

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

FRIDAY, 23 OCTOBER 2015

COMMITTEE REPORT

Report of the Service Delivery Cluster Committees on its oversight visit to the Cape Winelands, dated 27 August 2015, as follows:

Delegation

The delegation consisted of the following members:

Beerwinkel, CF (ANC)
Davids, SW (ANC)
Dijana, TM (ANC)
Dyantyi, QR (ANC)
Hinana, NE (DA)
Joseph, D (DA)
Lentit, RB (DA)
Maseko, LM (DA)
Max, LH (DA) (Coordinating Chairperson and leader of the delegation)
Magaxa, KE (ANC)
Mnqasela, M (DA)
Schäfer, BA (DA)
Uys, P (ANC)

The following staff members attended the visit week:

Barends, A (Driver: Security and Facilities; attended on 9 and 10 June 2015)
Clark, A (Committee Coordinator)

Davids, D (Committee Coordinator; attended meetings related to Economic Opportunities, Tourism and Agriculture)

Delcarme, L (Researcher)

Jones, S (Committee Coordinator)

Mshumpela, N (Committee Assistant)

Naidoo, W (Senior Officer: Security and Facilities; attended on 11 and 12 June 2015)

Niekerk, S (Committee Coordinator)

Vermeulen, J (Senior Committee Coordinator)

1. Introduction

The Joint Visit Week is a key mechanism established by the Western Cape Provincial Parliament to achieve its constitutional oversight mandate in the province. The Joint Visit Week is intended to ensure that Members of the Provincial Parliament, through its standing committees, are continuously kept abreast of developments and service-delivery issues in the province. It also affords them the opportunity to undertake oversight visits and interact with communities and institutions in order to assess the needs and challenges being experienced.

To this end the Western Cape Provincial Parliament's Cluster B undertook an oversight visit to the Cape Winelands District to consult and interact with provincial and local government stakeholders on projects and programmes in outlying areas as part of the WCPP's oversight mandate.

The following committees took part in the Joint Visit Week:

- 1.1 Standing Committee on Economic Opportunities, Tourism and Agriculture
- 1.2 Standing Committee on Environmental Affairs and Development Planning
- 1.3 Standing Committee on Finance
- 1.4 Standing Committee on Human Settlements
- 1.5 Standing Committee on Local Government
- 1.6 Standing Committee on Transport and Public Works

During the week meetings were held with municipalities and relevant stakeholders in Porterville, Worcester, Paarl and Stellenbosch. Representatives of the departments of the Western Cape Government were also in attendance. The delegation also met with two private institutions to learn more about a model equity-share scheme and an innovative way of making wine that will have a significant impact on the region and the country's economy in the future.

This report highlights the delegation's findings and recommendations stemming from the visit.

2. Oversight visit to Willemsvallei Primary School in Porterville on Tuesday 9 June 2015

2.1 Overview and background

The day commenced with a visit to the Willemsvallei Primary School in Porterville to inspect the facilities at the school, to assess the condition of the school building and to note the progress of the building construction currently underway.

The visit emanated from an engagement between the Department of Transport and Public Works and the Standing Committee on Transport and Public Works at the consideration of the Department's Annual Report (2013/14) in October 2014 regarding the appointment of a contractor (Filcon) through an open bidding process for the upgrading of three schools, namely Wesfleur, Parkview and Willemsvallei primary schools, that were in a poor condition. It was an open bid that was advertised in the Government Tender Bulletin, on the I-tender website and in the Register of Projects from the Construction Industry Development Board. The tender was awarded to Filcon on 13 February 2013 on an 11-month contract period for a contract amount of R106 million. The contract was cancelled on 3 April 2014 due to non-performance. This informed the oversight visit.

The delegation was welcomed by the school's principal, Mr Zincke, the project leader, Mr Kobus Stofberg, the head of the Department of Transport and Public Work's Supply Chain Management, Adv Chantal Smith and Ms Lisa Scott, from Revel Fox and Partners, the appointed consulting architectural practice involved in the design and construction. Mr Stofberg provided the delegation with an overview, background information and the current state of affairs pertaining to the project. Adv Smith provided the delegation with a detailed explanation of the procurement process that was followed in awarding the tender to Filcon Projects. Representatives from the Department of Education were also present. Following the presentation, the delegation undertook a tour of the new school building. At the end of the tour the coordinating chairperson extended his appreciation to the school's principal, the Department of Transport and Public Works and staff for accommodating the cluster's request to visit the school.

2.2 Findings

- 2.2.1 The Department of Basic Education (DBE) established the Accelerated Schools Infrastructure Delivery Initiative (ASIDI) with the aim of eradicating backlogs in school infrastructure by applying a combination of strategies for immediate and medium-term improvements in infrastructure delivery. Willemsvallei Primary School, together with two other schools in Atlantis, namely Parkview and Wesfleur, were part of this initiative.
- 2.2.2 The request from the DBE to the Western Cape Education Department was to design and build three replacement schools in 12 months.
- 2.2.3 Filcon was awarded the tender and the three sites were handed over to this contractor on 18 March 2013.

- 2.2.4 Problems were experienced during the contract period and this in turn led to the contract being cancelled on 3 April 2014. The reasons for the cancellation of the contract are as follows:
- 2.2.4.1 There was a three-week delay in starting the building works. As a result, Filcon failed to comply with the project schedule.
 - 2.2.4.2 Filcon did not pay the electrical subcontractor for work completed on the building projects. This then led to the theft of electrical material, paid for by the Department of Transport and Public Works, to the value of R2,5 million.
 - 2.2.4.3 Ongoing poor quality of work was recorded on the concrete structural frame of the buildings.
 - 2.2.4.4 Non-performance by Filcon in executing contract instructions.
 - 2.2.4.5 Regular changes in site management staff resulted in ongoing poor supervision and quality control at all three sites.
- 2.2.5 The Department of Transport and Public Works then undertook a process of sourcing a new contractor. The Department employed a limited bidding process and the completion contract was awarded to Haw & Inglis on 13 November 2014. The initial start was slow as the new contractor had to take on the risk of Filcon's substandard work and had to scan the half-built structures for latent defects and other structural problems. The structures were 40% to 45% complete at the time.
- 2.2.6 The Department of Transport and Public Works is satisfied with the quality of work and the management of the sites by Haw & Inglis. The target date for the completion of the three schools is 30 June 2015.
- 2.2.7 The Construction Industry Development Board prescribes the type of contracts to be used by the Department of Transport and Public Works. This is standard documentation used in the sector and approved by the construction sector and contains a process for cancellation. If this process is not followed, it will have cost implications for the Department of Transport and Public Works. This process was duly followed in terms of the cancellation of the Filcon contract.
- 2.2.8 In terms of the ASIDI projects, the DBE appointed the Western Cape Department of Education as the implementation agent who, in turn, entered into a service-level agreement with the Department of Transport and Public Works to build the schools. As a result, approval for certain aspects of the projects had to be obtained from the DBE and this resulted in time delays.
- 2.2.9 It was further established that the conceptualisation of these projects were not practical and the time frame of one year in which to construct three schools was

unrealistic. A pragmatic time frame is three years where the first year consists of obtaining a portfolio management plan from the Western Cape Department of Education outlining their requirements, the second year will consist of planning and the third year will then see the physical execution of the plans.

- 2.2.10 In this particular case, funding was made available by the DBE with the condition that the planning and execution needs to be finalised within 12 months. This was not common practice. The convention is that the Department of Transport and Public Works estimates what the cost of a school will be and the construction industry then grades the contractors in terms of classes. The grades would then reflect the ability, the capability and the plant of equipment of a contractor, and eventually the different classes of works.
- 2.2.11 As a result, a different approach was needed if the Department of Transport and Public Works was to attract a higher-grade contractor as mentioned in 2.2.10 above. This would mean that the value of the contract had to be increased to accommodate this. In order to increase the value of the contract, the Department needed to consolidate the schools so as not to attract a lower-grade contractor to build the schools.
- 2.2.12 Contractors who undertake completion contracts are not easy to find as they have to take on all of the risks associated with a failed project. This means that they will build in costs for that risk and that they would take out guarantees for the entire set of work. In this respect engagements took place with Filcon and their guarantors in order for the Department of Transport and Public Works to try and salvage these projects.
- 2.2.13 This contract failed and the reason for the failure is not fully as a result of Filcon's performance. A culmination of events had an impact on the outcome, as explained in the aforementioned points.
- 2.2.14 It is not common practice for the Department of Transport and Public Works to blacklist contractors except in cases involving fraud or corruption. In this case the Department will blacklist the contractor in terms of the Prevention and Combating of Corrupt Activities Act (Act 12 of 2004). When a contract has failed, an investigation is undertaken to determine if this failure is due to contributing factors.
- 2.2.15 The pre-inspection due diligence relating to Filcon was done in terms of the guidelines of the Construction Industry Development Board (CIDB). There were various applications in court for the sequestration of Filcon due to the non-payment of subcontractors. Every contract awarded must have a guarantee attached to it. This guarantee is used when the contractor does not fulfil its obligations or if something goes wrong with the contract. If nothing goes wrong and the contractor completes the work, then the guarantee is released.
- 2.2.16 The CIDB established the Register of Projects and the Register of Contracts. The purpose of these registers is for all departments and organs of state involved in the

building of infrastructure projects to complete it with the details of contractors employed, the level of service and work ethic. Unfortunately, departments are not diligent when it comes to updating the registers and this makes it difficult for checks to be done before tenders are awarded.

