

## **FOREWORD BY THE EXECUTIVE MAYOR**

It is my pleasure to table this Annual Report for the financial year 2005/6. This year was, above all, characterised by the urgent need to prepare for the country's local municipal elections, which took place in March 2006.

The results of these elections were once more a resounding vote of confidence in favour of the ruling party. The ANC was again given the mandate to continue driving the transformative machinery that was set in place since April 1994.

Our mandate, as the West Rand District Municipality, was clear. It was clearly encapsulated in the Gauteng Provincial Government's Five Year Strategic Programme of 2004 - 2009.

The District's programmatic activities had to be firmly focused on and aligned with the Vision of the Gauteng Province.

This vision consisted substantially of two poles:

- ***The need to bring down unemployment by a hefty 50% by 2014 as well as***
- ***The need to halve poverty by 2014.***

In order to be responsive to the above programmatic imperatives, we had to be extra careful with regard to the process as we chose to put together our IDPs for the District as a whole.

The processes of public participation and consultation were adhered to in our communities. And this gave rise to various infrastructural programmes and the streamlining of our service delivery initiatives: free electricity and water, proper sanitation and refuse removal basic services became the major focus of the District.

This Annual Report seeks to portray a picture of the efforts the District went into as it tried to take care of the needs of its 533 668 inhabitants, spread through the three local municipalities of the District: Mogale City, Randfontein and Westonaria.

Unemployment is still the major challenge and the main causative factor behind the brutalising poverty levels in the District. This situation was exacerbated by the gradual decline of mining in this region. The impact of this decline was devastating.

We, as a District, in collaboration with our three local municipalities, tried to strengthen the effect of our Expanded Public Works Programme (EPWP), as well as the various job creation projects taking place in the three local municipalities. The District's role was always coordinative and supportive of the work done in the three local municipalities.

The District Management Area (DMA) also received a great deal of attention during the year under review. Plans are afoot to expedite development in this area in the coming year.

The creation of the West Rand Development Agency is going to act as a catalyst in the economic empowerment of the people of this region. This Agency will help in bringing together various initiatives especially as the District strives to position itself for the coming 2010 global events. Several projects are lined up with a view to maximising the benefits that would flow from this event.

The details of these activities form the kernel of this Report. Outlook for the future is captured in the following WRDM Strategic objectives:

- A united vision for the whole district
- Financial viability
- Social security and
- An economic blueprint for WRDM

The ideal picture of Gauteng as the Global City Region (GCR) has become the organising principle, which will inform all our developmental efforts in the District.

We are elated by the fact that the WRDM has, once again, managed to get an unqualified financial report from the Auditor General's desk. The WRDM demonstrates good financial management. We are proud of that.

# **1. Chapter 1: Municipal Manager's Report**

## **1.1 Introduction**

In the financial year of 2005/06 we have witnessed changes with the municipal elections and a new term for council. The new Executive Mayor, together with her council, are expecting effective and efficient implementation of our mandate. This report attempts to outline the implementation of this mandate in the 2005/2006 financial year.

## **1.2 The Mandate**

The Executive Mayor of the WRDM, during her inaugural speech, has indicated that the eradication of poverty and unemployment should be one of the main goals of the WRDM. She emphasised the continuation of alignment of the priorities of the WRDM with those of National and Provincial government.

The WRDM priority programmes are aligned with the National and Provincial halving of poverty and employment as well as the acceleration of service delivery. The programmes outlined in this report provide a full account of service delivery within the WRDM, based on the General Key Performance Areas. The programmes are:

- Job creation through Local Economic Development (LED) and capital projects
- Good governance and the public participation process
- Municipal financial viability
- Service delivery
- Institutional transformation

These five KPA's have been promulgated in the Municipal Systems Act, 2000, and during the past financial year, the WRDM has experienced relative success in implementing the five KPAs in the West Rand.

### **1.3 Job Creation**

There were 928 jobs created by the WRDM directly and indirectly through LED and capital projects. Projects such as Randfontein Station and Badirile Bulk Water Supply, Mohlakeng Hostel and Katlego Cultural Centre have provided at least 200 people with temporary employment. Job creation in the constituent local municipalities has been significant and the number would grow as the Municipal Infrastructure Grant (MIG) in the Medium Term Budget increases.

### **1.4 Good governance and the public participation process**

To ensure good governance the WRDM has established the intergovernmental structures such as

- The Executive Mayors' Forum;
- The Municipal Managers' Forum.

These structures assist in encouraging joint decision-making, co-ordination and co-operation between the WRDM and the constituent local municipalities.

Public participation has been encouraged in the municipal programmes and projects, in particular during the IDP and Budget process. The Road Show of the Executive Mayor of the WRDM, on Sunday, 12 November 2006, was held at portion 26, Kromdraai and was attended by more than 500 community members. Public participation programs of the Speaker of Council, includes

- WRDM women's day dialogue on 23 August 2006.
- WRDM ward committees' imbizo on 5 December 2006.
- WRDM speaker's strategic retreat on 19 January 2007.

## **1.5 Financial Viability**

The WRDM is proud to report 5 years of consistent unqualified financial reports by the Auditor General, including the financial year 2005/06. The financial report of this financial year has been the most difficult as all municipalities did not comply with all the provisions of the Municipal Financial Management Act, 2003.

