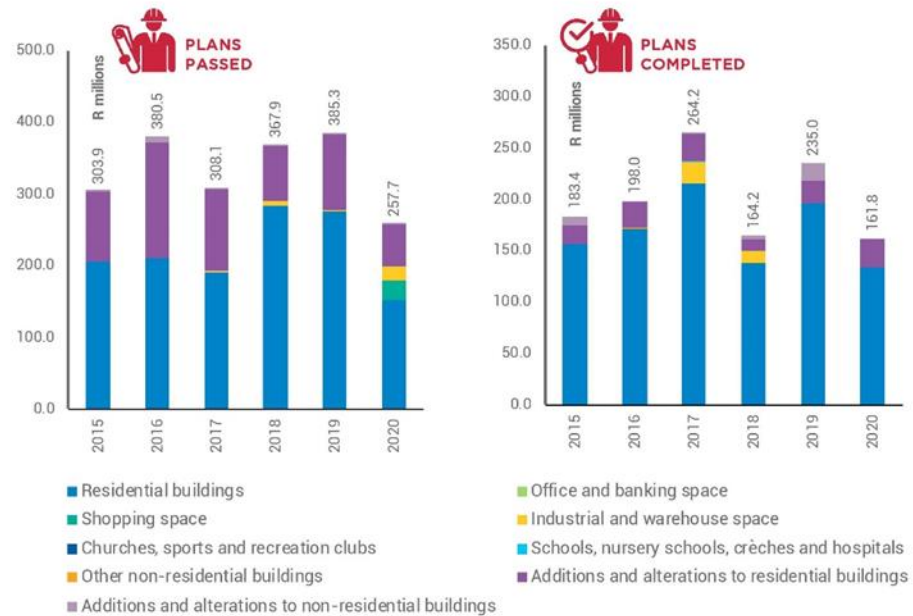
Note: No data for building plans completed for 2015 and 2016. Source: Stats SA & Quantec Research, 2021

Building plans passed increased substantially from R93.7 million in 2015 to R159.1 million in 2016, from where they decreased to R156.9 million in 2018. They declined again to R102.7 million in 2019 before increasing marginally to R107.3 million in 2020. For the period under review, most of the building plans passed were for additions and alterations to residential buildings. These increased from R57.2 million in 2019 to R62.0 million in 2020.

Building plans completed increased from R8.5 million in 2017 to R40.3 million in 2019 before declining to R11.6 million in 2020. In line with building plans passed, most building plans completed are for additions and alterations to non-residential buildings. Between 2019 and 2020 building plans completed for additions and alterations to residential buildings declined from R32.7 million to R11.6 million.

Figure 3.19 illustrates the value of building plans passed and completed in the Bitou municipal area between 2015 and 2020.

Figure 3.19
VALUE OF BUILDING PLANS PASSED AND COMPLETED,
Bitou, 2015 – 2020 (R million)



Source: Stats SA & Quantec Research, 2021

In the Bitou municipal area, the total value of building plans passed increased from R303.9 million in 2015 to R385.3 million in 2019 before declining to R257.7 million in 2020. Throughout the period under review, most building plans passed were for residential buildings, the value of which decreased from R275.4 million in 2019 to R152.8 million in 2020. Building plans passed for shopping space increased to R26.8 million in 2020, while building plans for industrial and warehouse space increased from R2.1 million in 2019 to R20.1 million in 2020. Building plans passed in Bitou in recent years therefore show favourable growth patterns for the region's commercial sector.

The value of building plans completed peaked in 2017 (R264.2 million) and 2019 (R235.0 million). The majority of building plans completed were for residential buildings, the value of which decreased from R156.9 million in 2015 to R133.9 million in 2020. Other building plans completed in 2020 were mainly for additions and alterations to residential buildings (R27.9 million).

Real-estate development promotes the economic value and growth of an area. Capital is already being pushed into the economy before the physical construction activities. The services of various people from different industries, including lawyers, engineers, architects and designers, benefit from the planning of real-estate development. An increase in the development of housing naturally creates new jobs for businesses in an area. Furthermore, an increase in the

development of housing may also mean an increase in residents in an area, which translates into an increase in the labour force and economic growth.

While building plan data from Stats SA does not include the Kannaland municipal area, indications from the municipality are that residential building approvals were significantly higher in 2020 than in the previous year. There was also an increase in retail building applications, albeit from a small base, while commercial and industrial property supply remained muted.⁶⁰

3.5.2 Public-sector investment

3.5.2.1 Municipal contracted services

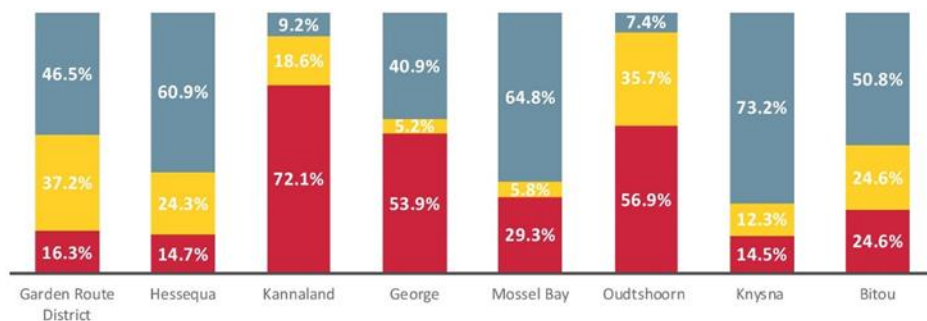
The procurement processes of local municipalities can facilitate the development of local SMMEs that provide goods and services, while spending on infrastructure promotes the creation of an enabling environment for households and businesses to function optimally. Figure 3.20 indicates the distribution of municipal spending on contracted services in 2019/20.

Figure 3.20

PROPORTION OF SPENDING ON CONTRACTED SERVICES PER MUNICIPAL AREA, Garden Route District, 2019/20⁶¹



- Outsourced services
- Consulting and professional services
- Contractors



Source: National Treasury, 2021

For the District, the largest proportion of contracted service was allocated to contractors (46.5 per cent), followed by consulting and professional services (37.2 per cent) and outsourced services (16.3 per cent). The local municipalities in the GRD have very different spending patterns, based on the individual needs of each local municipal area.

In 2019/20, the Hessequa Municipality spent most of its contracted services on contractors (60.9 per cent), followed by consulting and professional services (24.3 per cent) and outsourced services (14.7 per cent).

⁶⁰ (Kannaland Municipality, 2021).

⁶¹ According to the Municipal Standard Chart of Accounts (mSCOA), municipalities should have the capacity and expertise to carry out certain services. Outsourced services are therefore services procured by the municipality when it temporarily does not have the capacity to perform these functions, or to save costs. Consulting services refer to specialist services and skills provided to a municipality for the achievement of a specific objective. It is unnecessary to maintain these skills in-house since they are often only required on a once-off or temporary basis. Contractors are utilised for services that are not the core business of the municipality.

For the Kannaland Municipality, most of the contracted spending in 2019/20 was allocated to outsourced services (72.1 per cent) and consulting and professional services (18.6 per cent), followed by contractors (9.2 per cent). Outsourced services were mainly for accounting and auditing services (R6.2 million). The construction of a library currently under way in Bergsig represents important new infrastructure for the municipal area.⁶² Not only will this boost the local construction industry, it can also improve education outcomes in the municipal area.

In the George Municipality, most of the contracted spending was allocated to outsourced services (53.9 per cent) and contractors (40.9 per cent), followed by consulting and professional services (5.2 per cent). Contracted services in the George Municipality were mainly for transport services (R175.9 million). Initiatives such as the Go George bus service play an integral role for the economy of the George municipal area, as the availability of public transport ensures ease of access to employment opportunities. In 2019/20, the George Municipality also spent R106.2 million on the maintenance of buildings, informal settlements, equipment and other assets, which is a valuable boost to the economy, as local contractors would have been utilised for these services.

Most of the Mossel Bay Municipality's spending on contracted services was on contractors (64.8 per cent), followed by outsourced services (29.3 per cent) and consulting and professional services (5.8 per cent). Spending on contractors comprised mainly building contractors (R50.4 million) and maintenance (R39.8 million). The municipality also spent R12.2 million on cleaning services and R10.5 million on grass-cutting and -clearing services. These spending categories can be utilised to support local SMMEs, and enabling local service providers to provide services to the public sector can be a catalyst for employment creation in the municipal area.

In the Oudtshoorn Municipality, most of the contracted spending was allocated to outsourced services (56.9 per cent) and consulting and professional services (35.7 per cent), followed by contractors (7.4 per cent). Several investments have been made in the past two years to upgrade water-related infrastructure. These include, but are not limited to, the Blossoms Wellfield pipeline, the Raubenheimer Dam upgrade and the Calitzdorp Spa groundwater exploration. The Dysselsdorp Housing Project, which is currently under construction in the Oudtshoorn municipal area, will add more than 500 new residential units to the local housing stock, with associated indirect benefits for local labour and construction firms. It is expected that planned investments into a library, school, crèche and police station in the Rose Valley and Toekomsrus areas will also support the sector.⁶³

In 2019/20 the Knysna Municipality's spending on contracted services was mainly on contractors (73.2 per cent), followed by outsourced services (14.5 per cent) and consulting and professional services (12.3 per cent). Major contractor spending in the municipality included R58.6 million on building contractors and R54.5 million on maintenance. This can be a significant investment in the local construction sector if local suppliers are utilised.

The Bitou Municipality spent most of its contracted services on contractors (50.8 per cent), followed equally by consulting and professional services (24.6 per cent) and outsourced services (24.6 per cent). Contractors were mainly utilised for maintenance of buildings, equipment and other assets (R35.8 million), while spending on consultants and professional services was mainly for legal costs (R12.9 million). The municipality also spent R14.5 million on outsourcing security services.

⁶² (Kannaland Municipality, 2021).

⁶³ (Oudtshoorn Municipality, 2021).

Municipal procurement of goods and services benefits the local economy if local enterprises are utilised, particularly SMMEs. However, local government in the GRD also provides various support measures to help retain and attract SMMEs, including:

- Export capacity-building workshops.
- Connecting SMMEs to support organisations such as the Small Enterprise Development Agency.
- Utilisation of community development workers in instances where local economic development (LED) unit capacity is limited.⁶⁴
- Assisting local business with applications for COVID-19 relief grants.
- Provision of PPE and payment holidays for informal trader permits as COVID-19-specific responses.^{65,66}
- Incubator programmes.⁶⁷
- Preparatory research towards the establishment of the Kannaland Business Chamber.⁶⁸



⁶⁴ (Kannaland Municipality, 2021).

⁶⁵ (Oudtshoorn Municipality, 2021).

⁶⁶ (Bitou Municipality, 2021).

⁶⁷ (Knysna Municipality, 2021).

⁶⁸ (Kannaland Municipality, 2021).

3.5.2.2 Infrastructure

Infrastructure spending by local and Provincial governments is not only an important injection into the local economy, it also helps to create an enabling environment for economic and social development. Infrastructure capital spending has both short- and medium-term benefits. The capital injection not only boosts the economy but can also create numerous employment opportunities. Additionally, it can also stimulate economic activity from the operational activities that result from the initial capital spending. Despite the importance and necessity of maintaining existing infrastructure and investing in new infrastructure, local governments are under pressure, as generating their own revenue is becoming increasingly constrained owing to rising unemployment and poor economic growth, while income from Provincial and national grants is declining.



JOINT DISTRICT AND METRO APPROACH

The Joint District and Metro Approach (JDMA) promotes collaboration and is an essential governance instrument that will enable co-planning, co-budgeting and co-implementation to strengthen service delivery in communities. The JDMA provides an implementation plan for planning and strategic priorities, development initiatives, service delivery and capacity-building.

A co-ordinated and combined effort from all spheres of government, as well as the private sector, can successfully leverage infrastructure investment as a catalyst for broad-based economic growth and development.

The table below outlines the budgeted expenditure on infrastructure by the local municipalities in the GRD and by the Provincial government for 2021/22.

Table 3.6
SPENDING ON INFRASTRUCTURE,
Garden Route District, 2021/22

DESCRIPTION R million	2021/22 Municipal infrastructure spend (original budget)
Economic infrastructure	200.8
Road transport and public works	199.4
Environmental services	1.5
Social infrastructure	119.7
Education	-
Health	0.3
Social development	9.2
Housing	110.3
Trading services	663.1
Energy sources	141.2
Water management	164.6
Wastewater management	274.7
Waste management	82.7
Other	120.9
Total infrastructure spend	1 104.6

Source: Provincial Treasury, 2021

The local municipalities in the GRD have allocated R1.1 billion to the capital expenditure budgets for 2021/22. This includes allocations made towards economic, social and trading services infrastructure of R200.8 million, R119.7 million and R663.1 million respectively. In addition, R120.9 million has been budgeted to be spent on other capital expenses, which include governance and administration, public safety, community services, sport and recreation, planning and development, and environmental protection services.

Most of the budget allocations originate from municipal budgets of the GRD. Key municipal expenditure categories include wastewater management (R274.7 million), and road transport and public works (R199.4 million).

