



***Cape Winelands District Municipality
Annual Report
2007 / 2008***



CHAPTER 1

INTRODUCTION AND OVERVIEW

MAYOR'S FOREWORD

To be inserted on completion of oversight process.

SPEAKER'S MESSAGE

To be inserted on completion of oversight process.

MUNICIPAL MANAGER'S MESSAGE

To be inserted on completion of oversight process.

VISION, MISSION AND GOALS OF THE CWDM

VISION

The CWDM has a vision of establishing a safe, prosperous and unified Cape Winelands, in which all its people enjoy a high standard of living.

MISSION

The mission of the Cape Winelands District Municipality is to ensure that the CWDM structures co-operate towards the efficient, effective and sustainable use of all its resources to reduce poverty and stimulate regional economic growth in the district.

GOALS AND PRIORITIES

The CWDM has set itself the following goals and priorities towards fulfilling its vision and mission:

- Stimulating and growing the CWDM economy so that the regional economic output is increased and the high unemployment rate is decreased;
- Ensuring access to adequate land and affordable housing;
- Improving and expanding service provision to all CWDM communities;
- Promoting a safe environment;
- Developing and maintaining the CWDM landscape and environment through sustainable and efficient land use planning; and
- Ensuring an institutional framework that fosters co-operative governance and the achievement of all the CWDM objectives

POWERS AND FUNCTIONS OF THE CWDM

A number of powers and functions have been assigned to the CWDM in terms of the Municipal Structures Act, 1998 (Act 17 of 1998). The CWDM also exercises certain powers and functions on an agency basis for other spheres of government.

In terms of Section 84 of the Municipal Structures Act, 1998 (Act 17 of 1998), the CWDM has a legal obligation to execute the following:

- Integrated development planning for the district as a whole, as well as establish a framework for the Integrated Development Plans of all B-level (local) municipalities in the area of the CWDM
- Municipal roads forming an integral part of a road transport system for the area of the CWDM as a whole
- Municipal airports serving the whole CWDM
- Monitoring of Solid Waste Disposal Sites
- Fire fighting services serving the whole CWDM
- Healthcare services throughout the CWDM
- Promotion of local tourism in the CWDM
- Municipal public works relating to any of the above functions assigned to the CWDM, and
- The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the CWDM in terms of national legislation.
- Municipal Health Services

The CWDM fulfils the following agency roles on behalf of the Provincial Administration of the Western Cape (PAWC):

Roads: In terms of the service agreement between the CWDM and PAWC certain services are rendered with funding provided by PAWC.

OVERVIEW OF THE CAPE WINELANDS DISTRICT

POPULATION TRENDS

The Cape Winelands District Municipality (CWDM) has a population that represents approximately 14% of the population in the Western Cape Province, second only to the City of Cape Town. Between 2001 and 2005 the population of the CWDM area grew on average by 0,6% per annum, while the growth slowed to 0,37% from 2006 to 2007. The Actuarial Society of Southern Africa (ASSA) suggests that a further slowing of the population growth rate to 0,2% per annum is probable between 2007 and 2012. It is expected that the CWDM area will maintain its status as the second largest region in the Province for the foreseeable future, despite the envisaged decline in the growth rate of the population over the period 2007 to 2012.

The size of the current CWDM population (2007) is estimated at 652 154, and is likely to grow to over 658 000 by 2012. Based on these figures and in contrast to the population growth rate mentioned above, the average growth over the period is estimated at 0,89% per annum.

The relatively slow growth rate suggests a trend towards intra-district migration rather than inter-district migration. The dominance of the agricultural sector within the district economy means that jobs are often seasonal, low waged and low skilled. A primary reason for internal movements may include the movement of farm workers off farms to more urban locations and the seasonality of job opportunities in the sector.

ECONOMIC PROFILE AND OVERVIEW

INTRODUCTION

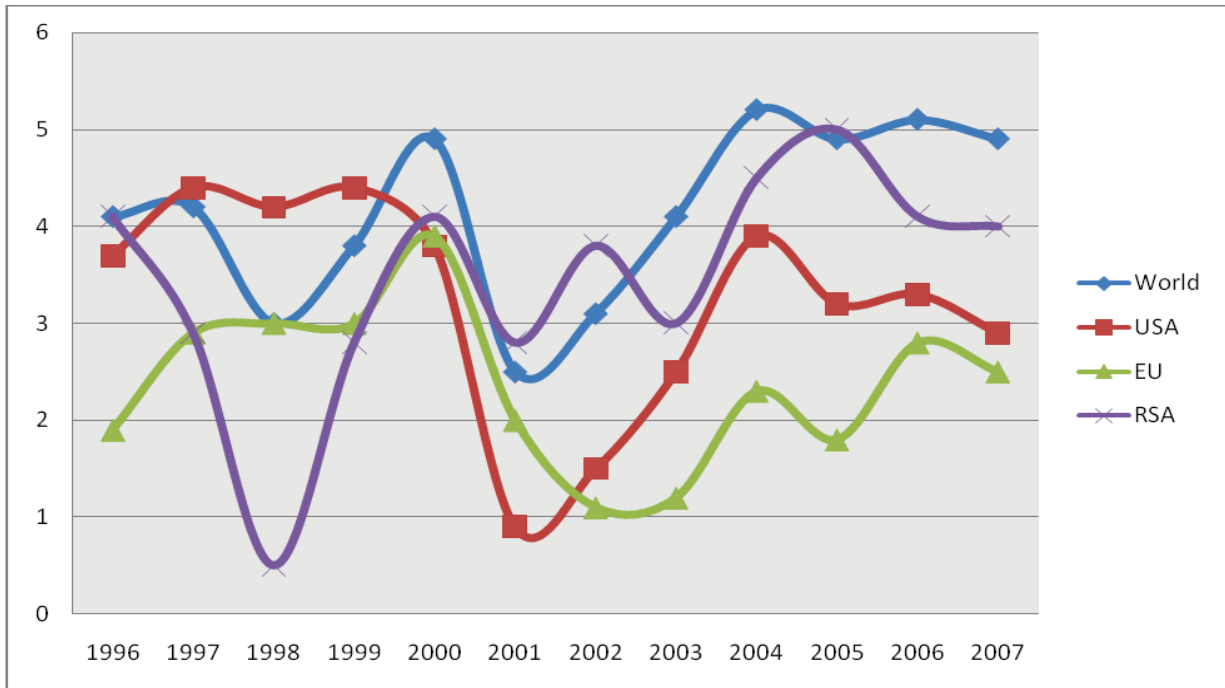
The purpose of this section is to highlight the salient economic variables which influence the business environment wherein the Top Companies, located in the CWDM, operate. The economy plays a major role in the business environment of large national and international companies and is important to take note of since these external aspects highlights important national economic trends.