The WRDM is also required to comply with the Generally Accepted Municipal Accounting Principles (GAMAP). The principles ensure more transparent and accountable reporting of statement to all stakeholders in the municipality.

## **1.6 Service Delivery**

The services delivery projects of the WRDM have been focused on the District Management Area (DMA), Cradle of Humankind World Heritage Site and the three constituent Local Municipalities. Projects in the DMA include the following:

- Katlego Cultural Centre.
- Multi Purpose Community Centre

These projects are approaching implementation phase and are expected to provide communities closer access to government services through the building of government offices and providing jobs not only during the construction phase but also afterwards when the projects are in operation. The transport projects of intermodal facilities such as Randfontein station have provided opportunity to improve the public transport facilities and it is expected that further job creation and economic opportunities could be provided with the second phase of the Randfontein station and Leratong intermodal facilities.

## **1.7 Health and Social Development**

The WRDM health programme includes the environmental health, child health, women health and HIV/Aids projects and it has not only shown success in improving health awareness but also assisted with the prevention of diseases. In the DMA, about 1 600 children under the age of 5 years have been immunized against various illness.

Social Development programmes have assisted Early Child Development Centres (ECDs), by utilising crèches in impoverished areas. The social development unit has assisted 6 crèches to comply with legislation as to benefit from the nutritional subsidy of national government.

## **1.8 Public Safety**

Public safety programmes of the WRDM include Disaster Management, Emergency Operations Call Centre, Emergency Medical Services, Fire Risk Prevention and Social Crime Prevention. These programmes provide the communities with critical service delivery.

## **1.9 Institutional transformation**

The employment equity programme of the WRDM has its targets approved by council. The targets have been set to be completed by 2008 and will be introduced through three phases. The objectives set for each phase, in order to work towards the ultimate goal of employee representation, were 50% African males, 20% white males and 30% females.

## **1.10 Skills Development**

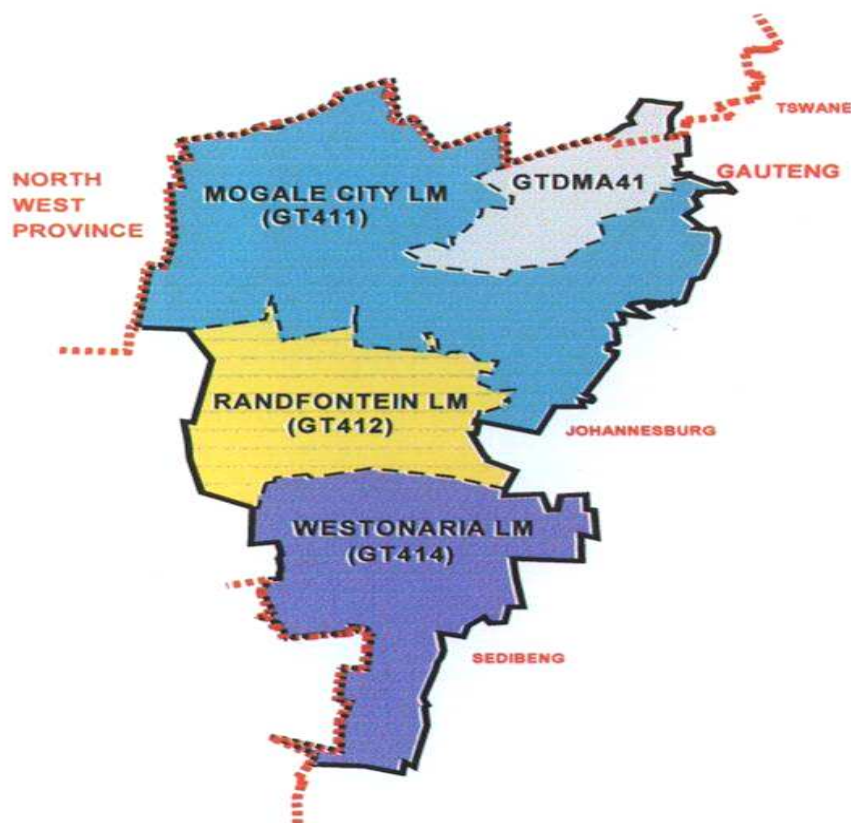
The employee development is a priority of the municipality, as part of Human Resource Management and Development. A significant number of employees are assisted to further their career paths through municipal skills development funds. Moreover, approximately 12 new interns have been employed by the WRDM.

## CHAPTER 2: OVERVIEW

### 2.1 PROFILE OF THE WEST RAND DISTRICT MUNICIPALITY

#### 2.1.1 Background

The West Rand District Municipality (WRDM) consists of three local Municipalities, namely, Mogale City, Randfontein and Westonaria. The District Management Area (DMA), popularly known as the Cradle of Humankind (COH) falls under the authority of the WRDM, see Map1 below.



**Map1: WRDM Constituent Local Municipalities**



## **2.2 DEMOGRAPHIC**

The WRDM is some 4066km<sup>2</sup> area in extent and the total population was approximately 533 000 in 2004 according to Regional Economic Explorer (Rex version 2.0e). This figure results in an overall population density of 251/km. The municipality only accounts for 9% of the total population of Gauteng and has a relatively low population density when viewed in the provincial context.