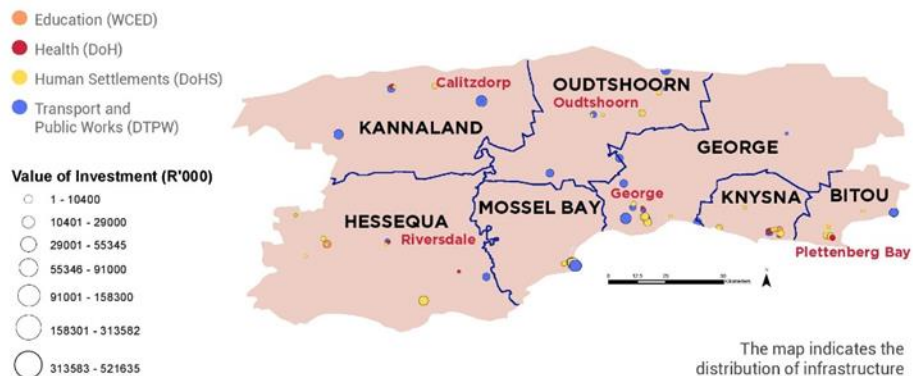


Information about the **2021/22 budgeted Provincial Infrastructure spend** is provided in the *Overview of Provincial and Municipal Infrastructure Investment (OPMI)*, published by Provincial Treasury.



Infrastructure investment by Provincial government departments in the GRD across the 2021 Medium Term Expenditure Framework (MTEF) accounts for 8.9 per cent or R3.1 billion of the Province's total investment of R27.2 billion. The per capita investment in this District amounts to R4 925, which is higher than the Provincial average. New infrastructure assets account for 10.4 per cent of the District's total 2021 MTEF infrastructure investment:

- Provincial infrastructure investment in the District for the 2021 MTEF is mainly focused on upgrades, refurbishments and maintenance of road transport infrastructure, providing for maintaining quality inter- and intra-regional regional economic connections. The District economy is highly dependent on connectivity, and the infrastructure investment response is dominated by road transport.
- The top 10 projects account for 37.4 per cent of the total 2021 MTEF District allocation, which mostly consists of roads infrastructure projects in various municipal areas. The clustering of infrastructure investment in socio-economic facilities follows the spatial trends and patterns of population growth consolidated in the economic growth nodes.



Map 3.1
TOTAL DEPARTMENTAL MTEF INFRASTRUCTURE
BUDGET AND NUMBER OF PROJECTS,
Garden Route District, 2021/24

WC PROVINCIAL DEPARTMENT	No of projects	2021/22 MTEF (R'000)	2022/23 MTEF (R'000)	2023/24 MTEF (R'000)	MTEF total (R'000)
Education (WCED)	4	25 000	60 000	34 000	119 000
Health (DoH)	19	24 652	56 513	33 358	114 523
Human Settlements (DoHS)	47	431 943	491 589	343 908	1 267 440
Transport and Public Works (DTPW)	29	571 659	491 050	495 970	1 558 679
Total	99	1 053 254	1 099 152	907 236	3 059 642

Note: WCED is the Western Cape Education Department, DoH is the Department of Health, DoHS is the Department of Human Settlements and DTPW is the Department of Transport and Public Works
Source: The Provincial Infrastructure Reporting Model (IRM) was used for the first time (except for the data of the Department of Human Settlements). There is room to improve on the accuracy in future publications.

3.6 CONCLUDING REMARKS

In 2020, the GRD experienced its first trade deficit since 2010, which can mainly be attributed to the steep decline in the manufacturing sector and the mining sector trade balances. On a municipal level, while the Knysna, Oudtshoorn and Bitou municipal areas experienced trade surpluses, George, Mossel Bay and Hessequa experienced trade deficits in 2020. In the Knysna, Oudtshoorn, George, Mossel Bay and Hessequa municipal areas, the trade balances were mainly driven by the manufacturing sector.

India was the District's leading import partner in 2020, making a contribution of 19.0 per cent towards total imports. Petroleum oils and oils obtained from bituminous minerals, other than crude, made the largest import contribution (49.2 per cent) to the GRD and were valued at R3.1 billion in 2020. The Netherlands was the District's leading export partner in 2020, contributing 11.7 per cent towards total exports. Citrus fruit was the District's top exported product in 2020, with a value of more than R1.0 billion and contributing 24.6 per cent to total exports.

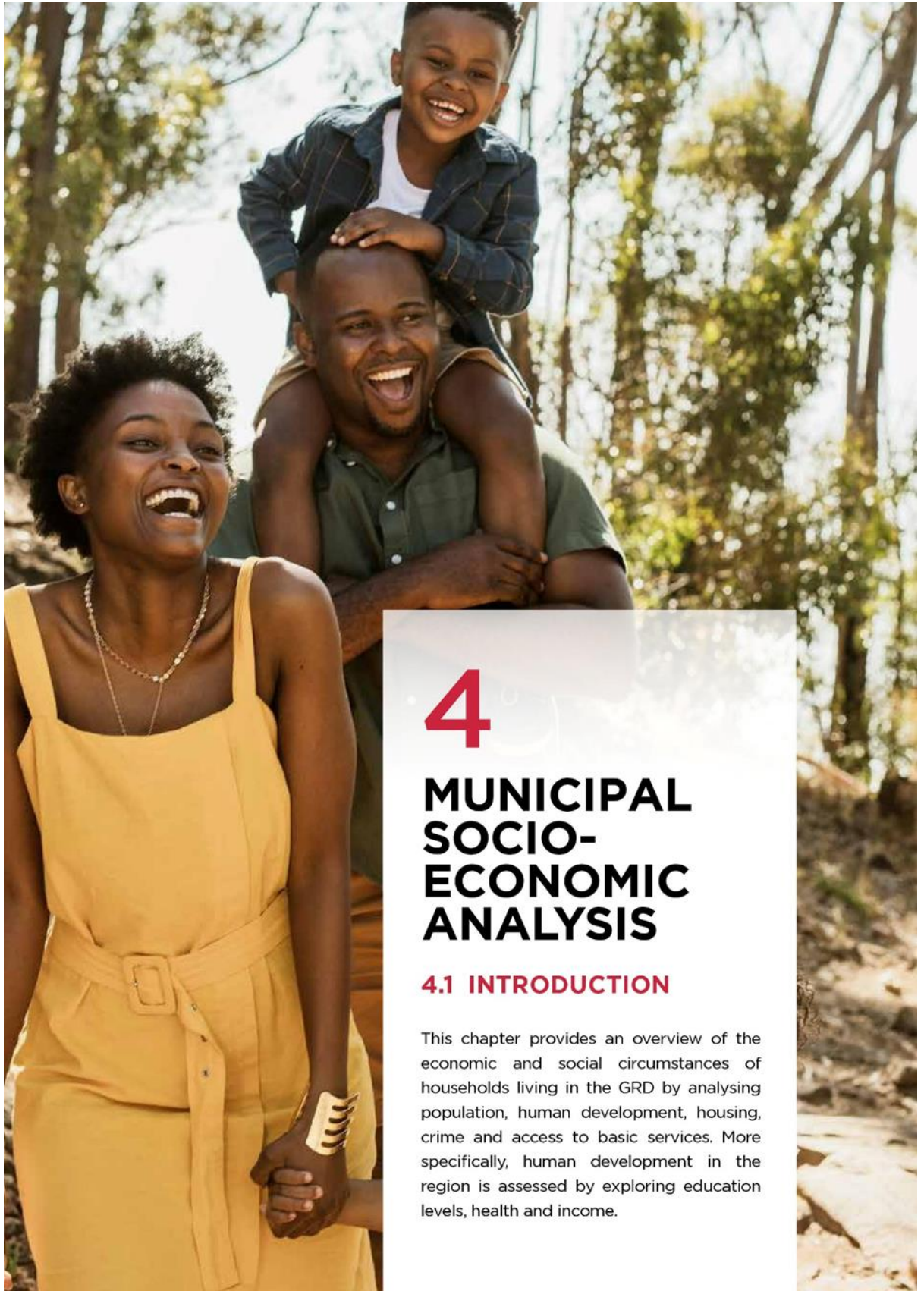
In terms of tourism, the GRD is a popular leisure destination among both international and domestic markets that enjoy short or weekend getaways. The top three international source markets to the GRD in 2020 were Germany (37.4 per cent), the United Kingdom (19.6 per cent) and the Netherlands (7.8 per cent), while the top three domestic source markets were the Western Cape (38.2 per cent), the Eastern Cape (13.4 per cent) and Gauteng (7.8 per cent).

Activities enjoyed in 2020 by tourists to the GRD included scenic drives (23.7 per cent), outdoor activities (20.4 per cent) and beaches (17.1 per cent). The impact of COVID-19 on the GRD tourism industry indicates a decline in income as well as job losses and business closures, putting many tourism businesses under severe pressure to sustain livelihoods.

In 2020, two sectors with high location quotient values were the agriculture sector and the mining sector, indicating a comparative advantage. These sectors can be used to leverage benefits and expand on economic opportunities and potential in the GRD.

Building plans passed and completed in the George, Oudtshoorn and Bitou municipal areas fell in 2020 compared with previous years. The Mossel Bay municipal area's building plans passed and completed in 2020 increased compared with 2019. In the Knysna municipal area building plans increased slightly in 2020, while building plans completed fell in 2020.

In terms of infrastructure budget allocations in the District, key municipal expenditure categories include water management (R164.6 million), wastewater management (R274.7 million) and road transport and public works (R199.4 million).



4

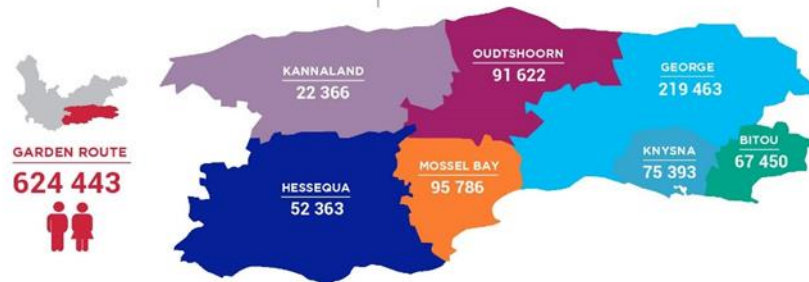
MUNICIPAL SOCIO- ECONOMIC ANALYSIS

4.1 INTRODUCTION

This chapter provides an overview of the economic and social circumstances of households living in the GRD by analysing population, human development, housing, crime and access to basic services. More specifically, human development in the region is assessed by exploring education levels, health and income.

GARDEN ROUTE DEMOGRAPHICS

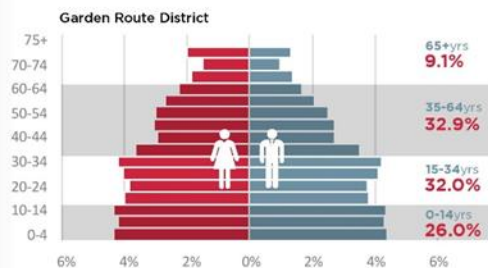
CURRENT POPULATION, Garden Route District, 2020



Some of the key indicators used in the socio-economic analysis include the population growth rate, GDP per capita, household income, the Gini coefficient, the HDI, educational development and dwelling types. These indicators are discussed in detail in the sections below.



GENDER AND AGE DYNAMICS



AGE PROFILE



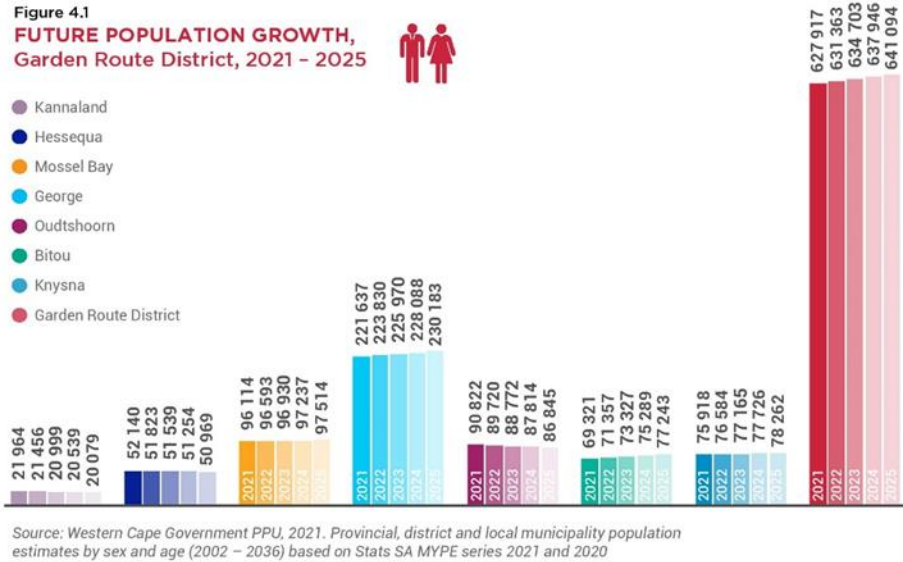
Age split 2020

HOUSEHOLDS



4.2 POPULATION PROFILE

Figure 4.1 illustrates the projected growth of the population in the GRD between 2021 and 2025.