This section will first analyse the macro economic variables before focusing on the economic profile of the CWDM.

THE MACRO ECONOMIC ENVIRONMENT

Figure 3 illustrates the economic growth rate of four different entities which include the world (blue), South Africa (purple), United States of America (red) and the European Union (green).

Figure 3: Real GDP growth rate percentages, 1996-2007



Source: World Economic Outlook Database, September 2006

From Figure 3 it is evident that the global economy has maintained a high economic growth rate. It is also clear that the South African economy has maintained a higher growth rate than both the United States of America (USA) and the European Union since 2000. The reason for the low growth rate of all the economies mentioned above could be ascribed to the September 11 attacks in the USA.

According to the South African Reserve Bank the South African economy is currently experiencing positive economic growth. The real economic growth in South Africa came to approximately 5% in each year from 2004 to 2007. This solid performance seems likely to sustain the current economic upswing which started in September 1999. Having persisted for approximately eight years, the upswing is twice the length of the previous longest expansionary phase of the business cycle. It has also contributed to a favourable reassessment of the country's potential growth. (SARB, 2007)

The major strengths of the South African economy, as highlighted by the Department of Trade and Industry (The DTI, 2006), is South Africa's abundant supply of natural resources, well-developed financial, legal, communication, energy and transport sectors, a modern infrastructure, and a stock exchange which ranks among the 10 largest in the world.

South Africa's economic policy in the past has been shaped by the government's development strategy in the areas of education, health, social development, security, land reform and poverty eradication. The government's policy decisions have been designed to promote sustainable economic growth, and to ensure that the benefits of the growth are shared across an increasingly greater spectrum of society as articulated in the country's Growth, Employment and Redistribution (GEAR) programme. It aims to find a balance between promoting economic growth on one hand, and social service delivery and job creation, on the other. GEAR combines the goals of a reduction in the deficit before borrowing, the reprioritisation of government expenditure to enhance poverty reduction, and job creation.

Lately, however, The Accelerated and Shared Growth Initiative for South Africa (AsgiSA) has been introduced focusing on the acceleration of shared economic growth. The main goal of the initiative is to ensure that economic growth is accelerated to at least 4.5% over a five year period (2005-2009) and to an average of at least 6% between 2010 and 2014. These economic growth rates are required to achieve government's mandate of halving poverty and unemployment by 2014, an objective that coincides with that of the Millennium Development Goals (<http://www.un.org/millenniumgoals>). According to the South African Yearbook (2006/07) the overall government expenditure for infrastructure spending will total R410 billion between 2007 and 2010 and the AsgiSA initiative includes infrastructure development to upgrade and build railway lines, harbours, ports, and roads over the next five years.

The recent interest rate hikes, increases in the oil price, the shortage of electricity and the implementation of the National Credit Act last year will however have an impact on the larger companies operating in South-Africa. These slightly negative impacts are however of a short term nature, while the larger national and international companies have been in business for several years and is focussed on longer term economic performances. A holistic overview of the boarder economy is thus of importance when assessing the macro-economic impact on larger companies in the country.

It is thus possible to conclude from the above analysis that the general overview of the South African economy is generally positive which creates a favourable business climate for larger companies. The subsequent sub-section focuses on the economy of the more localised area, the CWDM.