According to Ricon–Regional Economic study the population of the West Rand has increased by 1.6 % from 1996 to 2004. The 2001 Census recorded the total number of households in the district as 206 009. The average household size was therefore approximately 3,7 persons per household, while the average household sizes in the Local Municipalities are fairly consistent with the district average, ranging between 3.5 to 3.7 persons per household. The 2001 Census also showed a surprisingly high number of single and two-member households. This possibly suggests a high incidence of migrant labourers working at mines in the area and living in hostel-type accommodation.

## **2.3 ECONOMIC PROFILE**

According to Global Insight, the economy of the WRDM is dominated by the tertiary sector, which was the highest contributor to the Gross Geographic Product in 2005. Mogale City is the fastest growing area within the WRDM with much of its growth experienced in the transport, trade, finance and construction industries.

Economic growth in both the tertiary and secondary sectors was over 5%. Mogale City led with 6.3% growth in 2005 and averaged 2.7% between 1996 and 2005. Randfontein LM grew at 2.6% in 2005 and averaged 1.1% between 1996 and 2005. Westonaria LM has shown a negative 4.5% growth in 2005 and a negative 1.9% over the period 1996-2005.

In the past, gold mining has been the single dominant commodity in the region's economy. However, the economic contribution of gold mining in the WRDM has been shrinking since the 1990s. Due to the poor gold price and subsequent job retrenchments, the WRDM region has been negatively affected by the unemployment rate.

### 2.3.1 Poverty Levels

According to Ricon, the WRDM Socio-Economic Overview Report of September 2005, the share of people living in poverty increased by almost 10% from 19.8% in 1996 to 29.2% in 2004. Randfontein has the largest share of people living in poverty followed by Westonaria. The unemployment rate has increased by 8% from 21.6% to 29.9% in all municipal areas over the 1996 to 2004 period. The highest unemployment rate was recorded in Randfontein and Mogale City at 31% and 22.7% respectively.

### 2.3.2 Indigent programme and provision of Free Basic Services (FBS)

The eradication of poverty remains a very real challenge for the local municipalities in the WRDM. The municipalities provide FBS to all residents. The indigent registers in the respective local municipalities indicate;

**Table A: Indigents in Local Municipalities**

<b>Registered Households</b>	<b>Mogale City</b>	<b>Randfontein</b>	<b>Westonaria</b>	<b>WRDM Total</b>
Formal	2500	5364	512	8376
Informal Housing	24220	2215	9113	35548
Total	26720	7579	9625	43924

*Source: Finance Department of constituent local municipalities*

## **2.4 ENVIRONMENTAL PROFILE**

### **2.4.1 Landfill sites**

The WRDM is challenged by waste management issues in the DMA and in the constituent local municipalities. The latter have several landfill sites. All sites, except for the Magaliesburg site, have landfill permits. Magaliesburg landfill site is, however managed in such a way that it complies with legislation.

At this stage there is no landfill facility available in the DMA area. Mogale City delivers a service in the DMA when so requested by businesses. The Integrated Waste Management Plan will address these issues. It is proposed that the WRDM investigates the possibility of a regional landfill site.

### **2.4.2 Mine dumps**

Community members of the West Rand are presently experiencing high levels of dust pollution from mine dumps, especially during the windy seasons. This dust, allegedly, causes all sorts of irritations, sicknesses and allergies. During days associated with excessively strong winds, this dust is extremely inconvenient and it also finds its way into buildings.

The WRDM is attempting to involve all stakeholders in order to address this problem. Currently, a waste forum has been established by the WRDM, constituent local municipalities, DACE, mining houses and other interested groups. Amongst others, the purpose of this forum seeks to resolve the issue of mine dust and the rehabilitation of land used for mine dumps.

### **2.4.3 Burial Sites**

The WRDM and the local municipalities are running short of land for burial purposes. New burial sites have been identified in Tarlton and Hekpoort in the area of jurisdiction of Mogale City LM. The WRDM will contribute funds to the Hekpoort burial site. At this stage there is no burial facility available in the DMA. The WRDM Environment and Integrated Waste Management Forum was launched to investigate and formulate a long-term burial strategy.

### **2.4.4 Air Quality Management**

DACE donated air quality monitoring stations to Mogale City and Randfontein Local Municipalities. The local municipalities use the stations to monitor the extent of air pollution and provide DACE with reports. The report will provide an analysis of the impacts and sources of air pollution which may serve as useful information if mitigation has to be motivated in the future.

## **2.5 MUNICIPAL PROFILE**

### **2.5.1 Vision**

We shall aspire to build a safe and peaceful environment based on sustainable social, economic and physical development. Thereby providing a better life for all our people, through an institution that exercises governance in a transparent and accountable manner.

### **2.5.2 Mission**

We shall engage in the exercise of co-operative governance to ensure the development of an environment that enables social, economic and physical development, through the development and implementation of an integrated development strategy for the West Rand; and leveraging the development capital and related resources to maximize the opportunities for development in the region.

### 2.5.3 Priorities

#### a. Gauteng Government Priorities

- Enabling faster economic growth and job creation
- Fighting poverty and building safe, secure and sustainable communities.
- Developing healthy, skilled and productive people
- Deepening democracy and promoting constitutional rights
- Building an effective and caring government.