The GRD is the third most populated District in the Western Cape, after the Cape Metro and the CWD. The population in the GRD is expected to increase by an annual average growth rate of 0.5 per cent from 627 917 people in 2021 to 641 094 people in 2025. The slow District population growth is a result of expected population declines in the Kannaland, Hessequa and Oudtshoorn municipal areas. The populations in these municipal areas are expected to decline by an average annual rate of 2.1 per cent, 0.5 per cent and 1.1 per cent respectively for the period between 2021 and 2025.

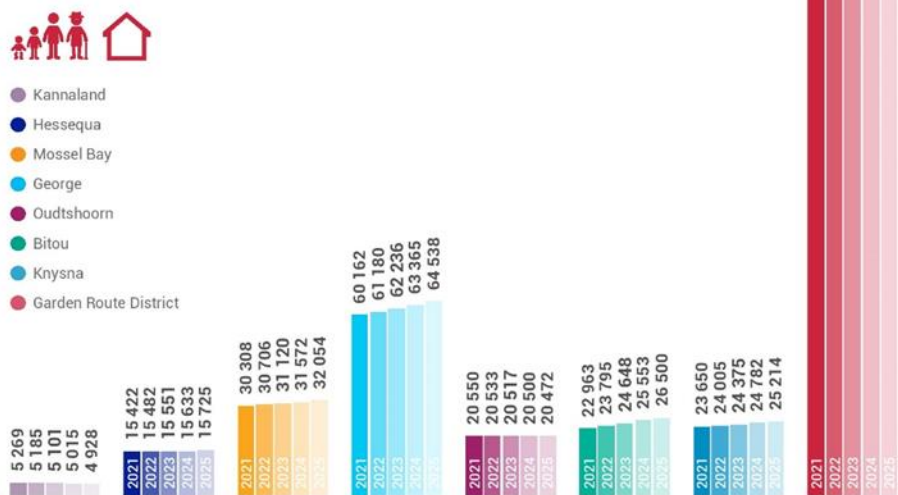
This could be attributed to young people seeking job opportunities elsewhere. The decline in the working-age population has a negative implication for future economic growth in these municipal areas, as a lack of labour will influence production capabilities.

The populations of the Mossel Bay, George, Bitou and Knysna municipal areas are expected to increase by an average annual rate of 0.4 per cent, 1.0 per cent, 2.7 per cent and 0.7 per cent respectively for the period between 2021 and 2025. The George and Bitou municipal areas are anticipated to have the highest population growth in absolute numbers, with an expected increase of 8 547 people and 7 921 people respectively by 2025.

Households are the central point of various demographic, social and economic processes owing to decisions regarding education, lifestyles and standards, healthcare and labour force participation. An increase in household growth and the establishment of new households provide a diverse consumer market.

Figure 4.2 illustrates the projected household growth in the GRD between 2021 and 2025.

Figure 4.2
FUTURE HOUSEHOLD GROWTH,
Garden Route District, 2021 – 2025



Source: Western Cape Government PPU, 2021. Provincial, District and local municipality population estimates by sex and age (2002 – 2036) based on Stats SA MYPE series 2021 and 2020

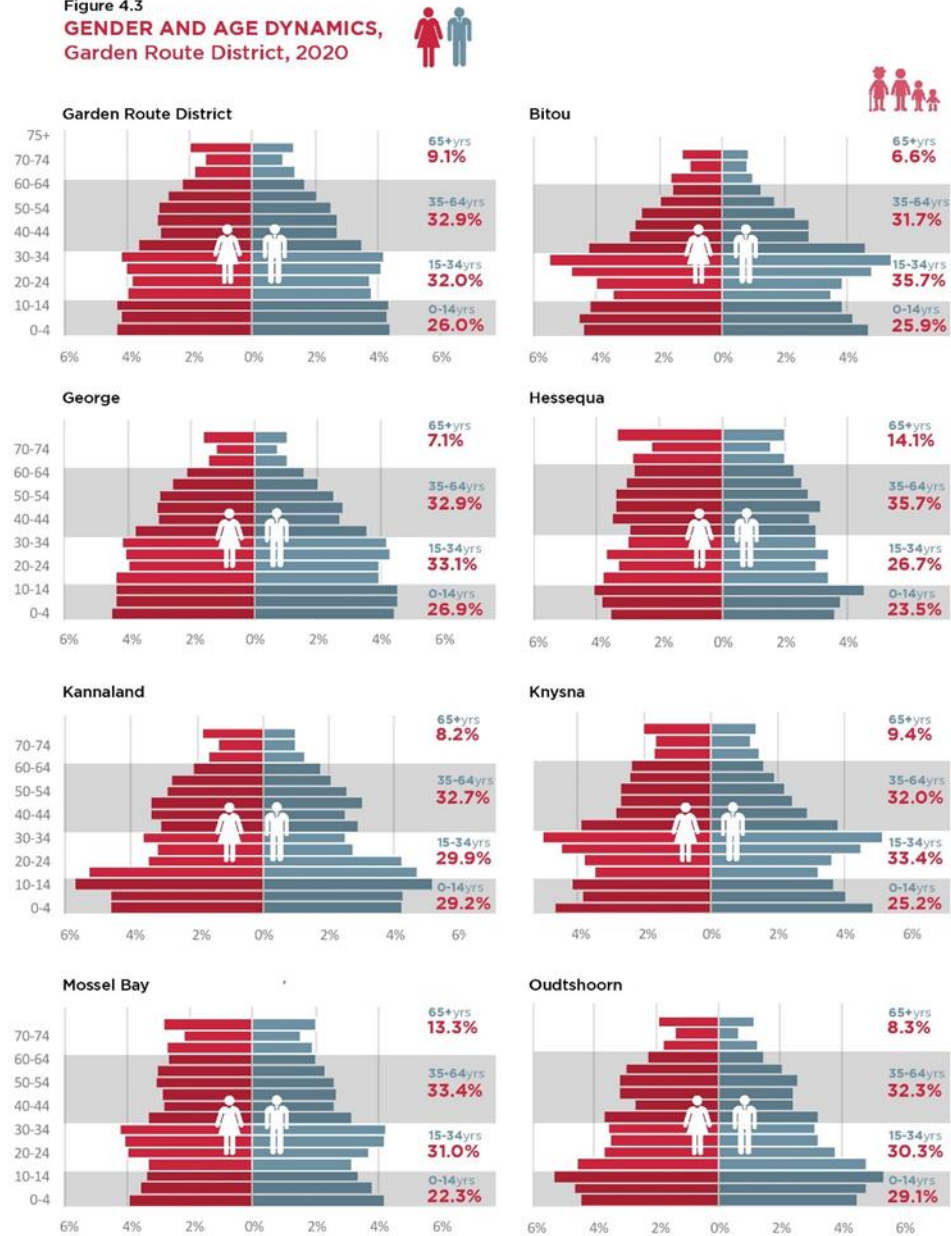
The number of households in the GRD is expected to increase by an average annual rate of 1.5 per cent, from 178 823 households in 2021 to 189 430 households in 2025. The Bitou and George municipal areas are expected to have the highest household growth of 3.6 per cent and 1.8 per cent respectively. Areas such as Plettenberg Bay and George are becoming increasingly popular among retirees as well as young families from Gauteng and Cape Town thanks to the area's slower pace of life and scenic country life.⁶⁹ The number of households in the Knysna, Mossel Bay and Hessequa municipal areas are also expected to increase by an average annual rate of 1.6 per cent, 1.4 per cent and 0.5 per cent respectively for the period between 2021 and 2025. The number of households in the Kannaland and Oudtshoorn municipal areas are expected to decrease by an average annual rate of 1.6 per cent and 0.1 per cent respectively.



⁶⁹ (Everything Property, 2020).

Figure 4.3 uses population pyramids to illustrate the gender and age cohorts of the municipal areas in the GRD in 2020.

Figure 4.3
GENDER AND AGE DYNAMICS,
Garden Route District, 2020



Source: Western Cape Government PPU, 2021. Provincial, District and local municipality population estimates by sex and age (2002 – 2036) based on Stats SA MYPE series 2021 and 2020

The population of the Kannaland municipal area consists largely of people between the ages of 35 and 64 (32.7 per cent in 2020), followed by those between the ages of 15 and 34 (29.9 per cent). There is, however, a large dependency on those of the working-age population, as 29.2 per cent of the population is made up of people younger than 15. Population growth forecasts indicate a large decline in the youth and child population in the Kannaland municipal area. This will have an impact on future labour supply in this area.

The Hessequa municipal area consists mainly of people between the ages of 35 and 64 (35.7 per cent in 2020). Compared with other municipal areas, the Hessequa municipal area also has a large cohort of people older than 64 (14.1 per cent). The Hessequa municipal area is also anticipated to experience a decline in the child and youth population as young people and families move away from the area.

The majority of the population in the Mossel Bay municipal area are between the ages of 35 and 64 (33.4 per cent in 2020), followed by those between the ages of 15 and 34 (31.0 per cent). The Mossel Bay area is a popular retirement population, with 13.3 per cent of the population being older than 64. Population growth trends in the Mossel Bay municipal area indicate an increase in families with children in this area. This increase in the working-age population not only leads to an increase in demand for employment but will also influence the demand for social infrastructure such as schools.

The youth (15 to 34 years) make up the largest proportion of people in the George municipal area (33.1 per cent in 2020), followed by those between the ages of 35 and 64 (32.9 per cent). The growing economy of the George municipal area makes it an attractive area for youth from smaller towns and rural areas who are looking for jobs.

People between the ages of 35 and 64 make up the majority (32.3 per cent in 2020) of the Oudtshoorn municipal area's population, followed by those between the ages of 15 and 34 (30.3 per cent). Compared with the broader GRD, the Oudtshoorn municipal area also has a large population of those younger than 15 (29.1 per cent). This emphasises the importance of the availability of education infrastructure, as there will be a large increase of youth in the labour force in future.

The Bitou municipal area has a large youth population (35.7 per cent in 2020), followed by those between the ages of 35 and 64 (31.7 per cent). The youth population typically has less work experience and lower skill levels, which contributes to the high unemployment rate of the Bitou municipal area.

The Knysna municipal area has a similar age distribution, with the majority of people being between the ages of 15 and 34 (33.4 per cent in 2020). However, the Knysna municipal area has proportionally more people older than 64 (9.4 per cent) compared with other municipal areas, indicating that the Knysna municipal area is another popular area for retirement.

4.3 HUMAN DEVELOPMENT

Economists expect economic growth to result in improvements in human development, and economic decline to have an adverse effect on human development. The United Nations uses the HDI to assess the level of socio-economic development in countries. The performance of the economy plays a major role in determining the quality of life for citizens, which is measured by the standards of education, health, dwellings, access to basic services and crime levels.

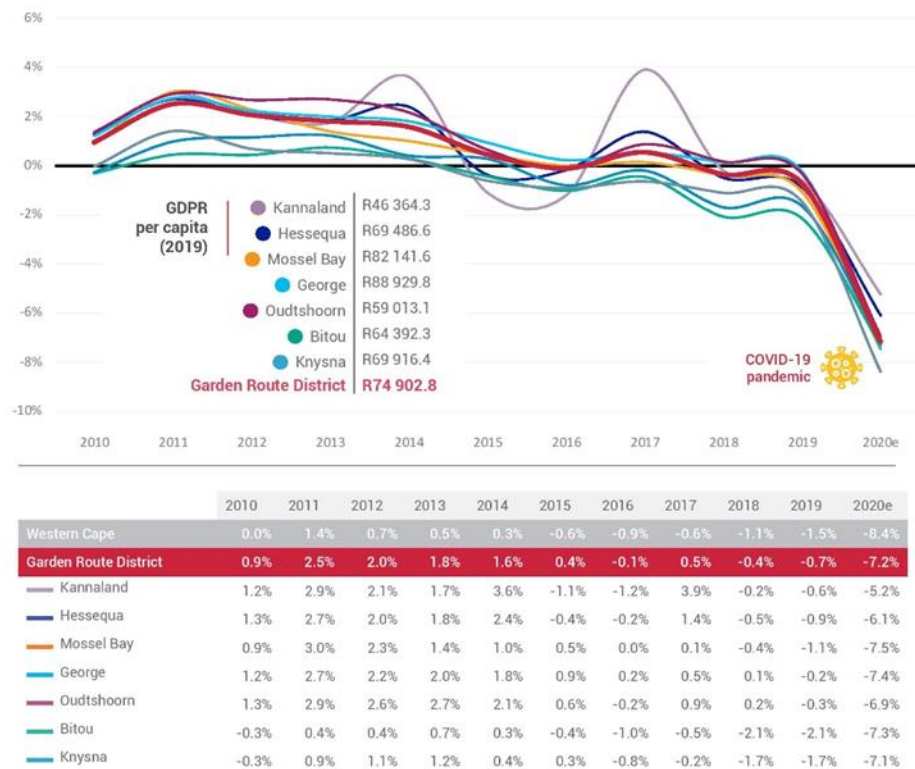
4.3.1 Income

In 2019, the GRD had a GDP per capita of R74 902.8, which was lower than the Province's R88 953.0. The municipal areas with the highest GDP per capita were George (R88 929.8) and Mossel Bay (R82 141.6).