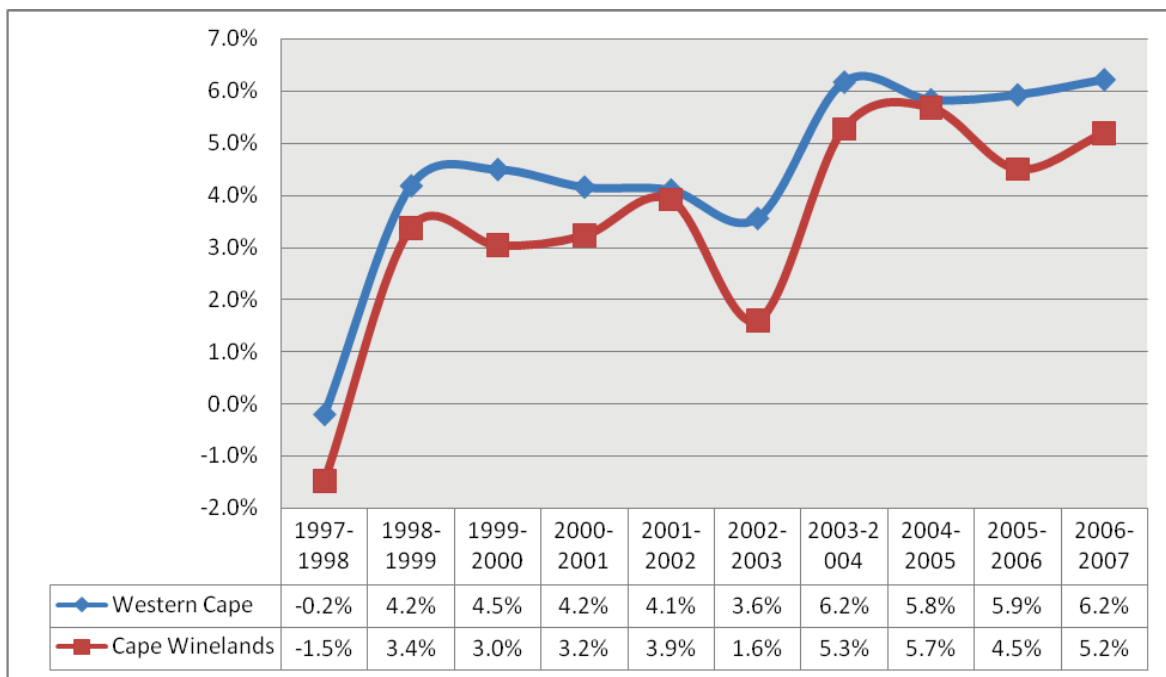
THE ECONOMY

The following provides an economic analysis of the broader economic situation of the local region. Understanding the economy of the CWDM within the broader context provides insight into the driving forces behind its economic growth, its

impact on the economy of the larger area and vice versa, as well as indicating where there is potential for further growth and development.

A widely accepted measure used to portray the profile of the economy is the Gross Geographic Product or GGP. The GGP is defined as “the total value of the final goods and services produced in the specific geographic area”. This measure is used to illustrate the economic profile of the economy and is displayed in Figure 4.

Figure 4: Economic Growth, GGP, 1997-2007, Western Cape Province & CWDM

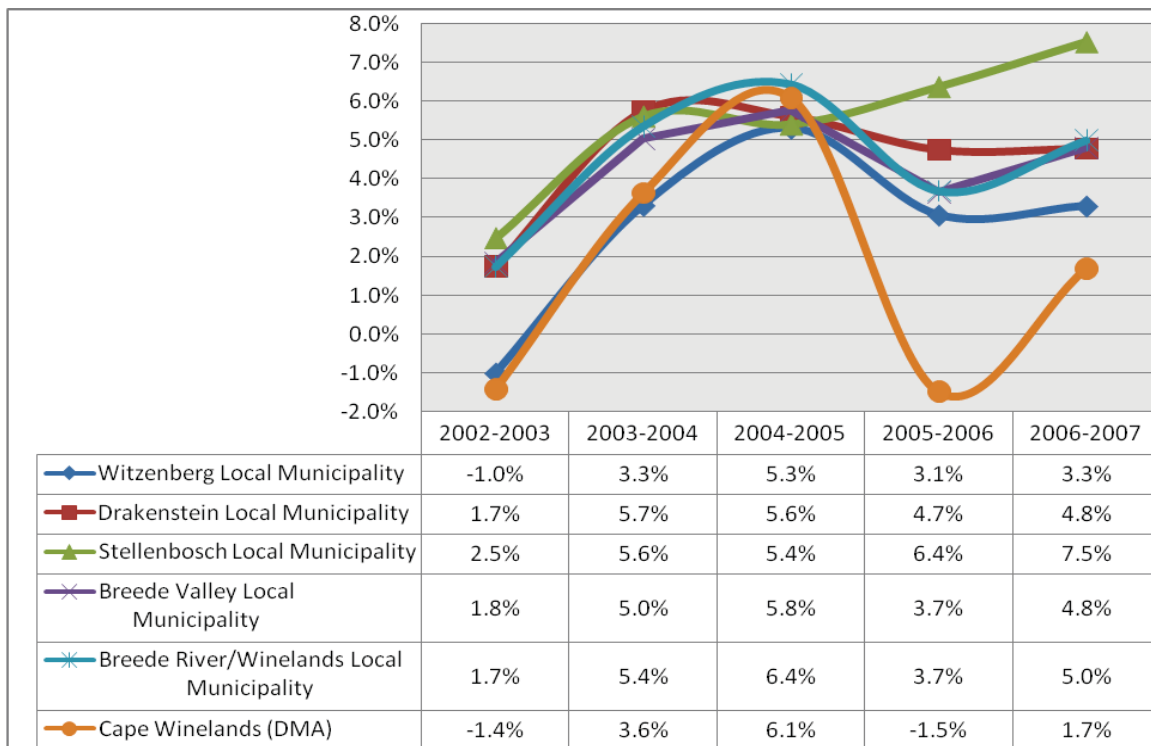


Source: Urban-Econ Calculations based on Quantec Research Database

The study area (CWDM) recorded an average annual growth rate of 3.4% during the past 10 years (1997 to 2007). Although this growth rate is below the growth rate experienced in the Western Cape Province (4.4%) for the same period, it is in line with the economic growth trends of both the Province and the Country (refer to Figure 3). It is also evident that the economy experienced positive growth rates since 1998, with the highest growth rate in the CWDM recorded during 2004 to 2005.

Real economic growth as recorded in the CWDM within each of the five Local Municipalities as well as the District Management Area (DMA) of the Cape Winelands is illustrated in Figure 5.