#### b. WRDM Priorities

The West Rand District Municipality has identified the following priority issues:

- Access to land and housing
- Poverty reduction
- Economic viability
- Health Care
- Public safety

**Table B: Alignment of the Priorities of National, Provincial and Local Government**

<b>National Priorities</b>	<b>Provincial Priorities</b>	<b>WRDM Priorities</b>
Reduce unemployment by half (2014)	Enabling faster economic growth and job creation	Economic growth and Job creation, Access to land.
Reduce poverty by half by 2014	Fighting poverty and building safe, secure and sustainable communities	Alleviating poverty through relevant programmes
Provide the skills required by the economy	Developing healthy, skilled and productive people	Promote environmental management, Health care, training and capacity building.
Ensure that all South Africans are able to fully exercise their constitutional rights and enjoy the full dignity of freedom	Deepening democracy and promoting constitutional rights	Increase access to government services; promote safety and meaningful Public participation.
Provide a compassionate government service to the people	Building an effective and caring government	Support Government & Public Safety Programmes and Batho Pele Principles

## 2.6 KEY PERFORMANCE AREAS

### 2.6.1 Job Creation in the WRDM

Expanded Public Works Programme (EPWP) is a national programme of public infrastructure investment through labour intensive work and skills development. The WRDM has implemented EPWP in all Local Municipalities in the region. The Project Management Unit of the WRDM has been responsible for the implementation of the EPWP, Visible Service Delivery and Local Economic Development (infrastructure provision) as well as Bekkersdal Urban Renewal project that have provided a number of labour intensive jobs. In 2005/06 financial year the number of jobs created was as the follows:

**Table C: Job creation through Capital Projects 05/06**

<b>Employment</b>	<b>*Mogale City</b>	<b>Merafong City</b>	<b>Randfontein</b>	<b>Westonaria</b>	<b>DMA</b>	<b>Total</b>
Men	5	69	169	146	5	394
Women	4	29	116	40	0	189
Youth Male	3	51	140	42	1	237
Youth Female	1	21	68	13	0	103
Physical Challenged	0	1	4	0	0	5
<b>Total</b>	<b>13</b>	<b>171</b>	<b>497</b>	<b>241</b>	<b>6</b>	<b>928</b>

*Source: WRDM PMU, Mogale City figures on job creation were not fully provided.*

During the 2005/06 financial year the WRDM funded projects in the DMA and constituent local municipalities created 928 jobs. It is to be noted, the WRDM has funded the projects in Merafong City during the financial year 2005/06 in the transitional year of the local municipality been re-demarcated into Southern District Municipality.

**a. Local Municipalities job creation programme**

During the 2005/06 financial year constituent municipalities of the WRDM expected approximately R370million to be allocated to MIG and EPWP over the medium term of three years. The municipalities are expected to create jobs in both short and long term for the people in the West Rand.

The following job estimates were provided by municipalities.

**i. Mogale City LM**

Mogale City LM provided approximately 103 jobs from water and sanitation allocation of 05/06 which was R24million. In the following financial year the roads and storm water budget is also expected to provide about 245 jobs.

**ii. Randfontein LM**

In Randfontein LM about 544 jobs were created through the implementation of 15 MIG projects undertaken in the 2004/05 financial year. In the financial year 05/06 about 8 capital projects were planned for implementation and it is expected that 1067 jobs would be created.

**iii. Westonaria LM**

A total value of R49million was allocated to Westonaria LM for the implementation of the Simunye link, the Extension of Hannes van Niekerk sewage works, street lights in Zuurbekom, for which approximately R5million was allocated for labour costs.

## **2.6.2 Governance, Public Participation**

### **a. WRDM**

The WRDM has established advisory committees in the DMA, which are acting as ward committees. These committees liaise with the Municipality on behalf of the communities of the DMA. Moreover, the WRDM had IDP road-shows in the DMA to inform the general public on the programme and projects of the municipality. Furthermore, the WRDM is engaged in a process of establishing Multi-Purpose Community Centres (MPCCs) that would bring government offices closer to the residents of DMA, especially in the Kromdraai and Rhenosterspruit areas. The WRDM website is also a media for public participation.

The WRDM has continued with the process of creating a transparent and accountable municipality. Intergovernmental structures to co-ordinate decision making between the WRDM and the constituent local municipalities have been established. In terms of the Inter-Governmental Relations Act, 2004 the following structures have been established:

- The Executive Mayors' Forum;
- The Municipal Managers' Forum

Other structures such as the Integrated Development Plan (IDP) managers and Co-ordinators are also functioning successfully.

### **b. Mogale City Municipality**

Ward committees have been established in all wards and were provided with offices. Monthly meetings are held in the wards. Ward committees are vehicles to involve communities and to understand the IDP. Three Public Consultation Road-shows are held annually to give feedback to communities and sector groups on the performance of the municipality. "Dikgang tsa Mogale", a council community newspaper, that serves as a mouthpiece of council, is published monthly. The municipality has a website to inform the public of its IDP projects and other municipal activities.



### **c. Randfontein Local Municipality**

Ward committees have been empowered through training and workshops on how to improve their skills on the dissemination of information to communities. The Municipality has a web-site to inform the public of its IDP projects and other municipal activities.

The Randfontein LM and with its citizens have formed the *People's Assembly* in order to create an open dialogue between the two parties to advance meaningful participation.

## **2.6.3 Financial Viability**

### **a. West Rand District Municipality**

#### **i. Review of Financial Policies**

Financial policies have been updated with the principles as laid down in the Municipal Finance Management Act.

#### **ii Manage Income and Expenditure in line with the budget**

Income received for the period 2005/2006 exceeded the budgeted amount by 5%. This was due to improved RSC levy collection efficiencies.