Figure 4.4 illustrates the GDP per capita growth for the GRD and its municipal areas between 2010 and 2020.

Figure 4.4

GDP PER CAPITA GROWTH, Garden Route District, 2010 – 2020



Source: Quantec Research, 2021 (e denotes estimate)

In the GRD, it is estimated that the GDPR per capita experienced a significant decrease of 7.2 per cent in 2020, which was less than the Western Cape's 8.4 per cent decrease. The GDPR per capita experienced major decreases in all municipal areas. This could be attributed to the COVID-19 pandemic and the associated lockdown regulations and restrictions imposed on movement and labour, which have led to many job losses or decreased household income, thereby affecting the GDPR per capita. The GDPR per capita growth for all municipal areas follows a similar trend between 2010 and 2020.

Table 4.1 illustrates the average monthly household income of the GRD and its municipal areas in 2019.

Table 4.1
AVERAGE MONTHLY HOUSEHOLD INCOME (CURRENT PRICES),
Garden Route District, 2019

MUNICIPALITY	Average household income 2019 (current prices)	Trend 2015 – 2019
● Kannaland	R13 524	1.5%
● Hessequa	R16 079	1.3%
● Mossel Bay	R18 731	0.8%
● George	R20 650	0.8%
● Oudtshoorn	R20 199	0.7%
● Bitou	R13 259	0.1%
● Knysna	R16 694	0.5%
Garden Route District	R18 253	0.7%
Western Cape	R19 430	-0.3%

Source: Urban-Econ calculations based on Quantec Research, 2021

In 2019, the average household income in the GRD (R18 253) was lower than that of the Province (R19 430). However, the average household income experienced a 0.7 per cent average annual increase between 2015 and 2019 in the GRD, while that of the Province declined by an average annual rate of 0.3 per cent. Households in the George (R20 650), Oudtshoorn (R20 199) and Mossel Bay (R18 731) municipal areas had higher levels of income compared with the other municipal areas in the GRD. The Bitou municipal area recorded the lowest average household income in 2019 (R13 259). Although the average household income in the municipal areas of the GRD is on an increasing trend, growth remains below inflation. The average inflation over the period was recorded at 5.0 per cent,⁷⁰ and household income in the GRD is therefore not growing sufficiently to compensate for higher prices caused by inflation. Since 2016, annual inflation has been on a declining trend, while remaining within the targets set by the SARB. With a rate of 3.3 per cent in 2020, inflation was at its lowest level in more than a decade. However, the job losses caused by the economic downturn in 2020 are likely to result in a decline in household income.

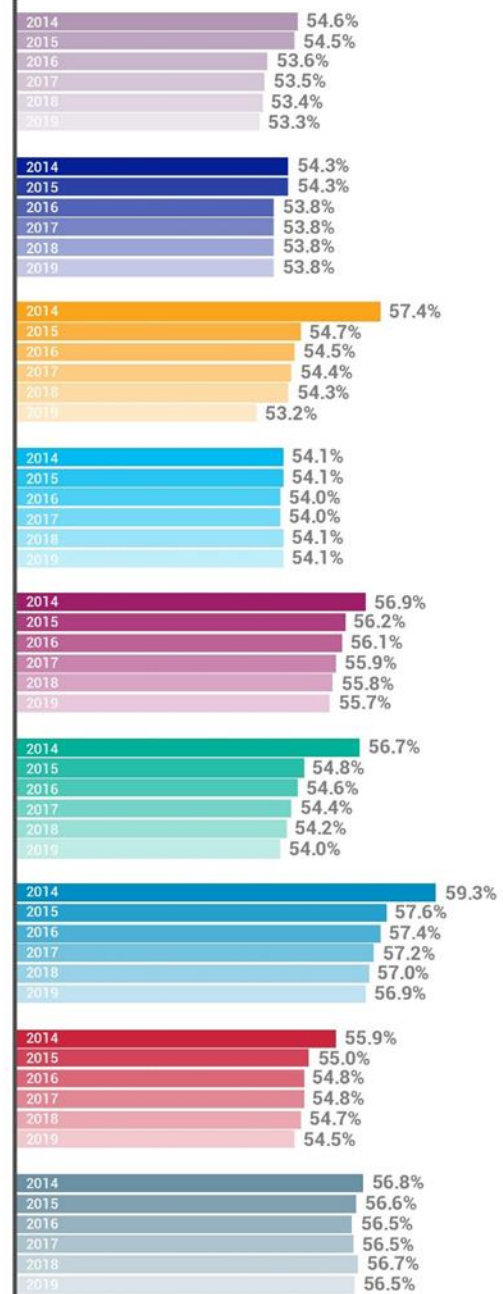
Stats SA utilises a cost-of-basic-needs approach to produce three poverty lines, namely the food poverty line (FPL), the lower-bound poverty line (LBPL) and the upper-bound poverty line (UBPL). This allows monitoring of poverty at different levels. The FPL is the rand value below which individuals are not able to afford sufficient food that is required for adequate health. The LBPL and the UBPL use the FPL as a base, but they also have a non-food component.

⁷⁰ (Stats SA, 2021).

Individuals at the LBPL do not have enough resources to purchase both adequate levels of food and non-food items, and must therefore sacrifice food to obtain essential non-food items. Those at the UBPL can afford both adequate food and non-food items.⁷¹ Between 2019 and 2020, the FPL increased from R561 to R585, the LBPL increased from R810 to R840, and the UBPL increased from R1 227 to R1 268 per person per month.⁷²

The figure below details the proportion of the population that are considered to be at the UBPL.

Figure 4.5
PROPORTION OF
POPULATION AT
UBPL, Garden Route
District, 2014 – 2019



⁷¹ (Stats SA, 2017).

⁷² (Stats SA, 2020).

Source: Quantec Research, 2021

There is a smaller proportion of the population at the UBPL in the GRD compared with the Province over the reference period. Furthermore, between 2014 and 2019, the proportion of the District's population at the UBPL declined by 1.5 percentage points, compared with 0.3 per cent in the Province. All municipal areas recorded a declining trend in the proportion of the population from 2014, with the largest declines recorded in the Mossel Bay (4.2 percentage points), Bitou (2.7 percentage points) and Knysna (2.4 percentage points) municipal areas. However, the Knysna municipal area had the largest proportion of the population at the UBPL (56.9 per cent) in 2020, followed by the Oudtshoorn municipal area (55.7 per cent).

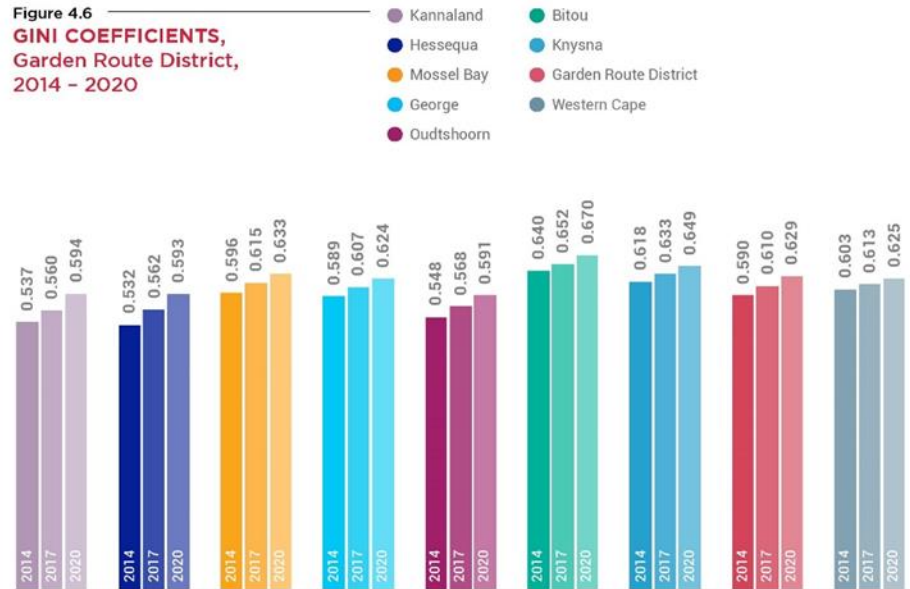


There are numerous measurements of inequality in a society, including income, expenditure, asset, employment, education, health, basic services and social mobility inequality. By utilising a multidimensional view of inequality, the broader context of the challenges South Africans face can be analysed. Ratios and indices that measure inequality include the Gini coefficient, the Theil index, general entropy, the Palma ratio and the Atkinson index.⁷³ However, on a local municipal level, data that is readily available and most widely used is the Gini coefficient, which can therefore be utilised to analyse income inequality on a local level.



⁷³ (Stats SA, 2019).

Figure 4.6 illustrates the Gini coefficients for the municipal areas within the GRD between 2014 and 2020.



Source: IHS Markit, 2021

The Gini coefficient is an indicator of income inequality and ranges between 0 and 1, with 0 representing complete equality and 1 representing complete inequality.

The GRD's Gini coefficient increased from 0.590 in 2014 to 0.629 in 2020, it was also higher than that of the Western Cape (0.625) in 2020. The income inequality in the Bitou, Knysna and Mossel Bay municipal areas, with Gini coefficients of 0.670, 0.649 and 0.633 respectively in 2020, is higher than the average of the District. The Oudtshoorn municipal area had the lowest income inequality of all municipal areas in the District, with a Gini coefficient of 0.591 in 2020. This is followed by the Hessequa, Kannaland and George municipal areas, with Gini coefficients of 0.593, 0.594 and 0.624 respectively in 2020. The income inequality in all municipal areas increased between 2014 and 2020.

The job losses as a result of the COVID-19 pandemic would have contributed to income inequality. Workers who were able to work from home would have been able to continue earning an income, while those who were unable to, either owing to a lack of internet connectivity or because their jobs require physical labour, would have been left without income. This also emphasises the importance of COVID-19 relief measures such as TERS.

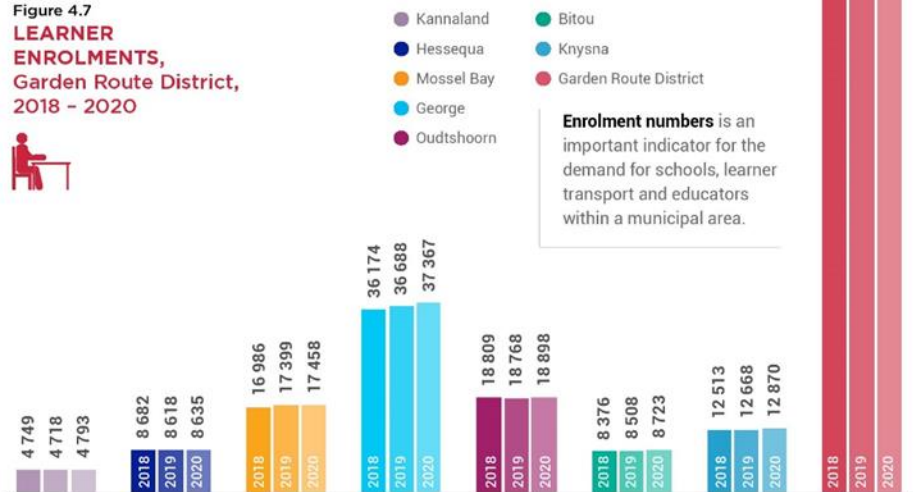
4.3.2 Education

This section discusses the extent of improvement in educational circumstances of households in the GRD using data on learner enrolment, the Grade 10 to 12 retention rate, matric pass rates and learner-teacher ratios.

Figure 4.7 illustrates the learner enrolment for the GRD and its municipal areas from 2018 to 2020.

Figure 4.7

LEARNER ENROLMENTS, Garden Route District, 2018 – 2020



Source: Western Cape Education Department, 2021

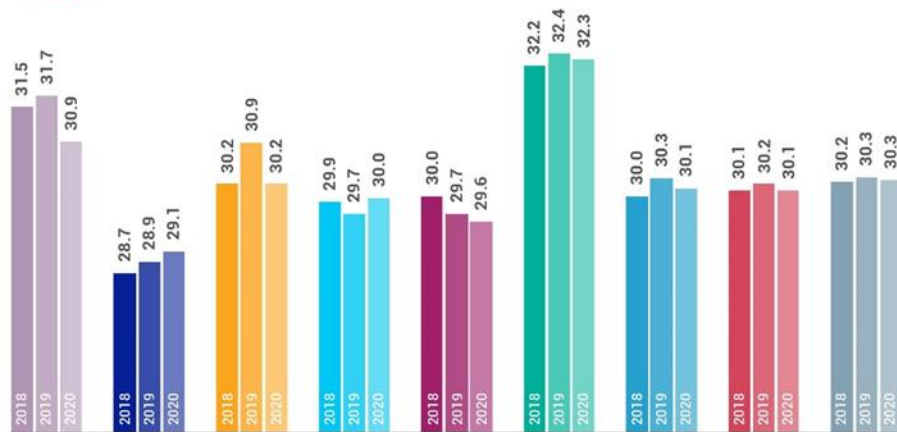
Between 2019 and 2020, all municipal areas in the GRD experienced an increase in learner enrolments. The George municipal area recorded the largest increase, with 679 more learners enrolled in 2020 than in 2019. Learner enrolments in Bitou and Knysna increased by 215 learners and 202 learners respectively in 2020. The smallest increase in learner enrolments was recorded in the Hessequa municipal area (17 more learners in 2020 than in 2019). This is in line with the population trends in the area of a declining child population.