2.2.17 Within the following three years primary schools will be constructed in Porterville, Piketberg and Moorreesburg, as well as a senior secondary school in Porterville.

2.2.18 There appears to be a desire for a technical school in the Porterville community. This type of school requires high maintenance and is costly to maintain as it requires specialised classrooms and specially trained educators, as well as learners with good marks in Mathematics and Physical Science, skills that are lacking in the Porterville community.

2.3 Recommendations

The delegation RECOMMENDED that the Department of Transport and Public Works:

2.3.1 Find a platform to inform and engage with communities so that the communities are informed of infrastructure development projects in their area in order for them to benefit economically.

2.3.2 More than one contract should not award to a single contractor at any given time in order to ensure that the contractor is focused. In this way realistic time frames for completion can be set and adhered to.

2.3.3 Contractors should know their capacity and must not agree to undertake projects that are badly conceptualised and impractical to execute.

2.4 Information requested

The delegation REQUESTED that the Department of Transport and Public Works provide it with the number of:

2.4.1 People and the names of the subcontractors who were employed from the local community and that benefitted from the building of the three schools.

2.4.2 Jobs that were created in the Porterville area as a result of the Willemsvallei school building project.

3. Oversight visit to the Disaster Management Centre in Worcester on Tuesday 9 June 2015

3.1 Overview and background

The purpose of the visit was to conduct oversight over the way in which the Cape Winelands District Municipality executes its mandate in relation to disaster management. Seeing that disaster management also relates to risks in the district, the South African

Police Service (SAPS) was requested to brief the delegation on its response to outbreaks of xenophobic violence in the district. The other component of the visit was to gain an understanding of the operations of the Cape Winelands District Disaster Management Centre (the Centre) located at the Worcester Hospital. The Centre was inaugurated in 2014 and was the last of the District Disaster Management Centres to be established in the province. There has been a protracted period leading up to the establishment of the Centre as a result of, among other, the fact that the provincial tender for the construction of the building had to be re-advertised.

The Cape Winelands District Disaster Management Centre was established in terms of section 43 of the Disaster Management Act (Act 57 of 2002, as amended). The Act mandates District Disaster Management Centres, among other things, to specialise in issues concerning disasters and disaster management in the municipal area; and to promote an integrated and coordinated approach to disaster management in the municipal area, with special emphasis on prevention and mitigation.

The meeting commenced with a briefing by Mr Minnies on the District Disaster Management Plan. The delegation concluded the visit with a walk through the various sections of the Centre.

3.2 Findings

- 3.2.1 The joint capital and operational budget for disaster management in the district is R5,7 million for the 2015/16 financial year.
- 3.2.2 The Emergency Medical Services Unit does have a generator on site but this has not yet been linked to the Centre and the District Municipality is in the process of finalising documentation in this regard.
- 3.2.3 The District Municipality provided software, software licences and hardware to local municipalities, together with the training required to use this software. The software allows municipalities to communicate through a web-based incident management system. This system can be used, among other things, to distribute early warnings to role players and to consult the hazards register for priority areas.
- 3.2.4 The District Disaster Management Plan comprises four sections, namely Institutional Capacity, Disaster Risk Assessment, Disaster Risk Reduction and Response and Recovery.
- 3.2.5 A satellite centre has been established at Stellenbosch although this centre cannot directly relay calls to the District Disaster Management Centre at present.
- 3.2.6 There are various intergovernmental-relations structures in place in the district. In 2002 the District Municipality established a Disaster Management Advisory Forum that meet annually. There is also a memorandum of understanding in place between the District Municipality and surrounding district municipalities and the City of Cape Town.

- 3.2.7 The District Municipality is in the process of undertaking ward-based risk assessments and has commenced this process in the Witzenberg Municipality. The district has developed guidelines for undertaking these ward-based plans which include, among other things, providing a description of the population residing in the ward and historical occurrences of disaster incidents. Ward-based assessment will allow the municipality to identify disaster risks by ward. The information will allow ward councillors and the Council to make informed decisions and link this to budgetary decisions. It was the intention that the ward-based profiles for all municipalities in the district would be completed by the 2016 municipal election.
- 3.2.8 The District Municipality advised that they will not meet the time frames for completion, although Stellenbosch has indicated that they have made funding available for the next financial year and the process has been completed in the Drakenstein Municipality. The District Municipality has identified the Breede Valley as the next recipient to receive funding to undertake the process.
- 3.2.9 The District Municipality provided training (presented by the University of Stellenbosch) to local municipalities on how to conduct ward-based profiling. Each municipality was invited to send five municipal officials to this training and these officials would in turn transfer the skills to other officials at the local municipalities. In turn, it was the responsibility of the various municipalities to secure budgets and identify persons to take part in the exercise.
- 3.2.10 The District Municipality intends converting the information obtained during the profiling exercise into an electronic format as a Geographical Information Systems (GIS) support tool that could be accessed from the control room at the Provincial District Disaster Management Centre and be used to make informed decisions.
- 3.2.11 In addition to a shortage of funding, the Centre is currently challenged by the following:
- Municipalities do not have dedicated disaster management officials and officials employed in other positions have to take on additional disaster management duties instead.
 - The Centre is not equipped with radio communication but makes use of the fire services' 24/7 communication system.
 - An off-site server to store data has not yet been secured.

3.3 Meeting with SAPS at the Disaster Management Centre in Worcester on Tuesday 9 June 2015

3.3.1 Overview and background

As mentioned above, the purpose of the visit to the Disaster Management Centre was to conduct oversight over the way in which the Cape Winelands District Municipality

executes its mandate in relation to disaster management. Seeing that disaster management also relates to risks in the District, the SAPS was requested to brief the delegation on its response to outbreaks of xenophobic violence in the district. Brigadier Haskins gave a presentation on the response of the SAPS to outbreaks of xenophobic violence in the district.

3.3.2 Findings

- 3.3.2.1 Eleven incidents of social conflict have been reported in the province since 9 May 2014 during which foreign nationals were told to leave the area or have left the area after being accused of a crime. Two of these incidents took place in Groot Drakenstein and Klapmuts in the Boland region.
- 3.3.2.2 The Groot Drakenstein incident took place on 28 April 2015 during which a Somali was involved in an altercation with a South African, following which the South African was stabbed by the Somali. As a result the Somali's shop was looted.
- 3.3.2.3 The Klapmuts incident took place on 25 June 2014 during which community members of Klapmuts attacked spaza shops belonging to foreigners. The attacks were allegedly sparked by the murder of a local community member by a Somali. On 26 June 2014 approximately 200 people again attacked Somali shops in Klapmuts.
- 3.3.2.4 An operational plan for the Provincial Joint Operations Centre has been developed to address social conflict. This plan has three sections, namely risk reduction, response and recovery. The risk-reduction section is aimed at measures to reduce the risk of social conflict and its impact on society, with specific reference to violence against any group of individuals. The response section is aimed at dealing with responses and relief activities. The recovery section focuses on the period following relief activities to ensure that the situation is restored and improved where possible.
- 3.3.2.5 The Justice, Crime Prevention and Security (JCPS) Cluster developed a five-pillar approach to address all crimes and possibilities. This approach comprises the following pillars:
- Safety and security
 - Emergency shelter, health and humanitarian services
 - Legal and regulatory framework and interventions
 - Social development and reintegration
 - International cooperation
- 3.3.2.6 Each national department has been tasked with developing action plans with regard to how they are going to implement the five-pillar approach. Operation Fiela was developed as a result of this approach and was initially aimed as a response to attacks on foreign nationals, the defacing of public statues and land

invasions. The operation has now been escalated to also incorporate crime prevention in general and problematic or condemned buildings, together with the drug, firearm and prostitution syndicates usually associated with these buildings.

- 3.3.2.7 There are no specialised courts dedicated to the prosecution of xenophobia-related cases. Even in instances where cases have been identified as fast-tracked, they are still processed according to schedules of court prosecutors and magistrates.
- 3.3.2.8 With regard to human trafficking, the SAPS can only respond once a crime has been committed. Other stakeholders, such as the Department of Home Affairs, and NGOs, such as MoloSongololo, are a key component of the preventive strategy.
- 3.3.2.9 The delegation was provided with the following information which was not relayed to the SAPS provincial office by the regional SAPS cluster office:
- 3.3.2.9.1 Anti-xenophobic marches that took place in Beaufort West, Overberg and Paarl.
 - 3.3.2.9.2 The incident of a Zimbabwean man who was beaten by the driver of a Mercedes-Benz.
 - 3.3.2.9.3 The incident of a Congolese boy who was mugged and killed in Beaufort West in November 2014.