#### **iii. Improved Financial Systems and Control**

- Improved financial system has resulted in an unqualified report by the Auditor-General for the last 5 financial years, including 2005/06.
- The WRDM is Generally Accepted Municipal Accounting Principles (GAMAP) compliant.
- The implementation of the budget reform initiatives from National Treasury are 100% in place and the budget return for 2005/2006 was done in this prescribed format.

#### **iv. Improvement of Medium Term Financial Viability**

A medium term expenditure framework has been completed and approved by Council with the following;

- Debt coverage: The ability to service short term debt 9.2:1 (2003/04) 6.5:1(2004/05);4.5;1 (2005/06)
- Outstanding service debtors to revenue: The payment rate improved from 23% (2003/2004) 19%(2004/05) 20% (2005/06)
- Cost coverage: Cash to cover monthly commitments shows an improvement from 9.2:1 (2003/04) to 6.9:1(2004/05), 5:1 (2005/06)

**v. GAMAP**

The benefits related to the implementation of GAMAP are the following;

- Financial statements are more transparent and user-friendly for external users such as banks, investors and the communities of the WRDM
- Statements are being prepared on a cash based principle
- The valuation of assets is market related.

**b. Mogale City Local Municipality**

**i. Financial Viability**

Restructuring and Project Consolidate Plan has been put in place.

Implementation of the MFMA

Budget and Cash Flow Management.

- Budget Aligned to Cash Flow
  - No New Loans
  - Cost Containment Salaries and Allowances
  - Upgrading Financial System
  - Enhanced Water Demand Management

**ii. Revenue Improvement**

The following activities to improve revenue collection were put in place;

- Training of staff on Batho-Pele.
- Maintain high levels of payment from business sector
- Debt collectors appointed
- Task Team to deal with illegal connections in place

### **iii. Policies, Systems and Procedures**

Credit control and Debt Collection Policy is in place and implemented including

- Supply Chain Management
- Indigent Policy.

### **iv. New Systems to be implemented**

- Asset management System
- Procurement and Stock Management.

## **c. Randfontein Local Municipality**

### **i. Financial Viability**

The council has been able to meet its financial commitments when they fall due. Under institutional challenges the council must address the skills development and at the same time define roles and responsibilities for key stakeholders. This strategic plan aim to focus on the broader financial management issues that affect the municipality.

### **ii. Cash flow**

The council has limited cash resources to fund capital projects. Reserves that are covered by cash or saleable assets must be created to fund capital projects. The council managed to counter fund some projects.

## **d. Westonaria Local Municipality**

### **i. Financial Viability**

Review and implement the following policies:-

- Asset management;
- Cash flow management and Revenue management
- Improvement of Financial reporting (GAMAP Ext);

The focus was on financial viability, indigent support and provision of basic services.

## **2.6.4 SERVICE DELIVERY**

### **a. Transport, Planning, Environmental and Integrated Waste Management and PMU**

#### **i. Establishment of environmental management forum**

During the 2005/06 financial year the WRDM has established several environmental management forums to assist with co-ordination of environmental concerns in the West Rand. These include;

- Water and sanitation forum
- Energy forum
- Environment and Integrated Waste forum

#### **ii. Regional Planning and Land-use Management**

The WRDM, being assigned local government functions within the DMA, has to process all land-use applications, inclusive of sub-divisions etc. in this area.

In fulfilling its regional role, the land-use management section also rendered service to the neighbouring local municipalities in providing planning comments on 42 applications.

#### **iii. Transport Management (WESMET)**

Transport related matters are discussed within WESMET, the latter which provides a forum for both politicians and officials dealing with transport and road related matters within the region. This forum also provides for representation from Gautrans, SARCC, Commuter Industry and the Western Gauteng Taxi Council. Items which are dealt with include, inter alia, strategic road network planning, prioritization of rail corridors and auditing and upgrading of taxi infrastructure.

In one of the WESMET held during June 2006, the Gauteng Inter-governmental Transport Charter was accepted as guiding document for aligning regional and provincial planning.

#### **iv. Public Transport Corridors: Strategic Road Public Transport Network**

The Technical Task Team of WESMET embarked on a project in collaboration with Gauteng to review the public transport network and to define public transport corridors in line with the Gauteng City region concept in an attempt to promote mobility of passengers within the region. The overall vision is a single integrated network and system of road-based public transport (buses and minibus-taxis), offering accessible, safe, affordable and customer-orientated services, so that public transport can become the mode of choice.

#### **v. Conversion of radius-based permits to route-based operating licences**

The purpose of this project was to expedite the process of converting the current radius-based permits to route-based operating licenses for the minibus taxi industry within the area of jurisdiction of the West Rand District Municipality. A survey indicating the short distance taxi routes have been updated in conjunction with the Western Gauteng Taxi Council.

#### **vi. Soccer 2010 Special Projects**

The directorate transport succeeded in obtaining the following funds for transport related projects from the National Department of Transport in preparation for Soccer 2010:

- Leratong Transport Corridor: Feasibility study and Planning
- Public Passenger Transport Plan

#### **vii. Deployment of Senior Engineers through SAICE Department and Local Government**

Two Senior Engineers and one student have been deployed to the WRDM by SAICE and the Gauteng Department of Local Government during 2006, with the expectation that another senior person would be deployed early in January 2007.