Figure 4.8 illustrates the learner-teacher ratio within the Western Cape, the GRD and its municipal areas between 2018 and 2020.

Figure 4.8

**LEARNER-TEACHER RATIO,
Garden Route District,
2018 – 2020**



Source: Western Cape Education Department, 2021

Learner-teacher ratios are indicative of the capacity of schools to accommodate more learners. Learner-teacher ratio upper limits of 40:1 in ordinary primary schools and 35:1 in ordinary high schools are set by the Department of Education.⁷⁴ Lower learner-teacher ratios are associated with more interaction between teachers and learners, which could contribute to better-quality education.⁷⁵

The learner-teacher ratio in the GRD increased from 30.1 learners per teacher in 2018 to 30.2 learners per teacher in 2019, after which it decreased to 30.1 learners per teacher in 2020. Throughout this period, the learner-teacher ratio for the GRD remained lower than the Western Cape's ratio, meaning that there are fewer learners per teacher, and more focused and personalised teaching, which should translate into improved academic achievements. The learner-teacher ratio in the Kannaland, Mossel Bay, Oudtshoorn, Bitou and Knysna municipal areas improved from 2019 to 2020, showing that the number of educators increased sufficiently to accommodate the increased number of learners. In the Hessequa and George municipal areas the learner-teacher ratio increased, meaning that there are more learners per teacher.



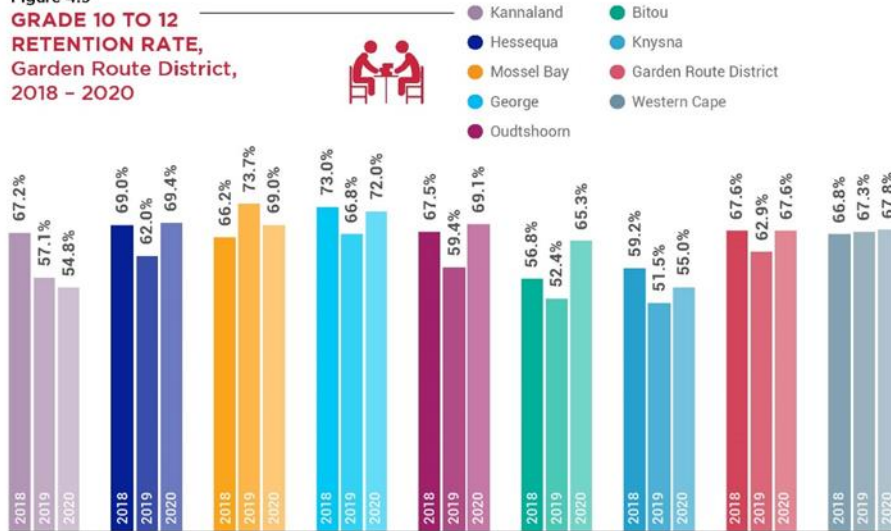
⁷⁴ (Sephton, S, 2017).

⁷⁵ (Southern and Eastern Africa Consortium for Monitoring Educational Quality, 2011).

Figure 4.9 illustrates the retention rate of students from Grade 10 to 12 in the Western Cape, the GRD and its municipal areas between 2018 and 2020.

Figure 4.9

**GRADE 10 TO 12
RETENTION RATE,
Garden Route District,
2018 – 2020**



Source: Western Cape Education Department, 2021

The Grade 10 to 12 retention rate is determined by obtaining the proportion of Grade 12 learners in a particular year compared with the number of Grade 10 learners two years prior. This shows the proportion of students who progressed to Grade 12, compared with those enrolled in Grade 10 two years before.

Although the Grade 10 to 12 learner retention rate in the GRD is marginally lower compared with the Western Cape's Grade 10 to 12 retention rate, it improved from 62.9 per cent in 2019 to 67.6 per cent in 2020. In 2020, the George municipal area recorded the highest Grade 10 to 12 retention rate (72.0 per cent), while the Hessequa (69.4 per cent), Oudtshoorn (69.1 per cent) and Mossel Bay (69.0 per cent) municipal areas recorded above-average Grade 10 to 12 retention rates.

The retention rate in the Kannaland and Mossel Bay municipal areas declined between 2019 and 2020 by 2.3 percentage points and 4.7 percentage points respectively. In the Hessequa, George, Oudtshoorn, Bitou and Knysna municipal areas the retention rate improved between 2019 and 2020. The largest improvement was recorded in the Bitou municipal area (12.9 percentage points).

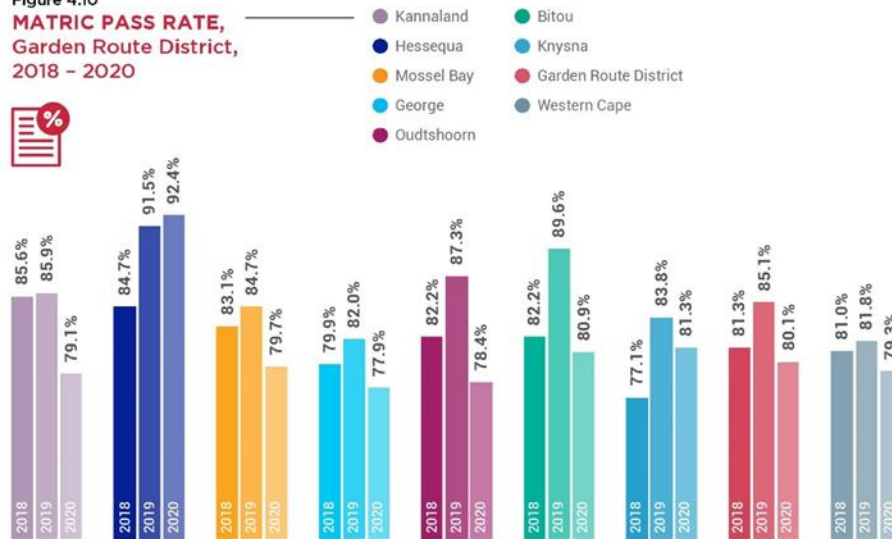
Access to education is an important indicator for labour market skills and access to economic opportunity. Local challenges that result in learners leaving school before Grade 12 need to be assessed, especially considering that most sectors require semi-skilled and skilled labour.

Together with several other variables not considered in this section, learner enrolments, learner-teacher ratios and Grade 10 to 12 retention rates all contribute towards an area's Grade 12 pass rate.

Figure 4.10 illustrates the matric pass rate of Grade 12 students in the Western Cape, the GRD and its municipal areas between 2018 and 2020.

Figure 4.10

**MATRIC PASS RATE,
Garden Route District,
2018 – 2020**



Source: Western Cape Education Department, 2021

For the period under review, the matric pass rate in the GRD is higher than that of the Western Cape for each respective year. In the GRD, the matric pass rate increased from 81.3 per cent in 2018 to 85.1 per cent in 2019, before declining to 80.1 per cent in 2020.

The Hessequa municipal area has recorded improvements in the matric pass rate for three consecutive years. Between 2019 and 2020, the matric pass rate in the Hessequa municipal area increased by 0.9 percentage points, while the learner retention rate improved by 7.4 percentage points. This is a positive indicator for future labour supply in the municipal area.

All other municipal areas experienced a decline in the matric pass rate from 2019 to 2020. The Oudtshoorn municipal area experienced the largest decrease in the matric pass rate (8.9 percentage points), followed by the Bitou (8.7 percentage points), Kannaland (6.8 percentage points) and Mossel Bay (5.0 percentage points) municipal areas. The decrease in the matric pass rate can significantly affect the learners' ability to access higher education and thereby improve their chances of better employment opportunities and a better income.⁷⁶

⁷⁶ (Western Cape Government, 2020).

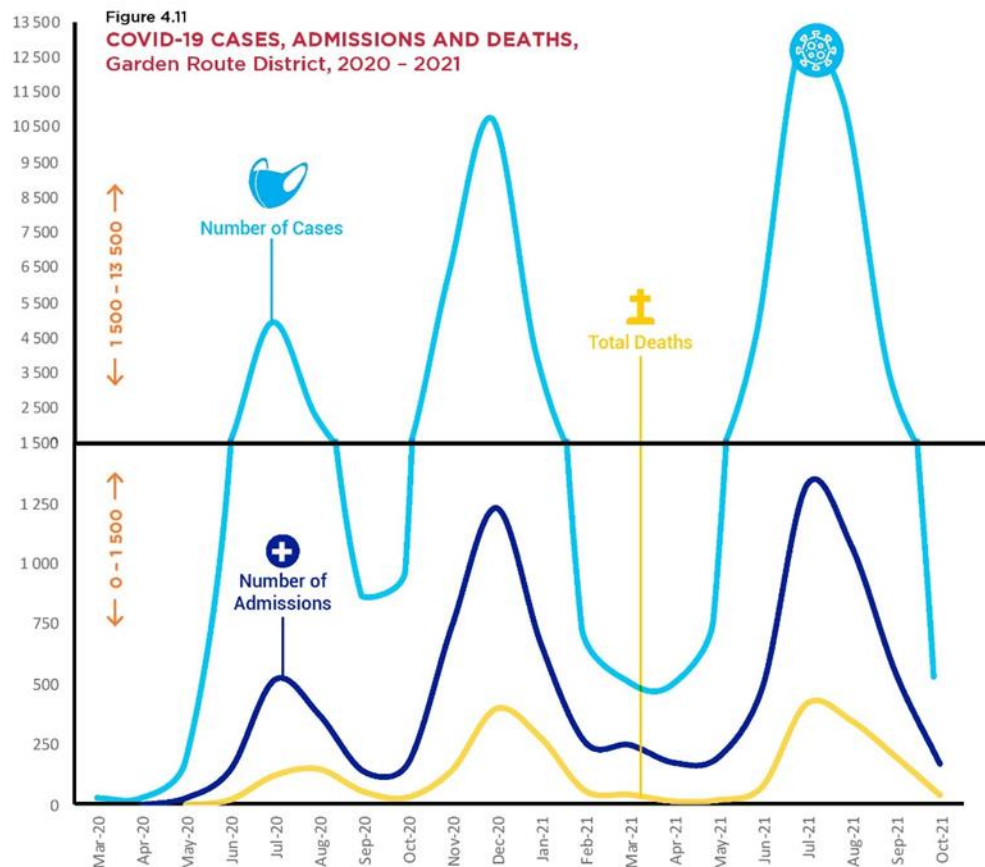


4.3.3 Health

The health conditions of people living within the GRD are analysed in this subsection by reviewing COVID-19, mortality, the prevalence of TB, HIV, infant mortality rates, maternal death rates and teenage pregnancies.

4.3.3.1 COVID-19

Figure 4.11 indicates the number of COVID-19 cases, admissions and deaths, as well as the distribution of deaths per age group, in the GRD since the start of the COVID-19 pandemic in March 2020.⁷⁷



Source: Western Cape Department of Health, 2021

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
Cases	31	31	181	1 408	4 929	2 234	865	970	6 236	10 738	4 020	738	517	490	771	4 573	12 879	11 153	3 570	530
Admissions		3	31	149	522	376	141	174	748	1 234	671	262	251	177	199	491	1 330	1 079	551	173
Total deaths			3	23	124	151	58	33	146	402	282	61	45	17	22	78	423	353	203	43

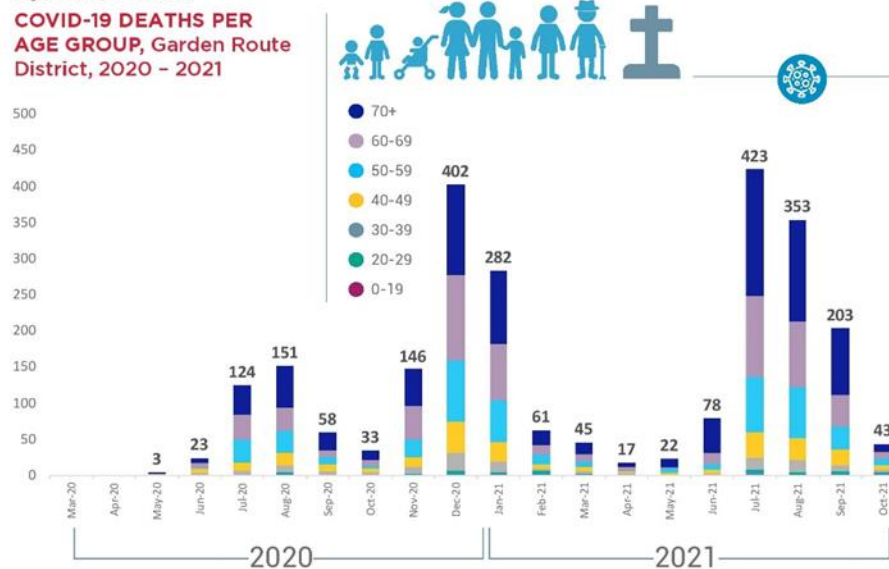
⁷⁷ Data for COVID-19 cases, admissions and deaths was extracted in November 2021.