3.3.3 Tour of the Disaster Management Centre

During the tour of the Centre the delegation observed:

- 3.3.3.1 The control room from where dispatchers field incoming calls from across the district.
- 3.3.3.2 All calls received by the Centre are voice-logged and stored.
- 3.3.3.3 The parking area where the Healthnet vehicles are located that transport patients from home.
- 3.3.3.4 The squad room where the delegation met the paramedics on duty.

3.3.4 Recommendations

The delegation RECOMMENDED that:

- 3.3.4.1 The regional Cape Winelands SAPS cluster offices provide the SAPS provincial office with updated information on xenophobia-related incidents.
- 3.3.4.2 The Standing Committee on Local Government engages with the Cape Winelands District Municipality and the Department of Local Government on

how the ward-based approach to risk assessment can be replicated in other municipalities.

- 3.3.4.3 The findings of the risk assessment and the prioritisation of risks should be linked to the Integrated Development Plan (IDP) and the sector- and government-sphere-specific strategic plans.
- 3.3.4.4 The SAPS institute measures to monitor the responses to advertisements fronting for human-trafficking syndicates.
- 3.3.4.5 The SAPS investigates the functionality of the crime helpline in rural areas as it has been tested by members of the delegation and was found not to be in working order.
- 3.3.4.6 The District Municipality provides the outcomes of the ward-based profiles to the SAPS as it could assist with the completion of security assessments.

4. Oversight visit to the Golden Valley Casino in Worcester on Tuesday 9 June 2015

4.1 Overview and background

The day concluded with a presentation by the management of the Golden Valley Casino (the Casino) in Worcester, following which the various division managers briefed the delegation on the following aspects:

- The financial information of the Casino
- Responsible gambling
- Surveillance
- Promotion of broad-based black economic empowerment (BBBEE) and employment equity
- Corporate social initiatives (CSI)

The Chairperson of the Western Cape Gambling and Racing Board, Ms Lapoorta, addressed the delegation on the Casino's cooperation with regard to issues raised during the audit processes. After the briefing, the delegation was lead on a tour of the Casino complex.

Section 114(2)(b)(i) of the Constitution of the Republic of South Africa, 1996, mandates Provincial Legislatures to provide for mechanisms to maintain oversight over the exercise of provincial executive authority in the province, including the implementation of legislation. To this end the delegation undertook the oversight visit to the Casino to oversee the way in which the Provincial Treasury and the Western Cape Gambling and Racing Board (WCGRB) perform their respective responsibilities in terms of ensuring compliance with the Western Cape Gambling and Racing Act (Act 4 of 1996, as amended) and the associated regulations.

The Casino was opened in November 2006 with 220 slot machines and acquired an additional six tables which was launched in 2009. The Casino employs 181 persons, an increase of 57 persons since its opening. The increase is as a result of the opening of the lodge, the acquisition of the gambling tables and the insourcing of the food and beverage services. With regard to ownership, Sun International is the holding company and Grand Parade Investments is the minority holding company.

4.2 Findings

4.2.1 Financial information and customer profile

4.2.1.1 Since its launch, the Casino has generated R102,6 million in gaming VAT and R61 million in gaming levies. The base rate of the levy was increased from 6% to 8% in 2014.

4.2.1.2 For the period July 2014 to April 2015 the Casino generated R120,1 million in gross gaming revenue (GGR).

4.2.1.3 The Casino's customer profile for 2015 for the loyalty programme is constituted as follows:

- Breede Valley: 20,5%
- Cape metropolitan area: 58,1%
- Cape Overberg: 3,1%
- Central Karoo: 0,4%
- Garden Route: 1,4%
- Klein Karoo: 0,5%
- West Coast and Cederberg: 2,6%
- Winelands: 13,5%

4.2.1.4 The customer spend at the Casino is constituted as follows:

- Breede Valley: 45%
- Cape metropolitan area: 38,9%
- Cape Winelands: 10%

4.2.1.5 The Casino is in an assessed loss position and does not make a net profit after tax.

4.2.1.6 A total of 3,5% of the company's shares is held in the form of an employee shares trust that is administered by Sun International.

4.2.2 Responsible gambling

4.2.2.1 All gaming-related advertising contains mandatory Responsible Gambling Programme (RPG) scripting and must be approved by the WCGRB.

- 4.2.2.2 All gaming staff members attend RGP training.
- 4.2.2.3 The Sun International Self-exclusion Programme allows guests to exclude themselves from the Casino complex for a minimum period of one year. The Casino has granted seven self-exclusions since the beginning of 2015. These applicants are only allowed to return to the Casino if they provide proof that they have completed the RGP or have been granted permission by a psychiatrist.
- 4.2.2.4 The Casino is required to contribute 0,1% of its annual GGR to the National Responsible Gambling Programme.

4.2.3 Surveillance

- 4.2.3.1 There have been no instances of cheater activity on-site for the period 2013 to 2015.
- 4.2.3.2 Casino staff members undergo training in the Financial Intelligence Centre Act (FICA), Act 38 of 2001, with regard to the identification of suspicious transactions. The Casino is audited with regard to compliance with FICA regulations by both the WCGRB and an on-site auditor.

4.2.4 Promotion of broad-based black economic empowerment (BBBEE) and employment equity

- 4.2.4.1 Of the 181 staff members currently employed, 98% are local residents, 91% fall in the black, Indian and coloured designated groups and 1% is designated as disabled.
- 4.2.4.2 Employees are trained in all aspects of the gaming business through internal training schools.
- 4.2.4.3 The Casino currently has a level 2 BBBEE status across the five BBBEE pillars of employment equity, skills development, preferential procurement, enterprise development and socio-economic development.
- 4.2.4.4 All learnerships offered by the Casino are accredited by the South African Qualifications Authority (SAQA). A 360° skills audit, as well as the management-level learnerships that have been completed recently, is aimed at improving representivity at management level and succession planning.
- 4.2.4.5 With regard to preferential procurement, the Casino has developed its supplier database to include black-owned and black-women-owned business.
- 4.2.4.6 Procurement to the extent of 71% is undertaken by the Casino from within the Western Cape. Where it is possible, such as for the majority of food and beverages, the Casino procures locally from suppliers in Worcester. There are, however, factors that prevent local procurement in certain instances. An example

of this is the quality requirements of linen, given the grading of the lodge, with the result that procurement cannot be done from local Worcester suppliers.

4.2.5 Corporate social initiatives

4.2.5.1 There is a licence condition that requires the Casino to spend 10% of its profit after tax on corporate social responsibility.

4.2.5.2 For the period July 2014 to March 2015 the Casino has contributed R172 871,64 towards CSIs. This included a R10 000 contribution towards the Soles for Souls shoe drive and R5 648,29 towards stationary for primary school learners in Zwelethemba.

4.2.5.3 The Casino contributes R50 000 annually; this amount is rotated among five tourism bodies in the Breedekloof area.

4.3 Tour of the Casino premises

During the tour of the Casino premises the delegation observed:

4.3.1 The Most Valuable Player (MVP) Centre where people submit applications to join the Loyalty Programme.

4.3.2 The Casino complies with the regulation that automated teller machines (ATMs) are not allowed to be visible from the gaming floor.

4.3.3 Two electromagnetic locks are placed at the entrance and exits to the crèche. The crèche times are regulated by the WCGRB and may only operate between 10:00 and 23:00. Children are only allowed to be at the crèche for a maximum of four hours in a 24-hour period. If this time frame is exceeded, the parent(s) or guardian(s) will be removed from the gaming floor and banned for a period of six months.

4.3.4 The Winners Bar in which the Casino provides live entertainment seats 120 people.

4.4 Commendation

The delegation commended the Casino for its gender representivity at senior-management level.

4.5 Information requested

The delegation REQUESTED that the Casino provide it with the names of the three organisations that received its discarded linen.

5. Oversight visit to the Breede Valley Municipality on Wednesday 10 June 2015

5.1 Overview and background

The day's meetings commenced with a presentation by the Breede Valley Municipality on the progress and challenges with regard to spending its Municipal Infrastructure Grant (MIG) and the implementation of debtor and creditor management. Mr McThomas briefed the Committee on both components of the presentation and commenced the briefing with an overview of the municipality's strategic framework, pillars and objectives, and the critical development challenges.

The Executive Mayor addressed the delegation on the importance of a good relationship between the administration and the political component in a municipality to ensure that service delivery takes place especially in previously disadvantaged communities.

In addition hereto, the delegation was also briefed on the Transhex and the Rawsonville housing projects.

5.2 Findings

5.2.1 Municipal Infrastructure Grant expenditure

5.2.1.1 The municipality has already spent 100% of its R32 353 000 MIG allocation for the 2014/15 financial year and most of the MIG-funded projects were counter funded by the municipality. MIG projects for this financial year were related to the resealing of roads, the provision of sport facilities and improvements to the water pipeline.

5.2.1.2 The municipality has spent 100% of its MIG allocation for the past three years.

5.2.1.3 The 2014/15 MIG expenditure was spent on the resealing of roads in previously disadvantaged areas such as Touws River and De Doorns.