## **b. Health and Social Development**

### **i. Environmental Health Services**

Environmental health service is rendered by the WRDM in the DMA and the constituent local municipalities on the following programmes:

- awareness campaign on safe drinking water.
- conducting a workshop on healthy eating habits to 1200 learners.
- establishment of outbreak disease management teams and campaign on the prevention of food borne diseases.
- Arbor Day was celebrated in one school – a joint effort with DWAF, DACE, Food and Trees for Africa, Mogale City Integrated Managers and the Education Department.
- World Environmental Day celebrated in Mohlakano school – DWAF, Food and Trees for Africa, all LMs, 1600 people (inclusive of 1350 learners) participated.

### **ii. HIV/AIDS programmes**

Through public education of the HIV/AIDS programme the WRDM officials have visited 3880 households door to door. The public education programme has reached out to the following:

**Table E: Gender distribution of people reached during Public Education of HIV/AIDS in 2005/06**

	<b>Females</b>	<b>Males</b>	<b>Referrals</b>
Children under 15	25 813	19 277	5 585
Youth (15-24)	21 718	17 849	2 008
Adults (25+)	34 665	23 993	2 356
<b>TOTAL</b>	<b>82 196</b>	<b>61 119</b>	<b>9 949</b>

### **iii. Support programme and structures**

The WRDM has established a HIV/AIDS Council at District and Local Municipality level. The structure consists of the District government, private sector, NGOs and CBOs and FBOs. AIDS Council meetings are held quarterly and the council is guided by the policies and strategies developed on national, provincial and municipal level.

### **iv. Child Health**

Immunization of children against various illnesses is done daily in all clinics. There was an improvement from 43% fully immunized for children less than 1 year to 73% at the end of the provincial financial year 2005/06. Randfontein posted exceptional 105% immunization compared to the past year. A total of 1671 children from the DMA were immunized; 302 of them were given vitamins.

### **v. Social development**

Six (6) Workshops on Early Childhood Development Centres (ECDCs) with regards to compliance to legislation were conducted across WRDM for ECDC managers. International Children's Day was celebrated at Muldersdrift in Mogale City where 500 needy children were involved.

## **c. Public Safety**

### **i. Disaster Management**

The focus of disaster management was firmly set on the reduction of risks and vulnerability in the district. Mitigation Monitoring Task Teams were established within local municipalities and thorough risk and vulnerability assessments were conducted. During the year 48% of all disaster management activities were focused on prevention and mitigation, 25% on preparedness activities, such as contingency planning at schools and in the private sector, whilst 6% of activities were focused on response.

In Westonaria sinkholes, caused by leaking services, appeared on four different occasions resulting in geotechnical investigations. The risk environment of the West Rand is rapidly changing which resulted in a focus on building standards, the development of dolomite risk management strategies, land use management and large scale pollution.

### **ii. Social Crime Prevention**

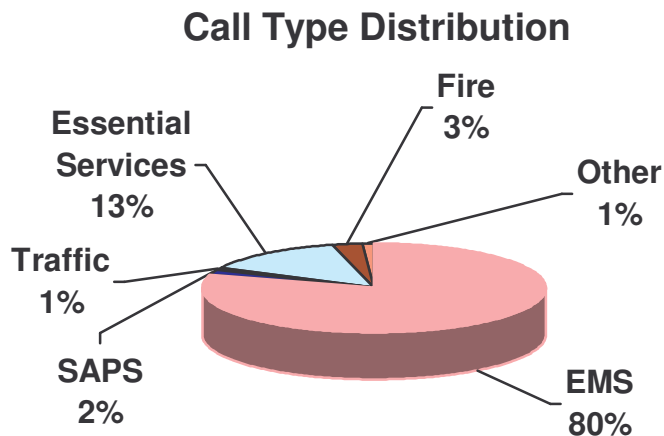
Crime, and in particular the violent nature of crime, remained a cause for concern. During the year the focus was on improved multi-sectoral coordination of the collective multi-disciplined law enforcement capacity within the district, building an awareness of the role of municipalities in the creating and sustaining of a safe living environment, as well as the facilitating of CPF functioning in an endeavour to ensure active community participation. The West Rand District faced challenges related to typical city crime patterns as well as farm attacks and the promotion of women and child safety in the urban fringe and rural areas. The disestablishment of the SAPS Area Office in the district had a marked impact on coordination of effort and will have to be accounted for in future strategies and programs.



### iii. Emergency Operational Centre

The 107 Emergency Operational Centre provides an easy and quick access to medical, fire and related services. The distribution for emergency calls for the financial year 2005/06 was as follows:

**Figure 1: Call type Distribution**



**Source: WRDM Public safety sub-directorate**

A total of 63,305 incidents were captured, logged and service providers dispatched. It is significant to note that the percentage of incidents logged resulting from incoming calls, increased from 14.4% in 2004/05 to 17.8% in 2005/06. For EMS, there has been a significant comparative percentage decline in calls received from Bekkersdal, Krugersdorp, Magalies and Randfontein during 2005/06 whilst a significant comparative percentage growth occurred in Fochville, Kagiso, Mohlakeng, Munsieville and Westonaria.

The area of Fochville, as part of the Merafong City area of jurisdiction was rendered with public safety services as a result of the agreement between the Premiers of Gauteng and North West provinces.