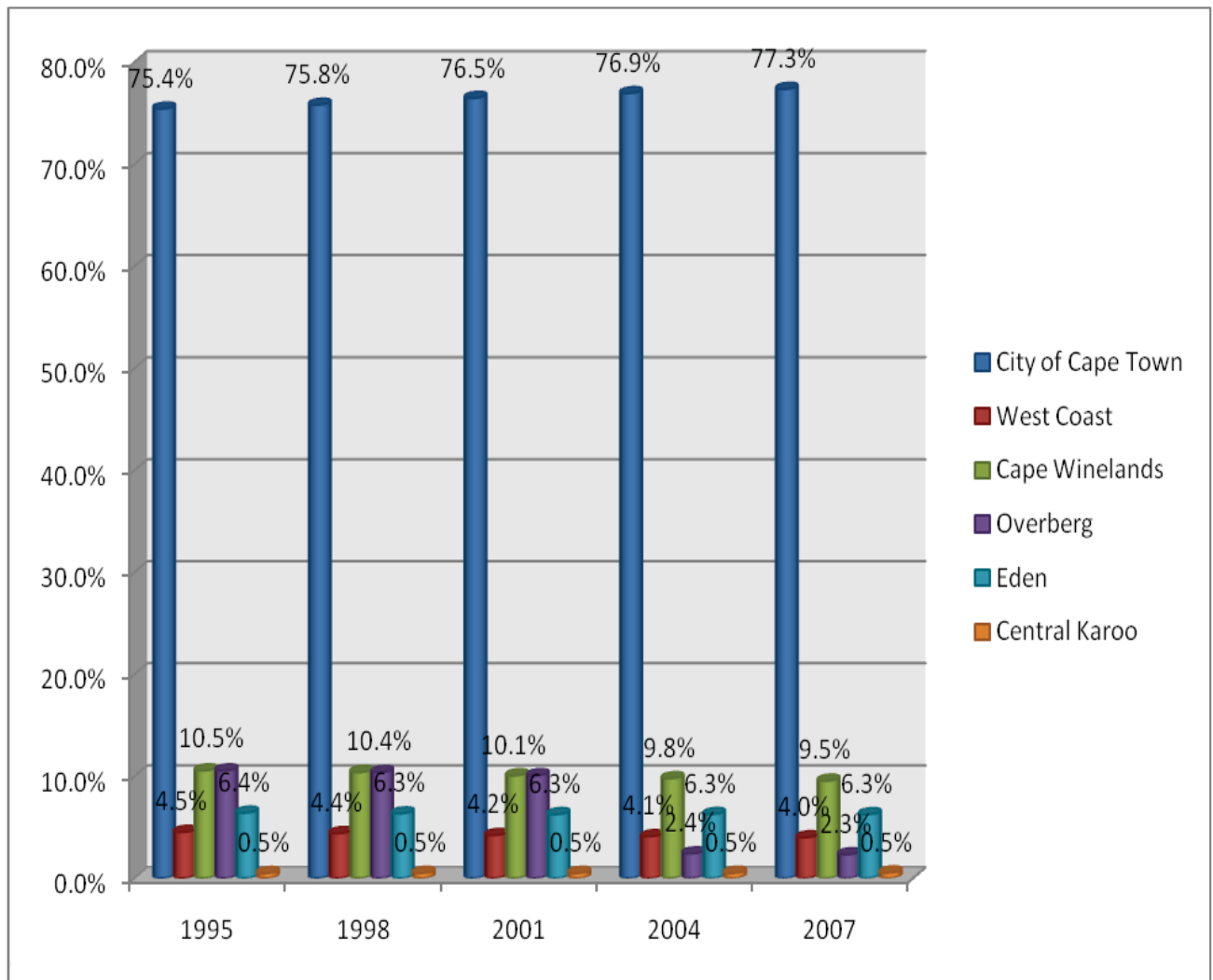
Figure 5: Economic Growth, GGP, 2002-2007, CWDM



From the above it is evident that all five Local Municipalities within the CWDM have experienced positive economic growth since 2003. Only the Cape Winelands DMA which mainly consists of the rural and farm areas indicated a negative GGP growth rates during 2002 and 2003 as well as during 2005 and 2006. The Witzenberg Local District Municipality experience the lowest percentage economic growth in the District, while the Stellenbosch Local Municipality experience the highest economic growth (5.5%) during the past 5 years (2002 to 2007), also experiencing a very high average growth rate of 6.2% since 2003. The other Local Municipalities (Drakenstein, Breede River/Winelands & Breede Valley Local Municipalities) experienced relative similar above average economic growth rates.

The CWDM is currently the second largest contributor to the Western Cape Province's GGP and recorded an average annual contribution of more than 9.5% of the Provincial GGP from 2004 to 2007. The CWDM's GGP contribution has however decreased over the past 12 years.