5.2.1.4 The municipality currently has an infrastructure backlog to the value of R1 900 000 and has developed a detailed plan and financing strategy to address the backlog.

5.2.1.5 The municipality borrowed an additional R60 million to supplement its MIG allocation.

5.2.2 Creditor and debtor management measures

5.2.2.1 The entire municipality's short- and long-term obligations have been met timeously.

5.2.2.2 The municipality aims for the immediate payment of small, medium and micro enterprises (SMMEs).

- 5.2.2.3 The municipality has a debt recovery rate of 97%.
- 5.2.2.4 The municipality reported that since 2010 it has developed a culture of payment through its approach to debt recovery.
- 5.2.2.5 The municipality's total debt amounts to R 107 332 332.
- 5.2.2.6 Indigent households with an income of R3 500 and less, as well as pensioners, receive 50 units of electricity and 10 kl of water for free. They also receive 100% rebate on rates, refuse removal and rental. The municipality undertakes surveys to ensure that all eligible households register as indigent.
- 5.2.2.7 The municipality had experienced challenges with regard to government debtors, in particular with some government departments such as the Department of Health, but this has been resolved.

5.3 Recommendations

The delegation **RECOMMENDED** that the municipality address the service-delivery backlog in the following areas:

- 5.3.1 Access to water and sanitation in Sandhills.
- 5.3.2 Tarring of roads in Avian Park.

5.4 Information requested

The delegation **REQUESTED** the municipality to provide it with a document:

- 5.4.1 Detailing the infrastructure backlog that cannot be covered by the projected MIG allocation.
- 5.4.2 Listing the number of solid-waste sites that are licensed and unlicensed. (The document should also indicate the assistance that the municipality received from the Department of Environmental Affairs and Development Planning with regard to licencing unlicensed sites.)

5.5 Briefing by the Breede Valley Municipality on the Rawsonville Housing Project on Wednesday 10 June 2015

5.5.1 Overview and background

The presentation focused on the current and future incremental in situ housing projects. In addition hereto, the municipality elaborated on the measures instituted to determine the credibility of the housing demand database. In 2006 the municipality purchased 2,5 hectares of land at a cost of R1,8 million for human settlements. Construction commenced in November 2014 where 74 sites were serviced and 74 units are currently

being constructed. The units are being built according to current national standards that allows for a 40 m² unit on a 150 m² plot with the possibility of expansion.

5.5.2 Findings and observations

5.5.2.1 The units were free-standing and were all built in parallel rows with paved roads separating them.

5.5.2.2 During the walkabout the delegation was able to access Unit 2 that consisted of a fully enclosed bathroom, two bedrooms, a lounge and an open-plan kitchen.

5.5.2.3 No provision was made for hot water. The units were all plastered on the inside and outside.

5.5.2.4 Paint was only applied to the outside of the units.

5.5.2.5 Provision was made for prepaid electricity and water meters.

5.6 Briefing by the Breede Valley Municipality on the Transhex Housing Project on Wednesday 10 June 2015

5.6.1 Overview and background

The presentation focused on the 8 280 units that will be implemented in the 2016/17 financial year. Provision was made for a subsidy allocation of R12 million to provide for costs during the planning phase of the project. An additional amount of R20 million has been budgeted for the 2016/17 financial year for the servicing of the 400 Transhex sites. The municipality elaborated on the different housing programmes or typologies that will be implemented as part of the housing project. In addition hereto, the municipality also informed the delegation that the housing allocation for the project will be instituted according to the specifications of the Council's Housing Selection Policy.

5.7 Oversight visit to the Women on Farms Project in Rawsonville on Wednesday 10 June 2015

5.7.1 Overview and background

The delegation proceeded to the Woman on Farms Project (WFP) in Rawsonville to observe and discuss tenure, security and redress for women on farms, and to observe the Spooky Town informal housing area to understand the challenges that female workers and their children experience on farms.

The WFP is a women's rights organisation focused on the advancement of and advocacy for women and children on farms. The project grew out of the Lawyers for Human Rights initiative aimed at meeting the specialised needs of women who live and work on farms (farmwomen). The WFP is a registered South African non-profit organisation (NPO number: 019-494-NPO).

The delegation was welcomed by Ms Carmen Louw, the Land and Housing Programme Coordinator for the WFP. The Chairperson gave a brief overview of the purpose of the visit.

The briefing was followed by a tour of the informal housing area.

Since 1996 the WFP has worked with women who live and work on commercial farms in the Western Cape. In 2008 the organisation started working with women farmworkers in the Northern Cape. The WFP seeks to empower women to claim their rights and to help them to fulfil their needs. The WFP has a vision of a society that treats women who live and work on farms with dignity and respect. The work with farmwomen is informed by the priorities and demands of farmwomen. A significant aspect of the organisation's work is advocacy and lobbying – including legislative and policy engagement – that facilitate farmwomen's active participation in the public processes and ensure that their demands and priorities are reflected in policy and legislative outcomes.

The WFP has a multi-faceted approach with respect to community-based support and intervention. The work is rights-based: informing farmworkers or farm dwellers of their rights; providing help with the establishment of rights-based structures; providing paralegal advice in cases of rights violations; rendering support and assistance when there are violations; referring matters to relevant legal aid and state departments as indicated above. In addition, the organisation actively lobbies the government for change in policy when it does not effectively protect farm dwellers or farmworkers, especially women.

5.7.2 Findings and observations

During the visit to Spooky Town the following aspects were highlighted:

- 5.7.2.1 There is a high water level in the housing area which means that the area experiences flooding regularly when it rains.
- 5.7.2.2 The communal taps are non-operational.
- 5.7.2.3 The nearest school is 1 km away from the housing area.
- 5.7.2.4 A new medical facility (clinic) opened next to the school.
- 5.7.2.5 There are 250 informal housing structures in the area.
- 5.7.2.6 The community is unsatisfied with the Breede Valley Municipality that wants to relocate the Spooky Town informal housing area due to the high water level in the area.
- 5.7.2.7 There is no electricity in the informal housing area, mainly due to the high water level.
- 5.7.2.8 The nearest operational communal taps are a few kilometres away from the informal housing area.

5.7.2.9 The municipality indicated that no developments can take place in the area due to the rising river and the nearby sewerage facility.

5.7.2.10 The Municipality indicated that it has consulted the community twice on housing matters between May and June 2015, but the community refuses to be relocated to another area.

5.7.2.11 The housing area has been in existence for between 9 and 12 years.

5.7.3 Recommendations

The delegation RECOMMENDED that:

5.7.3.1 The community should establish a committee that will engage with the Standing Committee on Economic Development, Tourism and Agriculture, including the Standing Committee on Human Settlements, on the societal issues which the community faces.

5.7.3.2 Proper public participation should take place between the Breede Valley Municipality and the community on the way forward regarding the Spooky Town informal housing area.

6. Visit to the Bosman Adama Trust in Stellenbosch on Wednesday 10 June 2015

6.1 Overview and background

The delegation visited the Bosman Adama Trust on the Bosman Family Winery to understand the contribution that the Bosman Adama Trust has made to the lives of its farmworkers. In South Africa's agricultural sector, it is rare to hear of a farming enterprise that increases its labour force and that wants to build new houses for its workers. Yet this is exactly what the Bosman family, who farm near Wellington, has done.

The family made the decision to embark on a land reform project in 2008 and has since increased their workforce from 260 to 420 people. Of the 420 workers, 300 are permanently employed on the family's 10 farms. The Bosmans also have 122 staff houses on their farms and are developing a housing project in Wellington for their retired and younger workers.

The Bosman Adama farm committee has been in existence for 13 years. In 2002 the Bosman Winery started with certain farm projects. The children and security guards received swimming lessons. It established its own karate club, ballroom lessons for the adults, a women's club, youth gatherings and many more.

In March 2007, Jannie and Petrus Bosman had a meeting with the farm committee to share the idea that they would want to sell shares in all their farms. The committee

discussed the idea with all the farmworkers. The committee decided to proceed with the project. All the processes the committee had to go through have been completed.

Mr Petrus Bosman and Ms Rita Andreas from the Bosman Adama Trust briefed the delegation on sustainable farming methods and the holistic upliftment of farmworkers working on the farm. The delegation was escorted to the primary wine cellar at the Bosman Family Winery. The Chairperson gave a brief overview of the purpose of the visit. The briefing was followed by a tour of the Bosman Family Winery.