The number of COVID-19 cases increased drastically after May 2020, reaching 4 929 cases in July 2020, which was the peak of the first wave, defined as the period from weekly incidence of 30 cases per 100 000 persons to peak weekly incidence (week 24 to week 28). The number of cases declined in August and September 2020. The second wave of COVID-19 cases is evident between the period of October 2020 and January 2021, with cases peaking at 10 738 in December 2020. With the onset of the third wave, the number of COVID-19 cases reached a peak of 12 879 in July 2021. There is a direct correlation between the number of recorded cases, admissions and the number of deaths. It is evident that with an increase in the number of cases, the number of admissions and deaths also increases. The number of admissions reached a peak of 1 330 in July 2021, while deaths peaked at 423 in the same month.

From the data presented it is evident that age plays a significant role in the recovery of COVID-19, as the number of deaths increases with each age category. According to the World Health Organization, older people are more severely affected by COVID-19 and this can mainly be attributed to the physiological changes associated with ageing, along with underlying health conditions.⁷⁸ Most of the deaths recorded were for people older than 70 (37.9 per cent), followed by those between the ages of 60 and 69 (25.8 per cent).

Figure 3.11 (continued)

COVID-19 DEATHS PER AGE GROUP, Garden Route District, 2020 – 2021



Source: Western Cape Department of Health, 2021



By mid-August 2021, 60.9 per cent of persons older than 60 had received at least one vaccine dose in the GRD, while 33.7 per cent of persons between the ages of 50 and 59, and 14.1 per cent of persons between the ages of 35 and 49, had received at least one vaccine dose. Provincially, 39.4 per cent of people between the ages of 50 and 59 had received at least one vaccine dose and 18.7 per cent of people between the ages of 35 and 49 had received at least one dose.

⁷⁸ (World Health Organization, 2020).

4.3.3.2 Mortality

Table 4.2 provides an overview of the top 10 natural causes of death in the GRD in 2018.

Table 4.2

TOP 10 NATURAL CAUSES OF DEATH, Garden Route District, 2018



Rank	Garden Route District		Western Cape	
	Cause of death	%	Cause of death	%
1	Cerebrovascular disease	7.6%	Diabetes mellitus	7.6%
2	Diabetes mellitus	7.3%	Ischaemic heart disease	6.1%
3	TB	6.7%	Cerebrovascular disease	5.9%
4	HIV	6.2%	HIV	5.7%
5	Chronic lower respiratory diseases	5.9%	Chronic lower respiratory diseases	5.1%
6	Ischaemic heart disease	5.7%	TB	4.9%
7	Malignant neoplasms of respiratory and intrathoracic organs	4.4%	Malignant neoplasms of digestive organs	4.5%
8	Malignant neoplasms of digestive organs	4.2%	Malignant neoplasms of respiratory and intrathoracic organs	4.5%
9	Hypertensive diseases	3.8%	Hypertensive diseases	3.8%
10	Other forms of heart disease	3.6%	Other forms of heart disease	3.3%
Other natural		35.1%		35.6%
Non-natural		9.5%		13.0%

Source: Stats SA, 2021

The leading natural causes of death in the GRD in 2018 included cerebrovascular disease, diabetes mellitus, TB and HIV, which accounted for 7.6 per cent, 7.3 per cent, 6.7 per cent and 6.2 per cent of deaths in the GRD respectively. Proportionally more people died from TB and HIV compared with the Province, emphasising the importance of public health services targeted at the treatment of these diseases in the GRD. A smaller proportion of people died from non-natural causes (9.5 per cent) in the GRD compared with the Province (13.0 per cent).



WELLBEING

Diabetes mellitus is considered a lifestyle disease that places severe strain on the public healthcare system. Obesity, caused by poor diet and lack of physical activity, is one of the leading causes of Type 2 diabetes. One of the focus areas of the Western Cape Recovery Plan is increasing the wellbeing of citizens by promoting nutrition, exercise and psycho-social support, and it can therefore play a critical role in reducing the burden of lifestyle diseases, as well as mortalities, on the healthcare system.

4.3.3.3 HIV/AIDS and TB

Table 4.3 provides the trends in HIV testing, treatment and outcomes in the GRD between 2017/18 and 2020/21.

Table 4.3
TRENDS IN HIV TESTING, TREATMENT AND OUTCOMES,
Garden Route District, 2017/18 – 2020/21



	2017/18	2018/19	2019/20	2020/21
Known HIV+ (Tested; n)	38 342	38 874	37 731	39 828
Of which: Clients started but no longer on ART	41.2%	50.3%	39.2%	38.9%
Of which: Clients on ART	60.6%	62.8%	48.9%	47.0%
Of which: Clients with confirmed viral suppression	73.1%	70.9%	63.9%	67.3%

Source: Western Cape Department of Health, 2021

The data trends for the GRD show that the number of people who tested positive for HIV increased from 38 342 in 2017/18 to 39 828 in 2020/21.

The Joint United Nations Programme on HIV/AIDS (UNAIDS) targeted that by 2020, 90.0 per cent of all people living with HIV would know their status, 90.0 per cent of people diagnosed with HIV would be receiving antiretroviral treatment (ART) and 90.0 per cent of people receiving ART would have viral suppression.⁷⁹ Although the number of HIV-positive cases increased over the reference period, the number of patients receiving ART declined from 62.8 per cent in 2018/19 to 47.0 per cent in 2020/21. Patients starting ART but no longer on the treatment also decreased from 41.2 per cent in 2017/18 to 38.9 per cent in 2020/21.

Viral suppression is when HIV medicine is used to reduce the viral load in the body in such a way that the immune system is able to function. Patients with confirmed viral suppression have decreased from 73.1 per cent in 2017/18 to 63.9 per cent in 2019/20, before increasing to 67.3 per cent in 2020/21. ART and viral suppression are important and play a critical role in the wellbeing of patients with HIV, as they can improve their health. These patients could therefore earn an income and also contribute to the local economy.



⁷⁹ (Centers for Disease Control and Prevention, 2021).

Table 4.4 shows the trends in TB notification and outcomes in the GRD between 2018/19 and 2020/21.

Table 4.4
TRENDS IN TB NOTIFICATION AND OUTCOMES,
Garden Route District, 2018/19 – 2020/21



	2018/19	2019/20	2020/21
TB programme success rate	78.3%	75.9%	75.8%
TB clients lost to follow-up	13.1%	17.7%	17.7%
TB client death rate	5.0%	5.8%	5.1%
TB/HIV co-infected	33.7%	42.6%	42.3%
TB MDR treatment success rate	43.4%	55.7%	58.2%

Source: Western Cape Department of Health, 2021

The TB programme success rate decreased from 78.3 per cent in 2018/19 to 75.8 per cent in 2020/21, while the death rate and TB/HIV co-infected rate also declined between 2018/19 and 2020/21. TB clients lost to follow-up experienced an increase from 13.1 per cent in 2018/19 to 17.7 per cent in 2020/21. Despite the decline in the TB programme success rate, the TB multidrug-resistant (MDR) treatment success rate improved from 43.4 per cent in 2017/18 to 58.2 per cent in 2020/21.

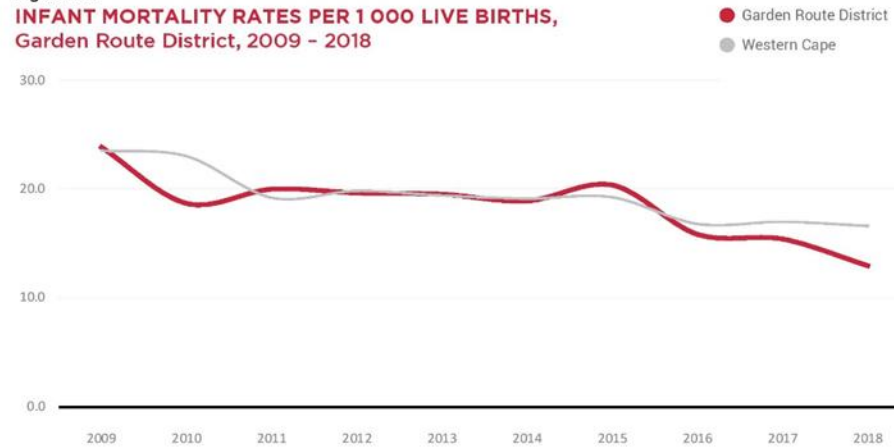


4.3.3.4 Infant, child and maternal health

Figure 4.12 provides the infant mortality rates per 1 000 live births in the GRD and the Western Cape between 2009 and 2018.

Figure 4.12

**INFANT MORTALITY RATES PER 1 000 LIVE BIRTHS,
Garden Route District, 2009 – 2018**



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Garden Route District	23.9	18.7	20.0	19.7	19.6	18.9	20.4	15.9	15.4	13.0
Western Cape	23.5	23.0	19.2	19.8	19.4	19.1	19.2	16.8	17.0	16.6

Source: Western Cape Department of Health, 2021

The infant mortality rate per 1 000 live births experienced a similar trend in the GRD and the Western Cape. Generally, the infant mortality rate decreased in both the District and the Province over the reference period. The GRD experienced an average annual decrease of 5.9 per cent from 23.9 deaths per 1 000 live births in 2009 to 13.0 deaths per 1 000 live births in 2018. The rate at which infant mortality has declined in the GRD is higher compared with the Western Cape's average annual decline of 3.6 per cent.



Table 4.5 provides the maternal death rates per 100 000 live births in the GRD between 2018 and 2020.

Table 4.5

**MATERNAL DEATH RATES PER 100 000 LIVE BIRTHS,
Garden Route District, 2018 – 2020**

MUNICIPALITY	2018	2019	2020
● Kannaland	0	0	0
● Hessequa	0	0	0
● Mossel Bay	0	0	0
● George	92.4	85.9	230.6
● Oudtshoorn	59.9	0	55.5
● Bitou	0	0	0
● Knysna	57.7	0	119.5
Garden Route District	57.6	33.4	121.5

Source: Western Cape Department of Health, 2021

The maternal death rate is defined as maternal deaths per 100 000 live births in health facilities. Maternal death is death occurring during pregnancy, childbirth and the puerperium of a woman while pregnant or within 42 days of termination of pregnancy, irrespective of the duration and site of pregnancy and irrespective of the cause of death (obstetric and non-obstetric).

The recorded maternal death rate in the GRD in 2018 was 57.6 deaths per 100 000 live births, which decreased to 33.4 deaths per 100 000 live births in 2019. A major increase in the maternal death rate is seen in 2020, reaching 121.5 deaths per 100 000 live births. Various studies indicate that the risk of mortality increases for women contracting COVID-19 during pregnancy, especially women with underlying conditions such as HIV, hypertension, etc.⁸⁰ In 2020, maternal death rates were particularly high in the George (230.6 deaths per 100 000 live births) and Knysna (119.5 deaths per 100 000 live births) municipal areas.



⁸⁰ (Basu, Chauke & Magoro, 2021).

4.3.3.5 Teenage pregnancy

Table 4.6 provides the delivery rate of women between the age of 10 and 19 years in the GRD between 2018 and 2020.

Table 4.6
DELIVERY RATE TO WOMEN 10 - 19 YEARS,
Garden Route District, 2018 - 2020

MUNICIPALITY	2018	2019	2020
● Kannaland	10.0%	12.1%	13.2%
● Hessequa	20.2%	18.6%	18.5%
● Mossel Bay	14.9%	16.8%	15.2%
● George	13.7%	15.0%	13.2%
● Oudtshoorn	22.9%	19.1%	17.9%
● Bitou	0.0%	0.0%	0.0%
● Knysna	13.0%	11.7%	12.7%
Garden Route District	15.9%	15.6%	14.7%

Source: Western Cape Department of Health, 2021

The delivery rate to teenagers in the GRD experienced a continuous decrease from 15.9 per cent in 2018 to 14.7 per cent in 2020. The George and Mossel Bay municipal areas recorded increases in the delivery rates to teenagers between 2018 and 2019, before declining to 13.2 per cent and 15.2 per cent respectively in 2020. In the Hessequa and Oudtshoorn municipal areas, the delivery rates to teenagers have been on a declining trend since 2018, but remain the highest in the GRD, at 18.5 per cent and 17.9 per cent respectively. The Kannaland municipal area recorded the lowest delivery rate to teenagers over the reference period. However, the rate increased from 10.0 per cent in 2018 to 13.2 per cent in 2020.