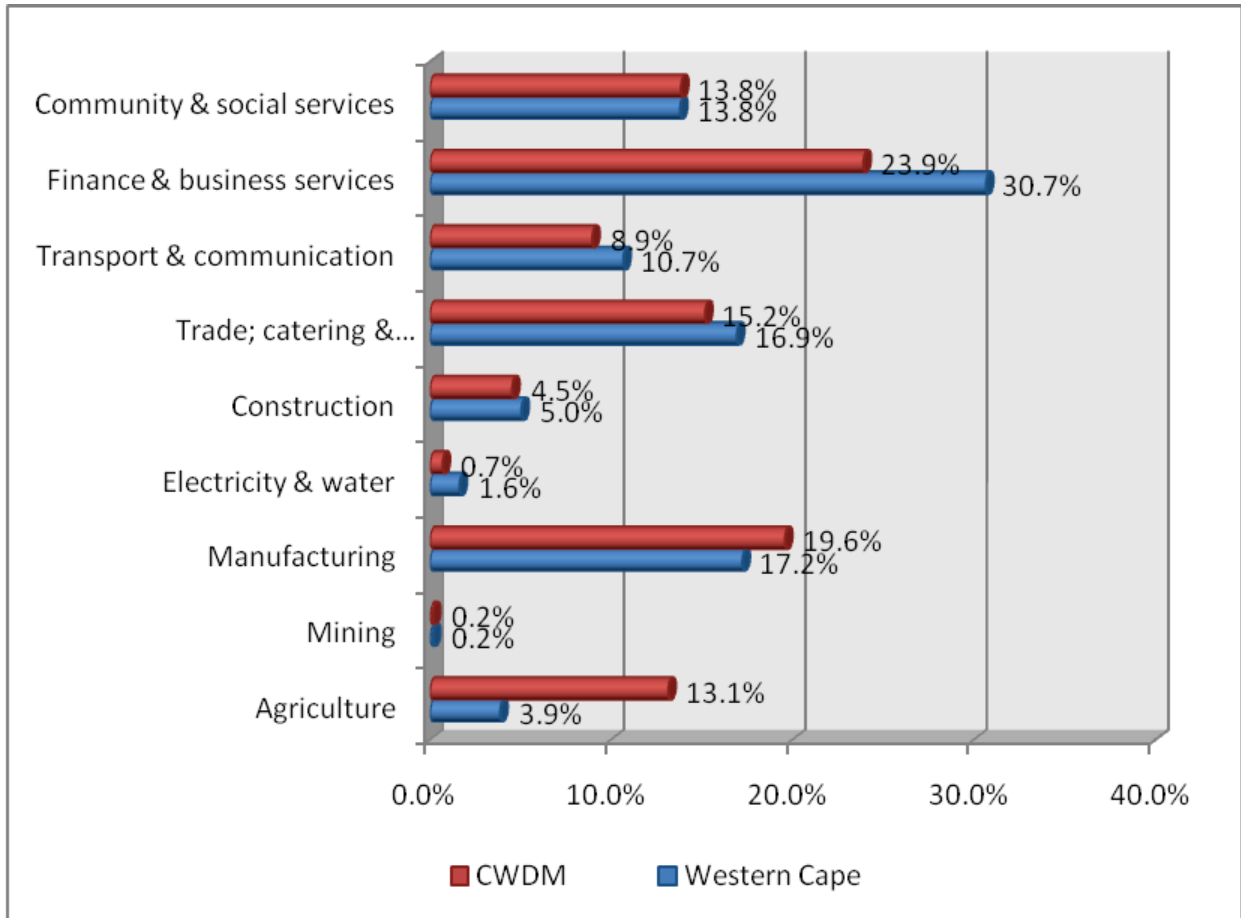
Figure 6: Economic Contribution, GGP, 1995-2007, District Municipalities in the Western Cape



The proportional contribution of the various economic sectors to the GGP of the CWDM is illustrated in Figure 7. It is evident that the CWDM has a diverse economy, with the Financial and Business Services Sector being the largest (23.9%) contributor to the District GGP. Other important economic sectors include the Manufacturing sector (19.6%) as well as the Retail trade; Catering and Accommodation (15.2%) sector. The CWDM's economic profile in terms of the Financial and Business Services Sector is in line with the Provincial economic distribution, while the District's contribution to the Manufacturing Sector exceeds that of the Province, thus indicating the importance of manufacturing business in the District. Mining and the Utilities economic sectors plays insignificant roles in the CWDM's economy.

The CWDM's economic profile is similar to that of the larger region (Western Cape Province) in terms of the diversity as well as the fact that Financial and Business Services, Manufacturing and the Trade sectors forms the largest contributors to the area's GGP.

Figure 7: Economic Profile, GDP, Western Cape Province & CWDM, 2007



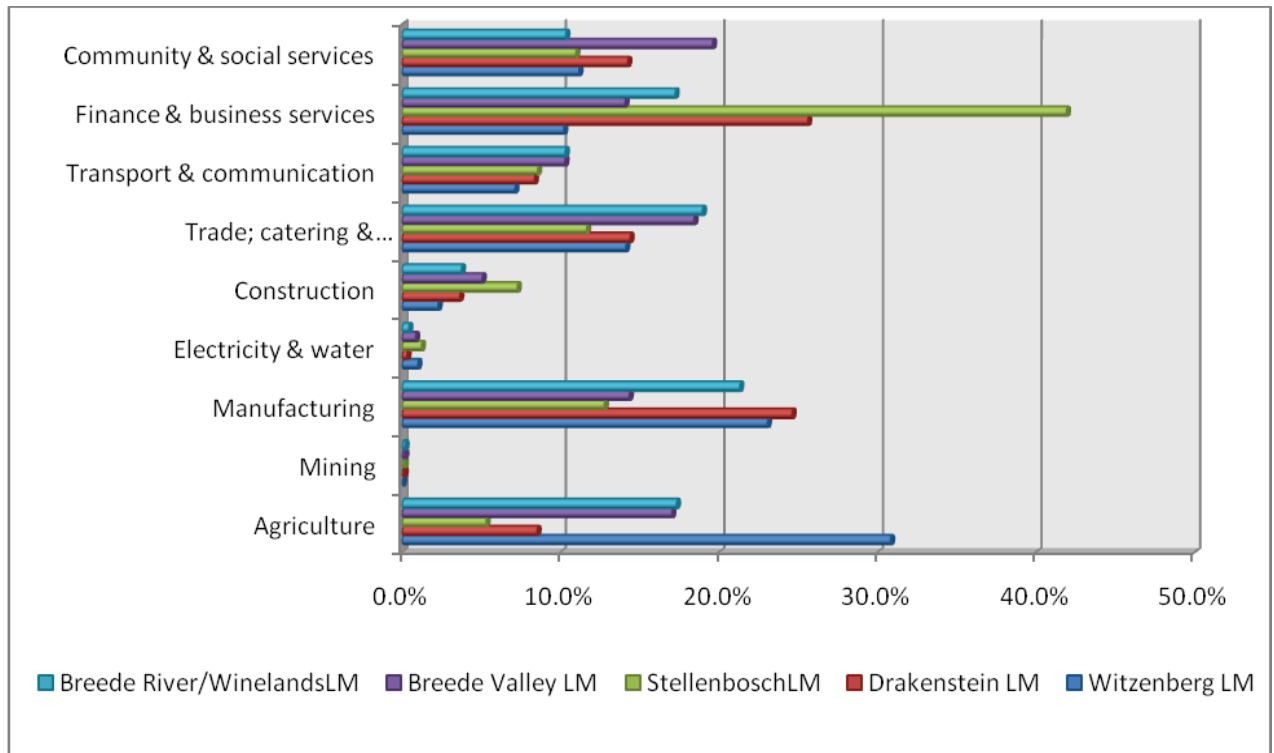
Source: *Urban-Econ Calculations based on Quantec Research Database*

Apart from the proportional contribution of the various economic sectors to the GGP of the CWDM and the Province, as shown in Figure 7, the economic contribution per economic sector can also be illustrated for each of the five Local Municipalities located within the CWDM, as per Figure 8 below.