6.2 Findings and observations

- 6.2.1 Petrus Bosman, managing director of the family's farming enterprise, Bosman Adama (Pty) Ltd, and his family are the owners of South Africa's most successful vine nurseries, Lelienfontein Vine Growers. They grafted nine million vines by hand in 2014.
- 6.2.2 The majority of their sales (62%) come from grafted vines produced for wine, table grape and raisin producers; 30% come from wine production in their recently renovated 250-year-old cellar; 6% from wine grapes; and 2% from other sources.
- 6.2.3 According to Bosman, their sales have tripled since 2008 due mainly to the excellent performance in their expanded wine category. In addition, the Adama Apollo Workers' Trust, formed within the framework of the land reform project, has become significantly more liquid.
- 6.2.4 The trust has been awarded water for 80 ha from the Berg River and Bosman Adama can now rent it.
- 6.2.5 The trust is in a position to move quickly when opportunities arise and they are making large investments in people.
- 6.2.6 According to Rita Andreas, chairperson of the trust, Bosman Adama is the largest land-reform transaction in the South African wine industry and in the Western Cape.
- 6.2.7 A 50% share of some 430 ha of prime vineyard land has been transferred to Adama Apollo Holdings, a wholly owned subsidiary of the Adama Apollo Workers' Trust. The land includes award-winning vineyards at the De Rust farm in Wellington, the neighbouring farm Olyfboom, and the De Bos Estate in the Hemel and Aarde Valley. Also included is a share in the Bosman Family Vineyards wine cellar at Lelienfontein, and a stake in the operational and vine growing company JC Bosman Boerdery. Some 260 workers are beneficiaries of the transaction, all of whom have worked on the farm for three years or more. The transaction was funded by a grant from Land Affairs, with the Bosmans and the farmworkers also contributing. Many of the beneficiaries have worked on the farm for more than 25 years.

The workers have access to 250 ha of vineyards, the highest quality winemaking facilities and a stake in Lelienfontein Vine Growers; the biggest vine nursery in Africa. The grapes will now qualify for Fairtrade accreditation, as will the wine which will be produced at Wamakersvallei Winery.

6.3 Tour of the farm

During the tour of the Bosman Winery, the delegation was further informed of the following:

- 6.3.1 The vines and wines of the Bosman Winery obtained Fairtrade accreditation in 2014.
- 6.3.2 The Adama Investments amounts to 26% in the Bosman Family Vineyards.
- 6.3.3 In 2006 the annual turnover of the Vineyards amounted to R26 million.
- 6.3.4 In 2009 the annual turnover of the Vineyards amounted to R33 million.
- 6.3.5 In 2010 the annual turnover of the Vineyards amounted to R38 million.
- 6.3.6 In 2011 the annual turnover of the Vineyards amounted to R47 million.
- 6.3.7 In 2012 the annual turnover of the Vineyards amounted to R60 million.
- 6.3.8 In 2013 the annual turnover of the Vineyards amounted to R85 million.
- 6.3.9 The Winery experienced a staff turnover of less than 20% since 2008. To date 20% of the staff members have more than 20 years' experience at the Bosman Winery.
- 6.3.10 The Winery grows and cultivates vines for selling to other wineries for the manufacturing of wines.
- 6.3.11 The farmworkers are not only employees but also shareholders.
- 6.3.12 Three of the farmworkers have been promoted at the Winery: these include Ms Rita Andreas, Mr Johan and Mr Klaas Morkel. They have all been promoted to managerial positions at the Winery.
- 6.3.13 A building was donated to the Winery, which is currently being used as a school for the children of the surrounding area.
- 6.3.14 The Winery has indicated its willingness to share its knowledge with other farms who are interested in pursuing a similar empowerment model.
- 6.3.15 A total of 95% of the workers reside on the farm.

- 6.3.16 When a farm employee has more than four years of service on the farm, he or she is entitled to additional profit-sharing revenue and general benefits of the farm.
- 6.3.17 The farm is busy expanding its housing project to accommodate all of its farmworkers.

The delegation congratulated the Bosman Adama Trust on its successful equity-share scheme and acknowledges the Trust as an example of land reform that leads the way in the agricultural sector and in South Africa.

7. Oversight meetings with the Langeberg and Drakenstein municipalities on Thursday 11 June 2015 at the Drakenstein Municipality

7.1 Overview and background

The day's meetings commenced with presentations by the Langeberg Municipality and the Drakenstein Municipality on their Municipal Infrastructure Grant (MIG) and their implementation of creditor and debtors management.

Mr Van der Westhuizen of the Langeberg Municipality briefed the delegation on the MIG component of the presentation and Mr Hoffman briefed the delegation on the debtor and creditor management component.

Following introductory remarks by the Municipal Manager, Mr Petersen of the Drakenstein Municipality briefed the delegation on the MIG component of the presentation and Ms Keketsi briefed the delegation on the debtor and creditor management component.

The Drakenstein Municipality further gave presentations on the Vlakkeland, Drommedaris, Lantana and Kolbe housing projects. Discussions were also held about the Berg River Improvement Plan (BRIP) and its relation to the Meulwater Treatment Facility.

In addition to the aforementioned, the Drakenstein Municipality, in its capacity as the pilot municipality for the Smart Grid Project, provided the delegation with a briefing on the project outlining the purpose of the project and the role of GreenCape in this regard.

7.2 Findings: Langeberg Municipality

7.2.1 Municipal Infrastructure Grant expenditure

- 7.2.1.1 The 2014/15 MIG allocation of R20 686 000 was utilised to construct the Bonnievale Reservoir and the remaining funds will be rolled over to the 2015/16 financial year for the purpose of constructing the Montagu Wastewater Treatment Works.

- 7.2.1.2 The 2015/16 MIG allocation of R21 368 000 is already fully committed towards the construction of the Bonnievale and Ashton transfer stations, as well as the Montagu Wastewater Treatment Works. The transfer stations will be linked to the regional landfill site, under construction by the Cape Winelands District Municipality, and will be utilised by the Breede Valley, Langeberg and Witzenberg municipalities. The tenders for both projects have already been awarded and construction will commence in the 2015/16 financial year.
- 7.2.1.3 Owing to funding constraints the municipality is not able to provide the necessary bulk engineering services that would unlock future housing developments.

7.2.2 Creditor and debtor management measures

- 7.2.2.1 The municipality processes payments to small, medium and micro enterprises (SMMEs) weekly.
- 7.2.2.2 The municipality processes payments to creditors within 30 days of receiving an invoice in accordance with the provisions of the Local Government: Municipal Finance Management Act, Act 56 of 2003, as amended.
- 7.2.2.3 The Municipality's credit control measures include the disconnection of electricity services and putting water on a drip system.
- 7.2.2.4 In instances where the municipality is not able to institute credit control action against a person, the matter is handed over to a debt-collection company that receives a commission of 18% on monies that they are able to collect.
- 7.2.2.5 The municipality has recovered between 97% and 100% of its debt for the last 10 years.

7.3 Information requested

The delegation requested the Langeberg Municipality to provide it with:

- 7.3.1 A document detailing the infrastructure backlog that cannot be covered by the projected MIG allocation.
- 7.3.2 A breakdown of current debt by debtor categories (e.g. government and domestic).
- 7.3.3 The total current debt as well as a breakdown by 30, 60 and 90 or more days.
- 7.3.4 The municipal Indigent Policy.
- 7.3.5 The rationale informing the writing off of debt.

7.4 Findings: Drakenstein Municipality

7.4.1 Municipal Infrastructure Grant expenditure

7.4.1.1 The municipality has spent 87% of its R28 776 130 MIG allocation for 2014/15 to date and anticipate attaining 100% expenditure by the end of the financial year. The municipality has spent 100% of the MIG allocations since 2004/05.

7.4.1.2 Basic services are provided to households on farms in rural areas through a subsidy scheme for farmworkers. The municipality has undertaken a campaign among farm owners to promote this subsidy but this has been only moderately successful.

7.4.1.3 MIG funding over the next three years will be utilised to install bulk infrastructure to assist in unlocking low-cost housing developments.

7.4.1.4 MIG projects currently under construction include, among others:

- The construction of the Strawberry King water pipeline close to Newton in Wellington which is directly linked to the Vlakkeland low-cost housing project. The project is valued at R120 630 355 and is expected to be completed in June 2021.
- The construction of two 11 Mℓ reservoirs in Newton, Wellington. The project is valued at R63 747 820 and is expected to be completed by February 2016.
- The 2015/16 MIG pipeline includes, among others, the installation of new street lighting in Bo Dal Road in Siyashala with a project value of R926 381 and upgrading of the Mbekweni sport facility with a project value of R21 465 163.

7.4.1.5 The municipality reported that the Environmental Impact Assessment (EIA) process is very lengthy and often delays the commencement of projects.

7.4.1.6 When contracts are put on tender for projects, the municipality includes a standard condition that requires contractors to utilise local labour and subcontractors.

7.4.1.7 The municipality has developed a 20-year infrastructure growth plan that outlines the infrastructure requirements for the next 20 years; and the municipality has determined that there is a R5 billion backlog (given the R8 billion required to implement the plan and given the yearly MIG allocations).