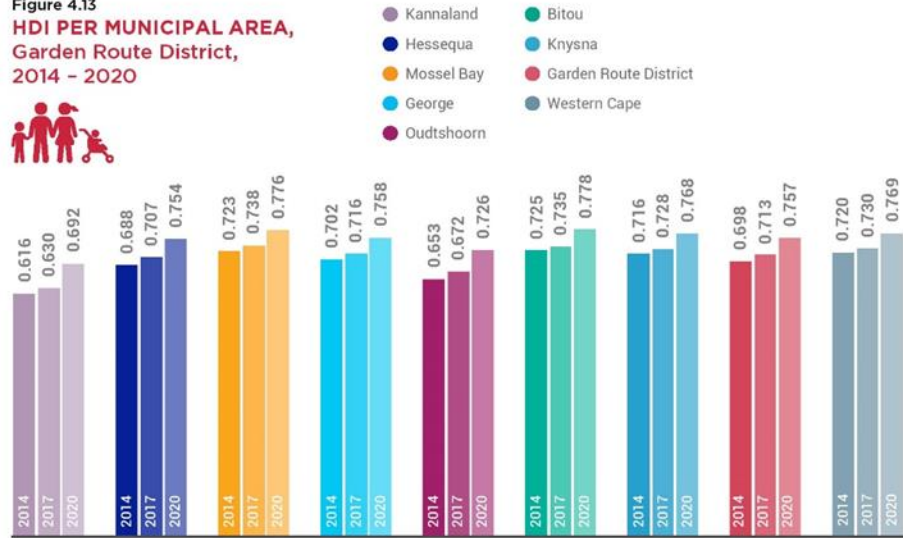


4.3.4 Human Development Index

The HDI is a composite indicator reflecting education levels, health and income to assess the relative level of socio-economic development in countries. Economic performance plays an important role in determining the quality of life of citizens; economists expect economic growth to result in improvements in human development and economic decline to have an adverse effect on human development.

Figure 4.13 illustrates changes in the HDI between 2014 and 2020.

Figure 4.13
HDI PER MUNICIPAL AREA,
Garden Route District,
2014 – 2020



Source: IHS Markit, 2021

The HDI is a measure of people's ability to live a long and healthy life, to communicate, to participate in the community and to have sufficient means to afford a decent standard of living. The HDI is represented by a number between 0 and 1, where 1 indicates a high level of human development and 0 represents no human development. Capturing and evaluating HDI can be useful in developing policies and can also be used as a means to assess the development of the population, as this plays a critical role in the development of the economy.

For the period under review, the HDI in the GRD was lower than that of the Western Cape's HDI. However, an improvement in the HDI level is evident in the GRD, increasing from 0.698 in 2014 to 0.757 in 2020. All municipal areas have improved in terms of their HDI. The Bitou municipal area had the highest HDI, whereas Kannaland had the lowest.

GLOBAL HDI COMPARISON

According to the United Nations Development Programme (UNDP),⁸¹ South Africa was ranked 114th in the world in 2019, with an HDI of 0.709, which was lower than the average world HDI of 0.737. However, the HDI in South Africa was still considered to be high and was above the average HDI of developing countries (0.689). Globally, Norway had the highest HDI in 2019 (0.957), while Niger was ranked lowest at 0.394. In 2019, the HDI in the Western Cape (0.757) was also considered to be high according to the UNDP classification and was above the world average. The 2019 HDI in the GRD (0.744) was considered to be high according to the HDI classification and on a par with that of Lebanon (0.744).

⁸¹ (UNDP, 2021).

4.4 HOUSING AND ACCESS TO BASIC SERVICES

Access to decent formal housing is regarded as a basic human right and an important indicator of the level of human development within an economy. Table 4.7 shows the different types of dwellings for households living within the GRD in 2020.

Table 4.7
NUMBER AND
PROPORTION OF
DWELLINGS,
Garden Route
District, 2020



	Garden Route District		Kannaland		Hessequa		Mossel Bay	
	Number	% of total	Number	% of total	Number	% of total	Number	% of total
Formal	145 268	82.7%	6 841	96.4%	16 112	93.4%	25 381	84.6%
Informal	27 155	15.5%	176	2.5%	860	5.0%	4 088	13.6%
Other	3 257	1.9%	77	1.1%	284	1.6%	547	1.8%

	George		Oudtshoorn		Bitou		Knysna	
	Number	% of total	Number	% of total	Number	% of total	Number	% of total
Formal	47 388	82.5%	20 180	88.2%	12 715	71.1%	16 650	72.1%
Informal	9 123	15.9%	2 349	10.3%	4 594	25.7%	5 965	25.8%
Other	936	1.6%	355	1.6%	583	3.3%	476	2.1%

Source: Quantec Research, 2021

Formal dwelling refers to a structure built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in back yard, room or flatlet elsewhere.

Informal dwelling is a makeshift structure not erected according to approved architectural plans, e.g. shacks or shanties in informal settlements or in back yards.

In the GRD, 82.7 per cent of households lived in formal dwellings while 15.5 per cent of households lived in informal dwellings in 2020. The Knysna (25.8 per cent) and Bitou (25.7 per cent) municipal areas had the highest prevalence of households living in informal dwellings. Unemployment estimates indicate that these two municipal areas also had the highest unemployment rates in the GRD. High levels of unemployment, together with a large proportion of households living in informal dwellings, indicate that there is a high prevalence of poverty in the municipal areas, which puts additional pressure on municipalities, as income-generating capabilities are reduced, but the demand for services remains high.

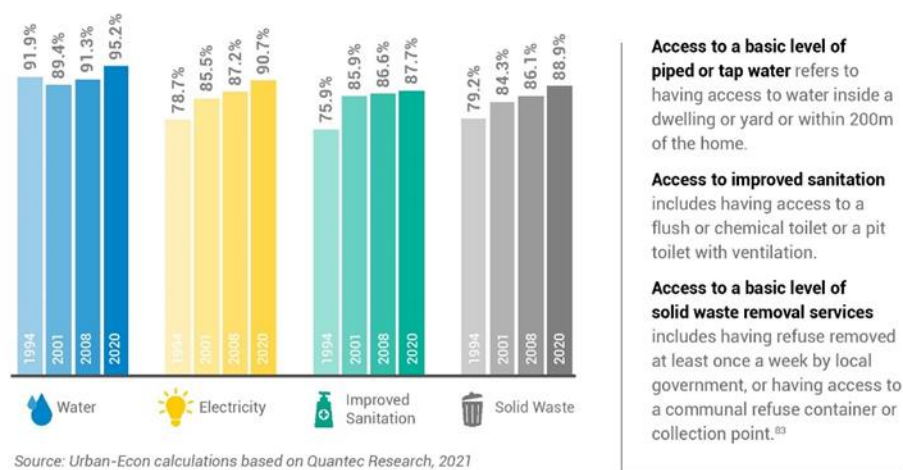
The housing pipeline in Bitou has more than 6 000 new units planned to service the low-income, Finance Linked Individual Subsidy Programme and mixed-use bonded markets. When considered together with recent infrastructure upgrades to the area's roads, water, sewers and recreational facilities, it is evident that the municipality has invested significantly in sustainable human settlements.⁸²

⁸² (Bitou Municipality, 2021).

Access to basic services, particularly water and sanitation, can influence the health, safety and wellbeing of communities. Furthermore, by providing basic services to communities, municipalities are creating an enabling environment that will allow for private investment and entrepreneurship that can create local economic opportunities. In some instances, households have access to electricity directly from Eskom, and not through a local authority.

Figure 4.14 illustrates the access to basic services in the GRD.

Figure 4.14
ACCESS TO BASIC SERVICES,
Garden Route District, 1994 - 2020



Access to piped water declined between 1994 (91.9 per cent) and 2001 (89.4 per cent). However, it increased steadily since then, with 95.2 per cent of households having access to piped water in 2020. Access to electricity improved the most over the reference period (11.9 percentage points), from 78.7 per cent in 1994 to 90.7 per cent in 2020. Solid waste removal services have also improved steadily over the reference period (9.8 percentage points). Access to improved sanitation services lags that of other services. The high prevalence of informal dwellings in the Bitou and Knysna municipal areas influences the access levels to improved sanitation. Despite these challenges, access to improved sanitation has improved by 11.8 percentage points since 1994.

⁸³ (Stats SA, 2017).

INDIGENT HOUSEHOLDS

A household is classified as indigent when the occupants of the household earn a combined income of less than a certain amount as specified by each local municipality in an indigent policy.

Table 4.8

NUMBER OF INDIGENT HOUSEHOLDS, Garden Route District, 2018 – 2020

	2018		2019		2020	
	Number	% of households	Number	% of households	Number	% of households
● Kannaland	2 192	39.9%	2 572	47.5%	2 497	46.7%
● Hessequa	5 179	34.2%	5 359	35.3%	5 471	35.6%
● Mossel Bay	11 677	40.2%	10 858	36.9%	9 063	30.3%
● George	15 749	27.5%	15 832	27.2%	19 730	33.3%
● Oudtshoorn	6 100	29.7%	6 199	30.3%	7 237	35.2%
● Bitou	4 381	21.3%	1 891	8.8%	2 357	10.6%
● Knysna	8 357	37.0%	8 780	38.2%	1 924	8.3%
Garden Route District	53 635	31.5%	51 491	29.8%	48 279	27.5%

Source: Department of Local Government, 2021

The share of indigent households in the GRD decreased from 31.5 per cent in 2018 to 27.5 per cent in 2020. In 2020, the Kannaland municipal area had the largest share of indigent households, accounting for 46.7 per cent of households in the municipal area. This was followed by the Hessequa, Oudtshoorn and George municipal areas, where 35.6 per cent, 35.2 per cent and 33.3 per cent of households, respectively, were considered indigent. Between 2019 and 2020 the George and Oudtshoorn municipal areas recorded the highest increase in indigent households, with 3 898 and 1 038 more households, respectively, classified as indigent.



Figure 4.15 illustrates the number of households with access to free basic services. Indigent households qualify for free basic water, electricity, sanitation and waste removal services.

Figure 4.15

ACCESS TO FREE BASIC SERVICES, Garden Route District, 2016 – 2019



Source: Non-financial Census of Municipalities, Stats SA, 2021

The extent of free basic services support is determined by the indigent policy of each local municipality. Most municipalities offer free basic water services (up to 6kl) and free electricity up to 50kWh – with some providing partial support for sanitation and solid waste services as well. The provision of free basic services therefore differs according to the type of service, as access levels and policies differ across municipalities. Access to free basic services has been on a declining trend in the GRD. Access to free water decreased from 105 416 households in 2016 to 63 483 in 2019. After the number of households receiving free access to electricity increased between 2016 (79 610 households) and 2017 (102 256 households), households with access to free electricity have been on a declining trend. Households with access to free sanitation declined from 55 496 households in 2016 to 46 970 households in 2019, while households with access to free solid waste removals services declined from 87 912 households in 2016 to 48 248 households in 2019.

In Kannaland, ageing bulk infrastructure (e.g. sewerage wastewater treatment pumps in need of replacement) is identified as a major constraint negatively affecting the local economy. This would have been exacerbated by a recent increase in informal settlement population, driven in part by farm evictions.⁸⁴

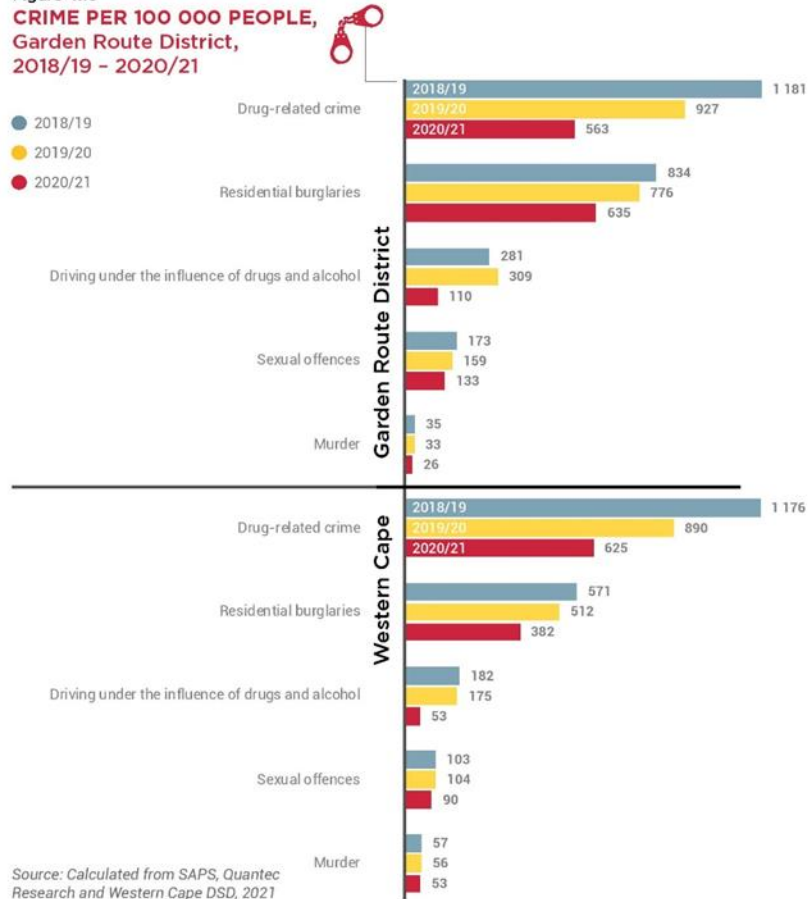
⁸⁴ (Kannaland Municipality, 2021).

4.5 CRIME

Figure 4.16 depicts the incidence of selected crime categories in the GRD and Western Cape between 2018/19 and 2020/21.