#### **iv. Fire Brigade Services**

There were 1453 fire related calls received and services rendered. This resulted in R620million savings, with R42million fire damages and subsequent net property saving. The service value of the fire brigade services (risk value threatened minus damage suffered) for 2005/06 amounted to no less than R578 million.

#### **v. Emergency Medical Services**

The calls for ambulance received and serviced for the critical care patient were 7574 and 7630 respectively. Advanced Life Support was involved in 309 of these calls. The WRDM has been able to respond within 15 minutes to patients in 71% of the cases.

### **2.6.5 Skills Development, Employment Equity and Municipal Transformation**

#### **a. Employment Equity**

In order to comply with the stipulations of the Employment Equity Act 55/1998 the employment equity plan has been prioritized numerically in three phases namely:

- Phase 1 July 2004 – June 2005
- Phase 2 July 2005 – June 2006
- Phase 3 July 2006 – June 2007

The objectives set for in each phase in order to work towards the ultimate goal of employee representation was 50% African males, 20% white males and 30% females.

The identification of retirees in the next 2 years to assess the effect on the employee profile should focus on the following age categories as priority:

- 60 years and older
- 55 years and older and 50 year and older

If the present statistics as at June 2006 are taken into account, the following adjustments need to be considered:

<b>Job Level</b>	<b>African Male (Target 50%)</b>	<b>White Male (Target 20 %)</b>	<b>Female (Target 30 %)</b>
0	1		
1a	2		1
1	1 (+2)	3 (-2)	2
2	1	0	1
3	5 (+1)	5 (-2)	2 (+1)
4	0 (+1)	2 (-2)	1 (+1)
5	0 (+1)	1	2
6	7 (+5)	10 (-5)	8
7	8 (+2)	9 (-5)	3 (+3)

On the job levels, which were set as the employment equity focus area, it is clear that the following should be dealt with:

- 16 White males should be replaced with 12 African males and 5 females.
- In order to meet the set targets as stipulated in the Employment Equity Plan, severance packages could be negotiated with identified individuals and/or groups.
- Officials from the group identified, namely white males, do not resign to allow the appointment of people from the designated groups, therefore alternative solutions must be taken in order to address the imbalances.
- Another solution would be to create new positions on these levels and to fill these positions with people from the designated group, by making use of succession planning and mentoring programs.

The following progress has been made in terms of reaching the set goals for employment equity:

	<b>2001</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
• African Males	36 %	40 %	40 %	39 %
• White Males	37 %	23 %	22 %	20 %
• Females	31.5 %	36 %	38 %	41 %
• Disabled	-	0.57 %	0.57 %	0.94 %

It is clear that the WRDM has seen the implementation of employment equity as a priority. The process will continue and each Strategic Executive will have to ensure that the numerical goals set for employment equity be kept in mind when filling vacancies and during the placement process.

#### **b. Skills Development**

Skills shortage can lead to inefficient local government operations. Training and skills development is not just for new officials it is relevant and applicable for all officials irrespective of their job level or years of service. It is important that the skills of people already in service must be enhanced and developed. This will improve the performance of individuals as well as the organization, which will lead to more effective service delivery.

#### **c. Financial Implications**

The total budget for 2005/2006 that was utilized for training and skills development amounts to R1 342 576.

##### **i. Learnership programme for interns**

12 Interns were appointed:

- 7 Interns in the Directorate Local Economic Development;
- 2 Interns in the Sub-directorate Human Resources;
- 1 Intern at the Disability Desk;
- 1 Intern in the Directorate Project Management; and
- 1 Intern at the 107 Communication Centre

## **CHAPTER 3: Outlook on the coming financial year**

In the 2006/07 financial year the WRDM would support further initiatives to give impetus to government priorities such as creation of jobs and the acceleration of services delivery etc.

The key programmes that are proposed for the 2006/07 financial year are incorporated into the WRDM strategic objectives, which are the following:

- United vision in the entire district
- Financial viability
- Social security
- Economic blueprint for the West Rand

The key programmes would include the following:

### **3.1 ESTABLISH A PERFORMANCE MANAGEMENT POLICY**

The existing performance management plan would be strengthened by developing a performance management policy. This policy would seek to evaluate and monitor individual performance of all employees and service providers to the municipality. Individual performance management would be phased in stages, wherein the level 1 to 3 performance management plan would be phased in this financial year.

### **3.2 A five year Integrated Development Plan (IDP)**

The municipality has started with the 5 year IDP. This would provide a strategic plan for term of council. The IDP would involve an extensive public participation process, especially in the DMA. The IDP would be developed together with the sector plans such as the Integrated Transport Plan, Disaster Management Plan, Water Service Development Plan and the Municipal Housing Development Plan. The annual reviews of the 5 year IDP would be undertaken.

### 3.3 Service Delivery in the DMA

Extensive focus on service delivery would be in the DMA. Provision of basic services, such as water, sanitation, roads and community buildings are planned for the current financial year. Existing programmes of LED and social development and health would be accelerated.

### 3.4 West Rand Development Agency (WRDA)

Since the WRDA has been launched, it is expected that it would facilitate public investment, assist in job creation and development of private-public partnerships and support urban renewal of the CBDs in the region.