7.4.2 Creditor and debtor management measures

- 7.4.2.1 The municipality has an in-house credit control and debt collection unit. In instances where the municipality has not leveraged with regard to debt collection, these cases are handed over to the Council's appointed attorneys. The municipality is, for example, not the electricity provider in Saron, Gouda and Hermon and, therefore, cannot use the discontinuation of electricity services as a debt-recovery mechanism.
- 7.4.2.2 The municipality has 14 844 registered indigent households who receive 10 kl of water, 100 kWh of electricity, as well as subsidised refuse removal and rental. The municipality also provides a 50% subsidy for households that narrowly do not meet the requirements to be registered as indigents. The municipality received R2 000 000 from the equitable share to subsidise these services but the municipality has had to utilise its own funds to supplement the shortfall.
- 7.4.2.3 As part of its debt-management measures, the Municipality has developed incentives for different groups such as indigent consumers, churches, emerging farmers, industrial consumers, government departments and schools.
- 7.4.2.4 The total outstanding debt is R21 627 653 before bad debt provision and R155 502 011 after bad debt provision.
- 7.4.2.5 The municipality has a debt recovery rate of 96%.
- 7.4.2.6 The municipality processes payments to small, medium and micro enterprises (SMMEs) biweekly.

7.5 Information requested

The delegation REQUESTED the municipality to provide it with an overview of the legislative and compliance requirements that delay project implementation.

7.6 Briefing by the Drakenstein Municipality on the Vlakkeland, Drommedaris, Lantana and Kolbe housing projects in Paarl

7.6.1 Overview and background

The Drakenstein Municipality gave a presentation on the Vlakkeland Housing Project in Paarl focusing on the 3 260 sites that were granted planning approval, as well as on the 3 260 top structures which formed part of the mixed-use residential development situated on erf 8378. An amount of R15 million was budgeted for in the 2015/16 financial year to provide for the servicing of the 300 sites. The municipality indicated that the project will accommodate the full spectrum of housing needs, which includes subsidy, rental or social and affordable housing with various ownership options. The Govan Mbeki award-winning Drommedaris Emergency People's Housing Project (PHP) was approved in April 2006 to accommodate 2 300 families from the Mbekweni informal settlement area, who resided

underneath Eskom power lines and along the railway line. The Department of Human Settlements granted final approval for the construction of top structures on 1 407 serviced sites at a total cost of R130 million. Construction commenced on 2 December 2011 and was finalised on 30 June 2013. A total of 1 364 deeds of sale and 398 transfer applications were lodged by the attorneys. The project made allowance for all the different housing programmes or typologies. The contractor only utilised local labourers from the area, thereby increasing skills development and supporting the local economy.

The Drakenstein Municipality gave a presentation on the integration of the Lantana and Kolbe temporary relocation and in situ informal settlement housing projects into the existing residential area in Paarl East. Final approval for the housing project was granted on 17 November 2009 and an amount of R102 476 223 was budgeted for the project. The units comply with the current national norms and standards.

7.6.2 Findings and observations

- 7.6.2.1 During the walkabout members were given access to various units and they were able to speak to the owners regarding the condition of their units.
- 7.6.2.2 The units ranged from single to semi-detached with a 40 m² floor area.
- 7.6.2.3 All the units were plastered and painted on the inside and outside.
- 7.6.2.4 The units consist of an enclosed bathroom, two bedrooms and an open-plan kitchen.
- 7.6.2.5 Aluminium window frames, a front door and a back door were installed.
- 7.6.2.6 The beneficiaries included informal shack dwellers, farmworkers and special-needs cases such as pensioners and people living with disabilities.
- 7.6.2.7 Beneficiaries who did not qualify were provided with serviced sites.
- 7.6.2.8 Occupants mainly complained about hot water pipes in bathrooms that detach and spray hot water.

7.7 Briefing by the Drakenstein Municipality and the Department of Environmental Affairs and Development Planning on the Berg River Improvement Plan

7.7.1 Overview

The Department of Environmental Affairs and Development Planning (DEADP), in consultation with the Drakenstein Municipality, briefed the delegation on the Berg River Improvement Plan (BRIP) in the context of the Western Cape Sustainable Water Management Plan outlining the successes, challenges, constraints, as well as future plans for the roll-out to the Oliphants and Breede rivers. The Department and municipality also

demonstrated the link between this and the Meulwater Wastewater Treatment Works. The presentation focused on the following aspects:

- Background information on the project.
- The vision of BRIP.
- Challenges experienced.
- The alignment of projects to identified tasks.
- The way forward.
- The role of the Drakenstein Municipality.

7.7.2 Background information on the project

7.7.2.1 Water is the most critical natural resource in the economic sector with communities and industry deriving goods and services from river systems in their catchment areas. The Berg River catchment area is home to cultivated agricultural land, mainly vineyards, fruit trees and wheat fields.

7.7.2.2 Pollution in the Berg River catchment area is a cause of great concern, especially to communities, farmers and industries in the various municipalities of the West Coast and Cape Winelands regions. Various stakeholders have implemented initiatives to address the concerns about pollution that have been raised.

7.7.2.3 The main purpose of the BRIP is to address the current concerns about water quality in the Berg River. The Berg River Improvement Plan highlights the current status of sources of pollution and the various interventions that have been or are currently being undertaken by municipalities and sector departments in the Western Cape.

7.7.2.4 The Sustainable Water Plan and the BRIP in particular are linked to the National Development Plan in terms of eliminating poverty and increasing economic growth without compromising the ecological integrity of the environment.

7.7.2.5 The DEADP embarked on broad consultation with various stakeholders and then delivered a water plan supported by the stakeholders. The water plan consists of 12 themes that relate to four goals namely:

- Effective cooperative governance and institutional planning
- Sustainability of water resources for growth and development
- Integrity of socio-ecological ecosystems
- Effective and appropriate information management, reporting and awareness-raising

7.7.3 The vision of the BRIP

The vision of the BRIP is “Berg River water of acceptable quality and quantity for sustainable farming, industrial development, human consumption and recreation, as well as ecological health.”

7.7.4 Challenges experienced

The following challenges were experienced:

- 7.7.4.1 The water quality problems caused by treated effluent from the wastewater treatment works.
- 7.7.4.2 The massive invasive alien plant infestation in the river’s catchment area.
- 7.7.4.3 The polluted greywater from informal settlements, as well as the pollution of stormwater, wastewater, litter and solid waste.
- 7.7.4.4 Agricultural input such as fertilizers, pesticides and herbicides that ends up in the river.

The DEADP realised that the water quality in the Berg River had to be improved and then focused on specific tasks to achieve this.

7.7.5 Alignment of projects to tasks

Specific projects were identified and this led to six tasks being developed for the BRIP. These include:

- 7.7.5.1 Water quality monitoring
- 7.7.5.2 Upgrading the Wastewater Treatment Works (WWTW)
- 7.7.5.3 Upgrading of informal settlements
- 7.7.5.4 Best practice in agriculture
- 7.7.5.5 Rehabilitation and bioremediation
- 7.7.5.6 Economics of water

It was clear that there must be a collaborative and active engagement between the three spheres of government in order for the BRIP to be successful.

7.7.5.1 Water quality monitoring

The Department responsible for taking the lead in respect of this task is the DEADP. The DEADP monitors 20 sites from Franschhoek to Velddrif and also

monitors trace metals and pesticides in sediments and chemical and bacteriological parameters in the water column. The DEADP is planning to start similar projects in the Langrug and Mbekweni areas and, therefore, wants to set a baseline so that they are able to monitor established baseline levels before bioremediation and thereafter in order to evaluate the impact of these activities.

The DEADP has set an ambitious target for 2017 to ensure that the levels of E. coli, suspended sediment and nutrient (dissolved inorganic nitrogen and phosphates) in receiving waters meet the requirements of the South African Water Quality Guidelines. Therefore, an interim target has been identified by the DEADP to establish baseline levels of water quality parameters in receiving waters by 2016.

The delegation was provided with images of the upper Berg River, from two of the sampling sites, where the Franschhoek WWTW were decommissioned recently and the newly built Wemmershoek Regional Plant that uses new technology. After the decommissioning, the DEADP not only observed a visible improvement in the water quality but also noticed a measurable improvement in the bacteriological quality. The DEADP measured a 95% reduction in bacteria at the confluence of the Franschhoek River and further down the area at the confluence of the Franschhoek and Berg rivers a reduction of 88% in the bacteriological quality of the water, as well as a reduction of 57% in the water phosphate levels.

7.7.5.2 Upgrading the Wastewater Treatment Works (WWTW)

The Department responsible for taking the lead in respect of this task is the Department of Local Government (DLG). The Wemmershoek (Nereda plant) uses new technology and will discharge a much better quality effluent as a result. There have also been upgrades to the Paarl WWTW. The DLG is fervently pursuing the upgrading of the WWTW through various funding projects. Much effort is also placed on the reuse and the efficient use of water and wastewater.

7.7.5.3 Upgrading of informal settlements

The Department responsible for taking the lead in respect of this task is the Department of Human Settlements. Through the Sustainable Human Settlements Plan and the vision for 2040, the evaluation of the Upgrading Informal Settlement Programme 2014 showed that a very high success rate was achieved with the provision of water and sanitation services to informal settlements.