It is evident from Figure 8 that the Stellenbosch LM is the most important contributor to the Financial and Business Services Sector in the District, while the Trade Sector plays an important part of the Breede River and Breede Valley LM's economy. The Construction Sector is present within all the LM's, but contributes to a larger percentage within the Stellenbosch LM, while

Stellenbosch LM has the smallest contribution to the Manufacturing and Agriculture Sectors. Agriculture forms a large percentage of the Witzenberg LM's economy.

Figure 8: Economic Profile, GDP, Local Municipalities, 2007



Source: *Urban-Econ Calculations based on Quantec Research Database*

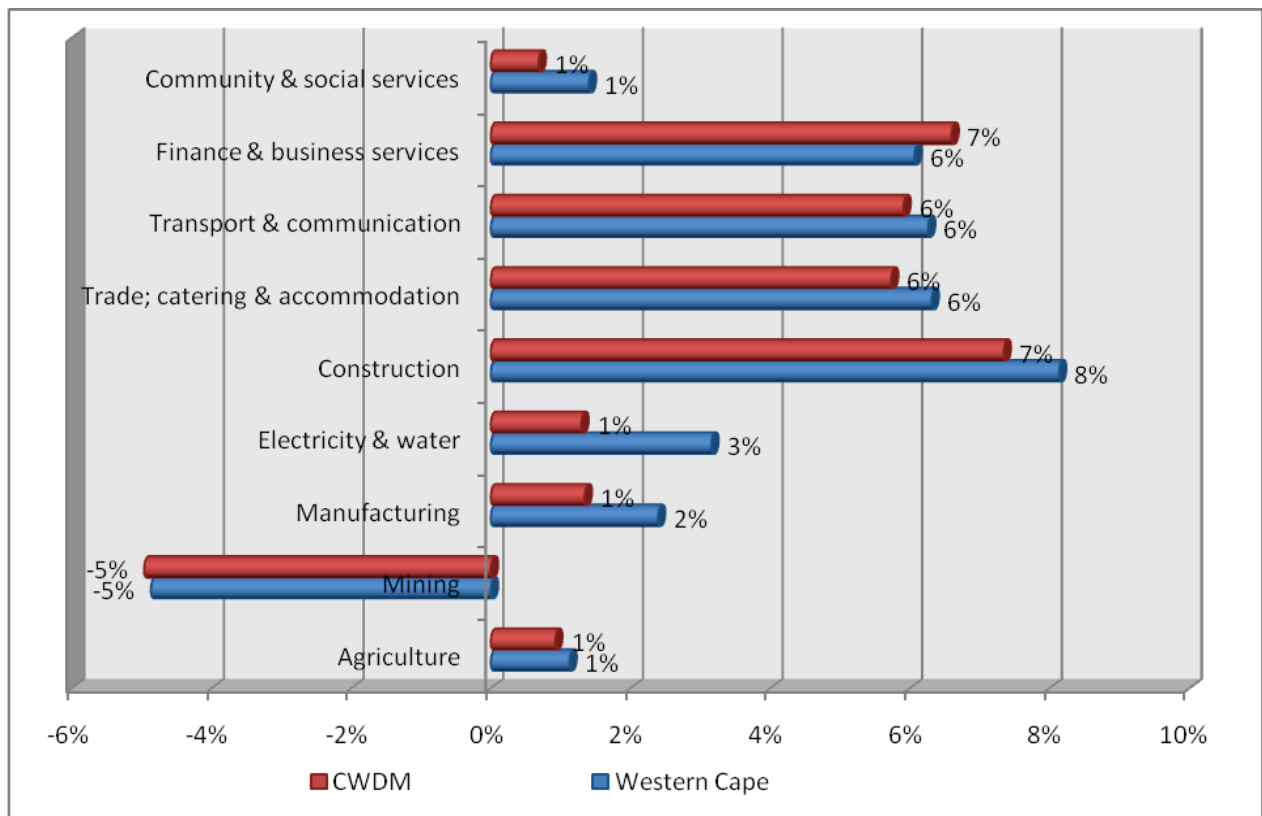
While Figure 7 and 8 provides an introduction into the current structure of the economy, the growth patterns which were experienced provide an indication of the historic trends within each of these economic sectors. These trends indicate the relative importance of each sector in terms of potential future magnitude as well as the relative weaknesses in the local economic conditions. The average annual growth from 1997 to 2007 for each of the economic sectors within the CWDM is depicted in Figure 9.

It is evident that the Majority of the economic sectors within the CWDM experienced a positive growth rate during the past 10 years (1997 to 2007). Only the Mining Sector recorded a negative growth rate of 5%. This negative growth rate is however in line with the Provincial economic sectoral growth during the similar time period.

The sectors recording the highest economic growth rate includes the Financial and Business Services Sector (7%), the Construction Sector (7%), the Transport and Communications Sector (6%) as well as the Trade Sector (6%). The growth

in the Financial and Business Sector during the past 10 years is higher than that of the Province, while both the growth in the Transport & Communications and the Construction Sectors are in line with the Provincial sectoral growth.