### 3.5 Service Delivery Projects in the DMA

PROJECTS	CURRENT STATUS QUO
<b>1. INFRASTRUCTURE and HOUSING</b>	
Section 78 Process:	<ul style="list-style-type: none"> <li>Planning stage, WRDM has applied for funding from DWAF to conduct process</li> </ul>
Infrastructure backlog survey	Survey to be conducted between 14-30 Nov 2006
Feasibility Study (Best technologies for provision of services)	<ul style="list-style-type: none"> <li>WRDM applied for funding of R385 000 from DWAF to conduct feasibility study.</li> <li>This feasibility will look into different technology options of providing Electricity, Water &amp; Sanitation Services within the DMA</li> <li>DWAF have approved this application in principle and the WRDM has compiled terms of reference to procure consultant services in this regard.</li> </ul>
Multi Purpose Centre (MPCC) Portion 26 Kromdraai	Planning stage: Principal Agent appointed and conceptual designs done. <ul style="list-style-type: none"> <li>The provision of potable water to Portion 26</li> <li>Multi- purpose Community Centre (MPCC) project and the Commonage project</li> <li>Housing Project with all basic services</li> </ul>
Water Service Development Plan (WSDP)	<ul style="list-style-type: none"> <li>WRDM has done the WSDP for the DMA, this needs to be approved by DWAF and be reviewed annually. We must ensure that local municipalities have their WSDP' properly done.</li> </ul>
Temporary sanitation in PTN 26 Kromdraai	<ul style="list-style-type: none"> <li>Planning stage: Maycom approved the implementation of this project.</li> </ul>

#### **4. Accounting Policies to the Annual Financial Statements for the year ended 30 June 2006**

##### **1. Basis of presentation**

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, except for the revaluation of land and buildings, which are carried at fair value.

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of:

- General Notice 991 of 2005, issued in Government Gazette no. 28095 of 7 December 2005; and
- General Notice 992 of 2005, issued in Government Gazette no. 28095 of 15 December 2005.

The standards comprise of the following:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GAMAP 4	The Effects of Changes in Foreign Exchange Rates
GAMAP 6	Consolidated Financial Statements and Accounting for Controlled Entities
GAMAP 7	Accounting for Investments in Associates
GAMAP 8	Financial Reporting of Interests in Joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Asset

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP Standards have been developed in accordance with paragraph 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board. A summary of the significant accounting policies are disclosed below.

<b>No</b>	<b>Standard no.</b>	<b>Standard title</b>
1	AC 105	Leases
2	AC 116	Employee benefits

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP or GRAP.

## **2. Presentation currency**

These annual financial statements are presented in South African Rand.

## **3. Going concern assumption**

These annual financial statements have been prepared on an on-going concern basis.

## **4. Reserves**

### **4.1 Government Grant Reserve**

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial



Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit).

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit). When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

#### **4.2 Donations and Public Contributions Reserve**

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit).

The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions. When an item of property, plant and equipment financed from government grants is disposed, the balance in

the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/(deficit).

### **4.3 Property, Plant and Equipment**

Property, plant and equipment, is stated at cost, less accumulated depreciation, except land and buildings, which are not depreciated. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:-

<b>Infrastructure</b>	<b>Years</b>	<b>Other</b>	<b>Years</b>
Roads and Paving	30	Buildings	30
Pedestrian Malls	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	5
Water	15-20	Office equipment	3-7
Sewerage	15-20	Furniture and fittings	7-10
		Watercraft	15
		Bins and containers	5
<b>Community</b>		Specialised plant and equipment	10-15
Buildings	30	Other items of plant and equipment	2-5
Recreational Facilities	20-30	Landfill sites	15
Security	5		

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

## **5 Investment Property**

Investment property, which is property held to earn rental revenue or for capital appreciation, is stated at cost.

## **5.1 Investments**

## **5.2 Financial Instruments**

Financial instruments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are stated at cost.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

## **6. Inventories**

Consumable stores are valued at the lower of cost and net realisable value. In general, the basis of determining cost is weighted averaged method.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

## **7. Accounts Receivable**

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

## **8. Trade Creditors**

Trade creditors are stated at their nominal value.

## **9. Revenue Recognition**

### **9.1 Revenue from Exchange Transactions**

Revenue from RSC levies is recognised on the date that payment and financial information are received. The revenue is determined from declarations actually received by the payment due date, together with an estimate of levies due when a levy payer has not submitted a declaration in the accounting period where payment was due.

Changes made to estimates are processed as an adjustment to levies when declarations from levy payers are received. Interest and rentals are recognised on a time proportion basis.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when the risk is passed to the consumer.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised

### **9.2 Revenue from Non-Exchange Transactions**

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

## **10. Conditional Grants and Receipts**

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

## **11. Provisions**

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the Municipality.

## **12. Cash and Cash Equivalents**

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred.

## **13. Unauthorised Expenditure**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## **14. Irregular Expenditure**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act, 2003., the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## **15. Fruitless and Wasteful Expenditure**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## **16. Comparative Information**

### **a. Current Year Comparatives:**

Budgeted amounts have been included in the annual financial statements for the current financial year only.

### **b. Prior Year Comparatives:**

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

## **17. Retirement Benefits**

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.



## **18. Borrowing Costs**

Borrowing costs are recognised as an expense in the Statement of Financial Performance

## **19. Ambulance Service**

Ambulance services are performed by the WRDM on behalf of the Department of Health. Cash received from debtors are recognised as income and utilised to fund the service.

Memo statements are included in the annual financial statements regarding the financial position of the service.

## **20. WESMET**

Memo statements are included in the annual financial statements regarding the Transport fund partly funded by GAUTRANS.