7.7.5.4 Best practice in agriculture

The Department responsible for taking the lead in respect of this task is the Department of Agriculture (DOA). The DOA has compiled best practice guidelines for the irrigation of land on golf estates and also to offer assistance to farmers. There are also specific projects, such as Fruitlook, that use remote

sensing to assist farmers. The objective of this project is that farmers will be able to determine specific crop requirements and will irrigate only when necessary as a result. The same applies to conservation agriculture where maximum coverage is maintained and minimum tillage takes place.

7.7.5.5 Rehabilitation and bioremediation

The Department responsible for taking the lead in respect of this task is the DEADP. There are many projects underway such as the active Riparian Rehabilitation Programme, the Genius of Space Project in Langrug and the Franschhoek Sustainability Urban Drainage Centre. The DEADP, together with the Stellenbosch Municipality, wants to inspect the site of the old Franschhoek WWTW to provide an intervention to the polluted stormwater and water quality treatment before the stormwater is discharged into the Berg River. The DEADP is also considering using active bioremediation in Mbekweni.

Successes in terms of this task include the establishment of excellent partnerships with the Department of Agriculture (Land Care), the national Department of Environmental Affairs and the Working with Water Programme responsible for clearing alien vegetation. The DEADP is also involved with the Expanded Public Works Programme. This has contributed greatly to improving the biodiversity in areas where alien-vegetation clearing is done and where active rehabilitation is occurring as opposed to just leaving it and waiting for the natural vegetation to be re-established. This has also increased awareness in the affected communities and has fostered support from these communities.

7.7.5.6 Economics of water

Wine and table grapes are the largest proportion of crops being irrigated in South Africa and this creates jobs in these sectors. Even though the wine and table grape sector is a large water consumer, it also creates employment opportunities in these sectors.

At a Task Team Steering Committee meeting of the DEADP a decision was taken to add two more tasks that would focus on the ecological integrity of the river and help improve the ecosystem.

In order to develop tourism to promote eco-tourism in Franschhoek, a task implementation plan is in the process of being developed in collaboration with the Department of Economic Development and Tourism and local tourism agencies.

7.7.6 Way forward

The DEADP is in the process of developing river improvement plans for the Breede and Oliphants rivers in line with Provincial Strategic Goal 4 which is to “enable a resilient and sustainable quality and inclusive living environment”.

A concern in this regard is that there is no additional funding available on the operational budget of the DEADP for the development of these improvements plans even though a process with time frames attached has already been mapped out.

7.7.7 Role of the Drakenstein Municipality

- 7.7.7.1 The Drakenstein Municipality has been monitoring the Berg River since 1999. In 2012/13 the municipality revisited their strategy for ideal sampling. Sampling a river is a very complex task as a river is always in a state of flux. The municipality then intensified their sampling programme together with the Department of Water and Sanitation, the DEADP, the Cape Winelands District Municipality and the Stellenbosch Municipality. Analysing samples is costly and an established partnership with the Berg River Irrigation Board has assisted in alleviating the cost burden.
- 7.7.7.2 The Drakenstein Municipality uses an independent accredited laboratory (with an annual budget of approximately R300 000) to analyse samples.
- 7.7.7.3 In terms of the BRIP, the municipality is in the process of establishing a call centre to alert farmers to high levels of E. coli in the river.

7.7.8 Recommendations

The delegation RECOMMENDED that:

- 7.7.8.1 The DEADP explore innovative funding mechanisms to develop the river improvement plans for the Oliphants and Breede rivers. (The DEADP is to brief the Standing Committee on Environmental Affairs and Development Planning in this regard.)
- 7.7.8.2 Since partnerships are vital, the DEADP is encouraged to source beneficial partnerships and engage with the three spheres of government to maximise effectiveness and to gain the support of communities.
- 7.7.8.3 The Drakenstein Municipality should ensure that regular sampling of the river occurs continuously in order for the Ideal Sampling Plan to be implemented.

7.8 Briefing by the Drakenstein Municipality on the Smart Grid Project

7.8.1 Overview and background

In South Africa and globally, electricity network operators are seeking opportunities to change how electricity grids are operated to make them more robust, reliable and cost effective. A smart grid is a suite of technologies and systems that can potentially help network operators address these needs by enabling better operation and management of their electricity networks.

The Drakenstein Municipality, in its capacity as the pilot municipality for the Smart Grid Project, provided the delegation with a briefing on the project. The municipality outlined the purpose of the project and the role of GreenCape in this regard.

7.8.2 Findings

- 7.8.2.1 In 2013, at the request of the British High Commission under its Prosperity Fund and the Western Cape Department of Economic Development and Tourism (DEDAT), GreenCape executed a project to investigate various aspects of smart grids from the perspective of Western Cape municipalities. The project continued in 2014/15 through funding made available by the Green Economy Programme of DEDAT.
- 7.8.2.2 The Drakenstein Municipality has been working with GreenCape for the past three years and they have been assisting the municipality through the different stages of the smart metering system.
- 7.8.2.3 The major benefit of this project is that if consumers can be convinced to use power at different time slots, then load shedding may be avoided. With this system consumers are able to determine when their electricity usage is high and they can then reduce their power consumption during these times and inevitably save electricity.
- 7.8.2.4 Smart meters have been in existence for many years but they are very costly. It has become more cost effective over the past two years.
- 7.8.2.5 The municipality has two meters installed in Paarl, one in a municipal official's home and another one in a home in Main Road. The meter in the municipal official's home operates on a flat tariff rate and the other one has been installed at a home that has photovoltaic panels on its roof. Further roll-out will occur within the next month to 43 homes in Bosman Street in Paarl. If the roll-out is successful in terms of accurate billing, then further roll-out will be embarked upon.

7.8.3 Recommendations

The delegation RECOMMENDED that:

- 7.8.3.1 Municipalities must be innovative and investigate alternative methods of power generation.
- 7.8.3.2 The current financial structure for funding municipalities must be seriously scrutinised so that municipalities charge accurate tariffs to ensure their financial sustainability.

8. Oversight meetings with the Witzenberg Municipality and the Stellenbosch Municipality on Friday 12 June 2015

8.1 Overview and background

The meeting commenced with presentations by the Witzenberg Municipality and the Stellenbosch Municipality on challenges with regard to spending on its MIG and the

implementation of debtor and creditor management. Mr Nasson from Witzenberg briefed the delegation on both components of the presentation and commenced the briefing with an overview of household growth since 2001. Mr Wust from Stellenbosch briefed the delegation on both components of the presentation. In addition, they also briefed the delegation on the Klapmuts and the De Novo housing projects at Stellenbosch. The delegation was also provided with a synopsis of the traffic congestion in the town, the effect of possible interventions and its focus on collaboration and partnerships.

8.2 Findings: Witzenberg Municipality

8.2.1 Municipal Infrastructure Grant expenditure

8.2.1.1 The MIG allocation up until 2018 will be utilised for bulk water and sanitation to unlock following low-cost housing projects in Pine Valley (at a cost of R5 500 000), Bella Vista (at a cost of R15 600 000) and Vredebes (at the cost of R41 700 000).

8.2.1.2 The municipality has a 2014/15 MIG allocation of R21 000 000 of which 90% has been spent and it is anticipated that the balance will be spent before the end of the financial year.

8.2.1.3 The municipality has a favourable Green Drop and Blue Drop rating.

8.2.1.4 The MIG projects for 2014/15 included, among other, the construction of the Tulbagh Wastewater Treatment Works (WWTW) with a project value of R3 100 000 and the provision of the Wolseley Sport and Community Centre with a project value of R2 100 000.

8.2.1.5 MIG projects in the pipeline for 2015/16 include, among other, street lights for low-cost housing with a project value of R1 000 000.

8.2.1.6 The municipality has an infrastructure backlog to the value of R148 584 120.

8.2.1.7 The municipality intends undertaking a survey of the movement patterns of seasonal workers to ascertain the service-delivery needs in areas such as Op-die-Berg.

8.2.2 Creditor and debtor management measures

8.2.2.1 The municipality's total debt amounted to R170 000 000.

8.2.2.2 Households with a monthly income of less than R3 000 qualify to register as indigents.

8.2.2.3 Households are allowed to make two arrangements per financial year in instances where they struggle to pay for municipal services.

8.2.2.4 The Municipal Council has approved an application for a loan that will allow the municipality to purchase prepaid electricity meters to be used as debt recovery measures in areas where Eskom is the electricity provider.

8.2.2.5 N'Duli contributes the largest amount (R36 620 478,86) to municipal service arrears.

8.2.2.6 Tulbagh Dorp contributes the least amount (R2 688 260,85) to municipal service arrears.

8.2.2.7 The municipality has appointed a service provider to assist with debt collection.

8.2.3 Information requested

The delegation REQUESTED the Witzenberg Municipality to provide it with:

8.2.3.1 A breakdown of current debt by debtor categories (e.g. government and domestic).

8.2.3.2 The total current debt as well as a breakdown by 30, 60 and 90 or more days.

8.2.3.3 The municipal Indigent Policy.

8.2.3.4 The rationale informing the writing off of debt.

8.3 Findings: Stellenbosch Municipality

8.3.1 Municipal Infrastructure Grant expenditure

8.3.1.1 The municipality's capital budget increased from R175 000 000 in 2014 to R251 000 000 in 2015.

8.3.1.2 The municipality has spent R25 500 000 of its R33 300 000 MIG allocation for 2015 and it is anticipated that they will attain 100% in this financial year.