Figure 9: Economic Growth per Sector, GDP, Western Cape Province & CWDM, 1997-2007



Source: Urban-Econ Calculations based on Quantec Research Database

SUMMARY

The above overview of the economic profile of the CWDM in context to the larger regional area provides valuable insight into the dynamics shaping the business environment of the larger companies located in the District. The following provides the key findings:

- The South African domestic economy is currently experiencing its longest, uninterrupted period of positive economic growth. The positive and fairly stable macroeconomic conditions create positive spin-off effects for larger businesses.
- Within the local economy, the average annual growth rate of 3.4% was recorded during the past 10 years (1997 to 2007).

- All Local Municipalities located within the District (with the exception of the Cape Winelands DMA) experienced positive economic growth since 2003, while the Stellenbosch Local Municipality experienced the highest economic growth (5.5%) during the past 5 years (2002-2007).
- The CWDM is the currently the second largest contributor to the Provincial GGP, contributing more than 9.5% of the Provincial GGP from 2004 to 2007.
- The CWDM's contribution to the Provincial GGP has however recorded a decrease since 1995.
- The CWDM has a diverse economic base, with the Financial and Business Service Sector contributing the largest percentage (23.9%) to the District's GGP.
- Other important economic sectors within the CWDM's economy include the Manufacturing Sector (19.6%) and the Retail & Wholesale Trade Sector (15.2%).
- The Stellenbosch Local Municipal area is the most important contributor to the Financial and Business Service Sector within the CWDM, while this LM has the smallest contribution in terms of the Manufacturing and Agriculture sectors within the District.
- Except for the mining sector, all other economic sectors experienced a positive growth during the past 10 years.
- The highest economic growth within the sectors was recorded in the Financial and Business Sector (7%), the Transport and Communications Sector (6%) as well as the Trade Sector (6%).
- The growth in the District's Financial and Business Sector was higher than that recorded for the Province during the same time period.

SOCIO-DEMOGRAPHIC INDICATORS

INCOME LEVELS

The 2001 Census indicates that 11,8% of households within the Cape Winelands receive no income. Comparisons between the 1996 and 2001 Censuses indicated a deepening of poverty within the district. For example, there was a 43,4% increase in the number of people earning less than R9 600 p.a. between 1996 and 2001. Almost half (47,7%) of households in the Cape Winelands earned under R19 200 per annum in the 2001 Census. The proportion of households in each local municipality earning less than R 19 200 p.a. ranges from 41,4% in Drakenstein to 56,7% in the Breede River Winelands. Unemployment was most severe in Touws River, De Doorns and in the informal settlements around the regional centres. Almost three out of four Black-African and one out of two Coloured households earn less than R19 200 per annum. Single women and child-headed households remain the most vulnerable. The low levels and seasonal nature of household income in the district is a huge concern as the majority of households are dependent on wages.

EDUCATION

Generally, the total school learner enrolment in the CWDM area increased from 2002 to 2007. The only exception was in 2006 where a decrease of more than 1 000 learners (from the 2005 levels) occurred to approximately 138 500 learners. However, the enrolment trend increased sharply in 2007 with a gain of about 4 300 learners. The CWDM area achieved a lower outcome in both numeracy and literacy among Grade 3

learners when compared to the Western Cape Province. In terms of literacy for Grade 6, the district compared favourably with the provincial average. However, numeracy is lower when compared to the province.

A marginal improvement in the profile of individuals with lower levels of education within the district was evident in 2006. The proportion of those with no schooling decreased from 15% in 2005 to 14,6% in 2006; however, it must be noted that the total number of individuals without schooling increased by 7,2% over the stated period. Conversely, the proportion of matrics (Grade 12) to the total population increased from 13,8% to 14,3%, with the actual number of people with matric increasing by 13,7%. Only 2,3% of the Cape Winelands District population had a honours, master's or doctoral degree in 2006, less than the 2,8% reported in GHS 2005.

HEALTH INDICATORS

High vacancy rates exist for all categories of employment within primary health care facilities, with the largest vacancy rate for medical officers at 27%. In addition, 15 nursing posts are vacant, which places greater stress on the current staff to deal with the workload for all nurses, which were reported to be 32 patients per nurse in SEP-LG 2006.

Although the incidence of TB in the CWDM area has decreased slightly over the past year, it remains high. The identification of the new XDR strain of TB in South Africa presents a significant threat to the region. The incidence of HIV has doubled within the past two years. HIV/ AIDS infections are projected to increase from 3,8% in 2005 to 4,7% in 2010. Although this is lower than the national average, these figures do not reflect that certain communities within the CWDM area have higher infection rates. The findings also do not indicate that women are disproportionately affected by the disease. Dual infection with TB is of great concern.

A community-based response programme was implemented in the CWDM area during the 2004/2005 financial year to address the HIV and AIDS pandemic. Interventions through social development programmes, which include food security projects, alcohol related projects, early childhood development initiatives, HIV/AIDS prevention programmes, and a lay health worker programme, form part of the activities.

The teenage pregnancy figure in the CWDM area is above the national norm and is climbing. Low birth weight figures remain unacceptably high across the district.

HOUSING AND ACCESS TO BASIC SERVICES

The housing situation within the Western Cape is characterized by significant backlogs and various communities experiencing sub-optimal accommodation. The backlogs continue to grow. The provincial backlog was estimated at 296 000 units in 2005, 10%

of which is attributable to the Cape Winelands. However, municipalities in the Cape Winelands estimate the backlog to be closer to 48 000 units.

According to the Security of Farm Workers Project of the Lawyers for Human Rights (Stellenbosch), there has been an increase in the number of evictions taking place in the Cape Winelands, Grabouw and the West Coast. During January to September 2005, 352 farm workers and/or their families faced eviction. Reasons given were: main worker is fired/died; farm is sold/liquidated, wage disputes, drought and the Extension of Security of Tenure Act (ESTA).