Figure 4.16

**CRIME PER 100 000 PEOPLE,
Garden Route District,
2018/19 – 2020/21**



For all crime categories under review, except murder and drug-related crime, more instances per 100 000 people were recorded in the GRD compared with the Province in 2020/21. However, crime rates have reduced substantially between 2019/20 and 2020/21. The lockdown measures implemented to curb the spread of the COVID-19 pandemic are likely to have reduced crime levels.

The murder rate in the GRD declined from 35 incidents per 100 000 people in 2018/19 to 26 incidents per 100 000 people in 2020/21. Between 2019/20 and 2020/21, most municipal areas recorded a decline in the murder rate, except Kannaland, where the murder rate increased from

17 incidents per 100 000 people to 30 incidents per 100 000 people. High levels of murder were also recorded in the Mossel Bay (47 incidents per 100 000 people) and George (31 murders per 100 000 people) municipal areas in 2020/21. However, these rates are still lower than that of the Province (53 incidents per 100 000 people).

The number of sexual offences in the GRD declined from 173 incidents per 100 000 people in 2018/19 to 133 incidents per 100 000 people in 2020/21. The Knysna, Hessequa and Kannaland municipal areas recorded an increase in the number of sexual offences between 2018/19 and 2019/20, while all municipal areas recorded a decline between 2019/20 and 2020/21. In 2020/21, the Kannaland, Mossel Bay and Knysna municipal areas recorded above-average rates of sexual offences, with 193 incidents per 100 000 people, 95 incidents per 100 000 people and 155 incidents per 100 000 people respectively.

Restrictions on the sale of alcohol in 2020 reduced the incidences of driving under the influence of drugs or alcohol significantly, from 309 incidents per 100 000 people in 2019/20 to 110 incidents per 100 000 in 2020/21. However, the Kannaland (214 incidents per 100 000 people), Mossel Bay (184 incidents per 100 000 people), Hessequa and Knysna (140 incidents per 100 000 people each) municipal areas recorded above-average rates. The Oudtshoorn municipal area recorded a low rate of 48 incidents per 100 000 people.

Residential burglary crimes in the GRD declined from 834 incidents per 100 000 people in 2018/19 to 635 incidents per 100 000 people in 2020/21. Between 2019/20 and 2020/21, all municipal areas, except Hessequa, recorded a decline in the number of residential burglaries per 100 000 people. However, despite the decline, the Knysna (831 incidents per 100 000 people), Mossel Bay (789 incidents per 100 000 people) and Bitou (741 incidents per 100 000 people) municipal areas recorded high levels of residential burglary, while the George municipal area recorded the lowest levels (495 incidents per 100 000 people).

Drug-related crimes have also been on a declining trend since 2018/19. The Hessequa municipal area was the only municipal area to record an increase in drug-related crimes between 2019/20 (968 per 100 000 people) and 2020/21 (1 105 per 100 000 people).

4.6 CONCLUDING REMARKS

The GRD is the third most populated District in the Western Cape. The population in the GRD is expected to increase by an annual average growth of 0.5 per cent from 2021 to 2025. The number of households in the GRD is expected to increase by an average annual rate of 1.5 per cent between 2021 and 2025. In most municipal areas the largest portion of the population is potentially economically active.

The GRD had a lower GDP per capita compared with the Province and experienced a significant decrease in 2020. This could be attributed to the COVID-19 pandemic and the associated lockdown regulations and restrictions imposed on movement and labour. In 2019, the GRD's average household income was R18 253 and experienced an average annual increase of 0.7 per cent between 2015 and 2019. While the GRD's Gini coefficient increased from 0.590 in 2014 to 0.629 in 2020, it was also higher than the Western Cape's 0.625 in 2020. The income inequality in all municipal areas increased between 2014 and 2020.

In 2020, all municipal areas in the GRD experienced an increase in the number of learner enrolments. The learner-teacher ratio in the GRD decreased from 30.2 learners per teacher in 2019 to 30.1 learners per teacher in 2020. Throughout this period, the average learner-teacher ratio for the GRD remained lower than the Western Cape's ratio. The learner retention rate in the GRD is lower compared with that of the Western Cape but saw improvement in 2020. For the period under review, the matric pass rate in the GRD was higher than that of the Western Cape for each respective year. The matric pass rate in the GRD increased from 81.3 per cent in 2018 to 85.1 per cent in 2019, before declining to 80.1 per cent in 2020. The decrease in the matric pass rate can significantly affect the learners' ability to access higher education and thereby also improve their chances of better employment opportunities and a better income.

The leading natural causes of death in the GRD in 2018 included cerebrovascular disease, diabetes mellitus, TB and HIV, accounting for 7.6 per cent, 7.3 per cent, 6.7 per cent and 6.2 per cent of deaths in the GRD respectively. Non-natural deaths accounted for 9.5 per cent of deaths.

Despite the increase in the number of HIV-positive patients, there has been a decrease in the number of patients receiving ART for the period between 2019/2020 and 2020/21. Patients with confirmed viral suppression have decreased from 73.1 per cent in 2017/18 to 67.3 per cent in 2020/21. The TB programme success rate marginally decreased between 2018/19 and 2020/21, while the death rate and TB/HIV co-infected rate increased during the same period. While infant mortality and delivery rates to teenagers declined, the maternal mortality rate increased over the reference period.

For the period under review, the HDI in the GRD was lower than that of the Western Cape. Improved HDI is evident in the GRD for the period between 2018 and 2020.

In the GRD, 82.7 per cent of households lived in formal dwellings and 15.5 per cent of households lived in informal dwellings in 2020. Access to solid waste services, sanitation, electricity and water increased between 1994 and 2020. The share of indigent households in the GRD decreased from 31.4 per cent in 2018 to 27.5 per cent in 2020.

There was a decline from 2019/20 to 2020/21 in all the crime categories under review. Although the GRD had fewer cases of murder and drug-related crime per 100 000 people than the Western Cape in 2020/21, the District had more incidents of sexual offences, driving under the influence of drugs and alcohol, and residential burglaries per 100 000 people than the Province.





GARDEN ROUTE DISTRICT

GROWTH POTENTIAL STUDY 2018



The **GARDEN ROUTE** now has the **second-lowest overall growth potential in the Western Cape**. The trends reflect largely stable and declining performance, compared with better performance improvements in most other Districts. The District is the second-highest performer in the Economic and Physical Natural themes, and second-lowest in the Human Capital and Institutional themes. Some areas in the District still show signs of strong growth potential. The Garden Route District has a unique advantage that can create opportunities for economic growth through the coastal area, ocean economy, forestry and land for productive agriculture and farming purposes. Indicators show key challenges with institutional capacity and governance.

PRECONDITIONS FOR GROWTH

ECONOMIC



- Extent and diversity of retail and services sector
- Tourism potential
- Economic size and growth
- Economic diversity
- Market potential
- Change in labour force
- Property market

PHYSICAL NATURAL



- Availability and quality of water
- Natural potential

INFRASTRUCTURE



- Land availability and use
- Transport and communication
- Availability of municipal infrastructure

INNOVATION POTENTIAL



INSTITUTIONAL

- Quality of governance
- Safety and security
- Administrative and institutional function
- Availability of community and public institutions



HUMAN CAPITAL

- Poverty and inequality
- Human resources
- Population structure and growth



DEVELOPMENTAL POTENTIAL

- Development potential reflects inherent preconditions for growth and innovation potential.
- General improvement in physical environment conditions.
- General regression in infrastructure, economic and human capital conditions, and institutional components.

The Growth Potential Study (GPS) is an instrument for effective spatial decision-making and implementation. This support tool aims to inform strategic objectives, policy-making and spatially targeted investment, and strengthen allocative decisions for integrated management, service delivery and spatial alignment within the Provincial and municipal spheres of government in the Western Cape.

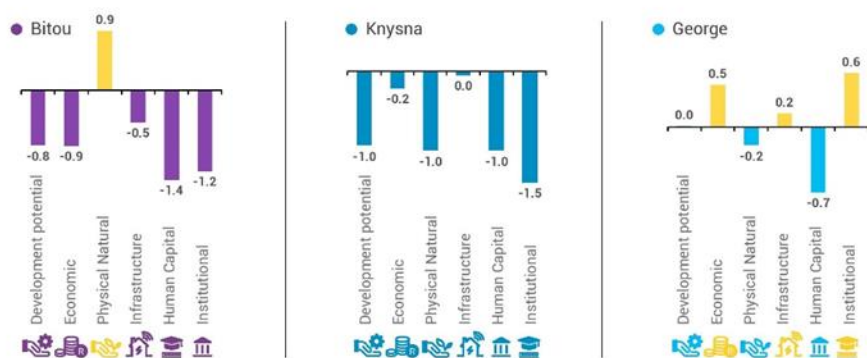
Economic, Infrastructure and Physical Natural composite thematic indices form the basis for modelling growth preconditions, and Institutional and Human Capital composite thematic indices model innovation potential, informed by local, national, and international literature, and are the premise for forecasting where economic growth is likely to occur, i.e. growth or development potential.

The GPS2018 shows that the George and Mossel Bay municipal areas have “very high” growth potential, Knysna has “high” growth potential, Bitou and Hessequa have “medium” growth potential, Oudtshoorn has “low” growth potential and Kannaland has “very low” growth potential. The Knysna and Bitou municipal areas have had a change in classification from GPS2013 to GPS2018, down from “very high” and “high” growth potential, respectively. In both municipal areas, declining trends are seen in almost all themes.

In **BITOU** indicators on education, unemployment, access to water and institutional capacity show challenges, and indicators on the state of wastewater infrastructure and access to electricity show opportunity for growth. **KNYSNA** too has seen declining trends in governance capacity, challenges in indicators on the labour force and unemployment, and strong performance in indicators on ICT innovation.

The **GEORGE** municipal area has the third-highest growth potential in the Province. Gains are seen in the Institutional and Infrastructure themes, and it is now the top performer in the Economic theme. Regression is seen in the Human Capital theme, with indicators on education showing some challenges. Indicators show balanced performance, with room for improvement.

Difference between GPS18 Z-score and GPS13 Z-score¹



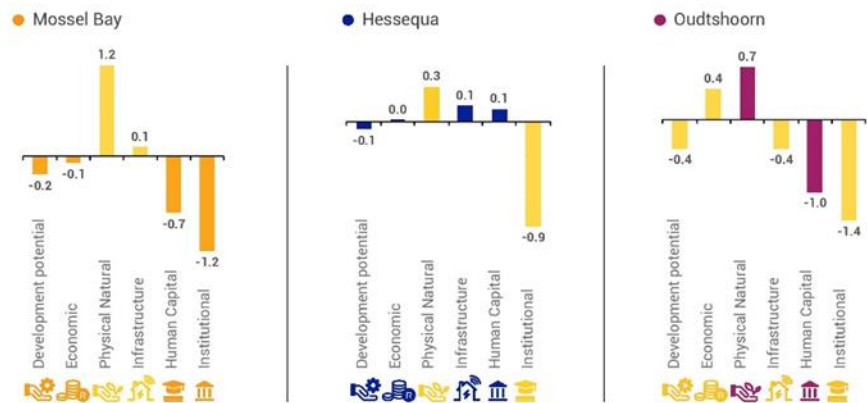
¹ The Z-score is a method (statistical test) that can denote the range (gap) between the lowest- and highest-scoring municipalities, i.e. the greater the difference, the greater the gap. It signifies the extent of relative municipal performance. For instance, the further away from zero the indicator scores, the further away from the average score for municipalities, relative to one another. This type of scoring is useful to identify outliers and indicate areas for improvement or praise.

MOSSSEL BAY has had gains in the Infrastructure theme and regression in Institutional, Human Capital and Economic themes. Indicators show challenges with education and skilled labour, and unemployment. As with George, indicators show balanced performance with room for improvement.

Themed performance in **HESSEQUA** municipal area has remained stable, besides regression in the Institutional theme, due to declining trends in institutional capacity and access to amenities and social service organisations. Indicators show strong performance in access to services, with waste removal an area for improvement.

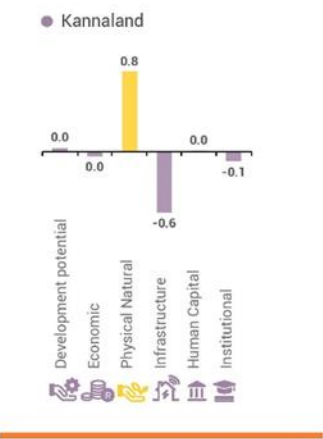
OUTDSHOORN has had regression in most themes, and gains in the economic theme, due to better performance in indicators on the labour force. Indicators on governance, state of wastewater infrastructure and economic empowerment show challenges.

Difference between GPS18 Z-Score and GPS13 Z-Score¹



¹ The Z-Score is a method (statistical test) that can denote the range (gap) between the lowest- and highest-scoring municipalities, i.e. the greater the difference, the greater the gap. It signifies the extent of relative municipal performance. For instance, the further away from zero the indicator scores, the further away from the average score for municipalities, relative to one another. This type of scoring is useful to identify outliers and indicate areas for improvement or praise.

KANNALAND municipal area has the third lowest growth potential in the province. Themed performance has remained similar; however, regression is seen in the infrastructure theme as result of performance in indicators on access to basic services and ICT innovation. Indicators on state of wastewater infrastructure and infrastructure backlog reduction show stronger performance.



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