8.3.1.3 The 2015 MIG allocation has been spent on, among others:

- The Plankenburg New Main Server that will support the Stellenbosch Wastewater Treatment Works, with a project value of R1 399 920
- The provision of high mast lighting in Kayamandi at the cost of R446 824
- Upgrading of gravel roads in Mooiwater at the cost of R4 591 819

8.3.1.4 Vandalism and theft, such as the theft of taps, contribute to water losses.

8.3.2 Creditor and debtor management measures

- 8.3.2.1 The municipality's total debt amounts to R119 995 000.
- 8.3.2.2 The municipality has an in-house debt collection unit that is assisted by the same service provider as in Witzenberg and Swellendam municipalities. The municipality has instituted measures to ensure that a transfer of skills takes place between the service provider and the municipal staff.
- 8.3.2.3 The municipality has a favourable total debt to revenue percentage of 15,47% when compared with the Western Cape average. The municipality has a debt recovery rate of 96%.
- 8.3.2.4 The municipality has a differentiated approach to debt collection for conventional meters as opposed to pre-paid meters. With regard to conventional meters, the municipality has undertaken 17 disconnections as debt recovery measures. With regard to the prepaid meters, the municipality has blocked 540 of these meters as debt recovery measures.
- 8.3.2.5 The South African Local Government Association (Salga) is in discussion with Eskom about the development of a service-level agreement that will allow municipalities to develop credit control measures in areas such as Klapmuts where the municipality is not the electricity provider.
- 8.3.2.6 The municipality will introduce water-demand-management devices, similar to those installed by the City of Cape Town, that limit the amount of water provided to households per day.
- 8.3.2.7 The municipality has 5 000 registered indigent households that meet the qualifying criteria of earning less than R4 000 a month. The municipality undertakes outreaches to ensure that all qualifying households register as indigent.

8.3.3 Information requested

The delegation requested the Stellenbosch Municipality to provide it with:

- 8.3.3.1 The geographic breakdown of the water consumption and water-related debt in the municipality.
- 8.3.3.2 A breakdown of the consumers contained with the "other" category of debtors.

8.3.4 Findings: Traffic situation in Stellenbosch

- 8.3.4.1 Stellenbosch has grown exponentially in the last decade and so has its traffic. Roadworks and problems with public transport exacerbate the traffic problem.

- 8.3.4.2 There are five provincial roads leading into Stellenbosch. These roads have been upgraded and the road infrastructure is managed by the Department of Transport and Public Works. This allows easy access for motorists into Stellenbosch. However, the bottleneck problem in the town persists.
- 8.3.4.3 The problem is intensified by single occupancy trips, land use and spatial planning in relation to developments. The growth in student numbers at the University of Stellenbosch also plays a pivotal role.
- 8.3.4.4 The Stellenbosch Municipality is operating at maximum capacity and it is not in a position to build new roads or to widen roads. The focus of the municipality is, therefore, geared towards forms of non-motorised transport and public transport.
- 8.3.4.5 Existing projects underway to address the traffic gridlock situation in the town are as follows:
- The adoption of the Transit-oriented Development (TOD) approach, a fast-growing trend in creating vibrant, liveable and sustainable communities by making it possible for communities to live a lower-stress life without complete dependence on a car for mobility. It is a mixed use of commercial and residential areas designed to maximise access to public transport.
 - The compilation of a Large Employer Trip Reduction Programme, Non-motorised Transport Plan, Cycling Plan and Road Transport Safety Plan, as well as a comprehensive Transport Integrated Plan.
 - The establishment of a Transport Working Group representing all levels of government, as well as relevant stakeholders within the transport industry, to ensure collaboration and integration of key initiatives and developments.

8.3.5 Recommendations

The delegation RECOMMENDED that:

- 8.3.5.1 Active engagement with relevant stakeholders must be ongoing.
- 8.3.5.2 The municipality embark on a campaign to showcase the benefits of public transport but that the issue of commuter safety must first be addressed as the use of public transport is influenced by safety concerns.

8.4 Klapmuts and De Novo housing projects in Stellenbosch

Overview and background

The Stellenbosch Municipality gave a presentation on the Klapmuts Housing Project, a public-private partnership, on erf 342. The Klapmuts Housing Project was initiated by the Stellenbosch Municipality to cater for the evicted Klapmuts community members and all

the qualifying farmworkers on the surrounding farms. The municipality indicated that the development consisted of 99 units of which ten were financed by financial institutions and 89 by the Department of Human Settlements. The project was finalised in December 2013. The top structures consist of single- and double-storied units. The first phase consisted of 480 top structures, 188 double-storied units and 292 units. The second phase

consisted of 351 top-structure units. Precast concrete elements were used to accelerate housing delivery. Precast concrete decks, cement roof tiles, precast concrete staircases, blocks and u-blocks were utilised to ensure structural integrity and high-quality finishes. During the project local labourers were employed and trained.

The narrative of the presentation on the De Novo Integrated Rural Development Plan (IRDP) Housing Project focused on the 1 300 serviced sites and top structures. An amount of R3 million was budgeted for in the 2015/16 financial year to cover cost incurred during the planning phase. Planning approvals and construction for the mixed-use residential development is scheduled for the 2017/18 financial year. The housing project falls in the Stellenbosch municipal area and is currently being serviced by the City of Cape Town as part of a pre-agreement with the Western Cape Government.

8.5 Visit to the Audacia wine farm in Stellenbosch

8.5.1 Overview and background

The Committee was welcomed by Mr Trevor Strydom, the owner of Audacia Winery. The Chairperson and the Committee were escorted to the primary wine cellar of the Audacia Winery. The members of the Committee introduced themselves to the staff at the Audacia Winery and its partnering presenters. The Chairperson gave a brief overview of the purpose of the visit. The briefing was followed by a demonstration of the different wines produced by the winery.

In 2014 Audacia launched a world first: a unique “no sulphites or preservatives added” red wine that has been created by using indigenous *Aspalathus linearis* (rooibos) and *Cyclopia genistoides* (honeybush) wood. The wine, a merlot from the 2013 harvest, is the first of an exciting range of wines made according to this method which is exclusive to and patented by Audacia Wines.

Indigenous wooded wine is the creation of a totally new and unique category of wine. The discovery that the use of *Aspalathus linearis* (rooibos) and *Cyclopia genistoides* (honeybush) wood in the winemaking process assists to preserve and flavour wine, thus providing wine drinkers with a unique tasting and sulphite-free alternative, has enabled Audacia to raise the bar in local winemaking substantially.

The chief antioxidant (preservative) normally used in wine production is sulphur dioxide. The legal limit of total sulphur dioxide allowed in South African table wines is 150 mg/ℓ with a lower limit of 10 mg/ℓ. Sulphur dioxide levels of less than 10 mg/ℓ allow for the wine to be labelled as “sulphur-free” or “no sulphites or preservatives added”. There has

been a drive in recent years to lower sulphur dioxide levels in wine due to health reasons, since many people have an allergic reaction to the sulphur.

The Fabaceae family species, *Aspalathus linearis* (rooibos) and *Cyclopia genistoides* (honeybush), is indigenous to the Western Cape of South Africa and have been proven to contain large amounts of phenolic compounds, such as quercetin, luteolin, orientin, iso-orientin, vitexin, iso-vitexin and aspalathin, which may act as antioxidants and assist in preserving wine.

Audacia Wines is currently working closely with a team from Stellenbosch University's Department of Viticulture and Oenology, headed by Professor Wessel du Toit, who is investigating oxidation in wine as part of his research portfolio.

A product-related beverage patent (no PCT/IB2012056352) has been lodged to protect the innovation.

8.5.2 Findings

- 8.5.2.1 Audacia turned the model of producing wines for only profit into a model where job creation and economic growth can be advanced for the local winemaking industry.
- 8.5.2.2 Audacia Winery has successfully established the use of rooibos in the producing of quality wines.
- 8.5.2.3 The wine industry is very competitive and due to this most wineries are on the verge of bankruptcy.
- 8.5.2.4 Audacia Winery has partnered with KWV Wine Cellars, Red Dawn IP, Cape Natural Tea Products, Stellenbosch University, Stellenbrau Distillers and Windemere Breweries to advance the use of rooibos in alcoholic beverages.
- 8.5.2.5 Audacia Winery has not yet evolved to the stage where it can implement the Bosman Adama model of employee empowerment on its farm due to financial reasons.
- 8.5.2.6 Audacia Winery has patented its rooibos product through KWV Wine Cellars in 83 jurisdictions.
- 8.5.2.7 Windemere Breweries, the partner of Audacia Winery, has seen a significant increase in their sales of rooibos alcoholic beverages.

9. Acknowledgements

The delegation thanked the various councillors, managers, officials and private individuals and institutions for their willingness to meet with the delegation and to share information.