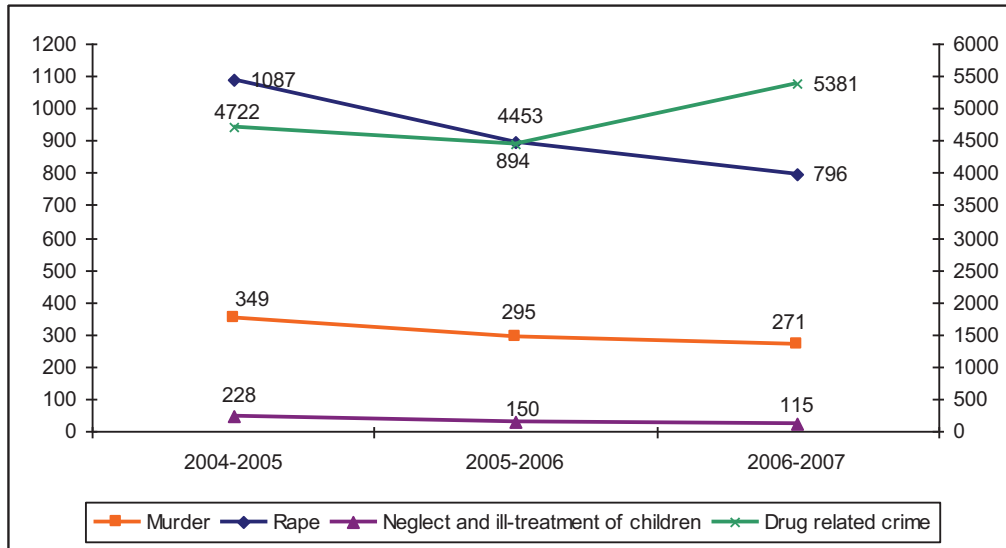
According to the Department of Water Affairs and Forestry (DWAF), the total population with no water infrastructure in the CWDM area decreased substantially from 76% to 27%. The majority of the households have access to adequate sanitation. In total, 129 597 households had access to a flush toilet with offsite disposal in 2005, which increased to 142 098 in 2006, representing 92% of all households. The number of prepaid meters installed increased from just under 63 000 in 2005 to more than 79 500 in 2006, an increase of 26,19%. In addition, free electricity usage increased from 17 425 kWh to nearly 26 000 kWh, representing a 49,0% increase from 2005 to 2006. The GHS data reveals that the number of households that report no source of heat has increased by 38%, to 10,3% of all households. A household refuse removal service is provided to all formal areas in CWDM.

POVERTY

The number of indigent households increased from 25 664 in 2005 to 29 545 in 2006, an increase of 15,1%. Not all indigent households have access to all of the free basic services in all of the local municipalities within the CWDM area. Access to free basic services for all the indigent households is close to 100% across the CWDM area. Access to free basic services for indigent households is 99,2% for water, 92,4% for electricity, 99,4% for sewerage and sanitation, and 99,4% for solid waste management.

CRIME

There are 23 police stations in the CWDM area, which represent 15,4% of the 149 police stations in the Western Cape. Crime statistics for the period 2004-2005 to 2006-2007 are illustrated in the figure below.



Source (SAPS, 2007)

In 2006/2007, the rate of reported crime generally decreased by nearly a quarter (24,85%) when compared to the crimes reported in 2004/05. A declining trend is evident in three of the four crimes highlighted in the figure above. Reported murder crimes dropped 22,3% from 349 reported cases in 2004/2005 to 271 reported cases in 2006/2007. Reported cases of rape declined from 1 087 in the period 2004/2005 to 796 in 2006/2007 or 10,9%. It should be noted, however, that rape and sexual molestation crimes are typically under-reported, and that these figures may well underestimate the extent of sexual crimes in the CWDM region. Crimes related to the neglect and ill-treatment of children have declined from 228 reported cases in the period 2004/2005 to 115 in 2006/2007; a decrease of 49,6%. Unfortunately, the problem of drug-related crime remains, as highlighted in SEP-LG 2006. In the financial year 2004/2005, drug related crimes totalled 4 722, declining by 5,7% to 4 453 reported cases in 2005/2006. However, in 2006/2007, drug-related crime increased by 20,8% from its 2005/2006 levels to 5 381 reported cases.

FINANCIAL POSITION

During the 2007/08 financial year the Cape Winelands District Municipality (CWDM) maintained a sound financial position. On review of the budget and achievement, it can determine the extent to which the municipality has met its strategic objectives. An unqualified audit opinion was expressed by the Auditor - General on the Annual Financial Statements of Council.

REVENUE

Table 1: Budgeted revenue and actual revenue collected (R'000)

	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Actual
Revenue				
Government Grants and Subsidies	21 561	155 676	172 644	165 742
Income: Agency Services	70 232	58 263	84 085	61 343
Own Revenue:	165 762	68 704	31 136	432 367
- Sundry	36 908	42 454	29 932	51 512
- RSC Levy Income – Remuneration	26 298	4 986	-	21 150
- RSC levy Income – Turn Over	101 605	20 690	1 200	270 798
- Interest Outstanding Debtors	951	574	4	88 917
Total Revenue	257 555	282 642	287 864	659 461

The difference between budget and actual in RSC Levy Income and Interest on outstanding debtors respectively is due to RSC Levy debtors raised based on figures provided by the South African Revenue Services (SARS). Previously no realistic liability could be determined based on the municipality's estimated amounts, no debtor was raised and consequently no RSC Levy Income reflected.

The main source of revenue for CWDM was transfer payments from National Government. The increase in Government Grants and Subsidies are due to the RSC levies being replaced with RSC Replacement Grant from National Government.

REGIONAL SERVICES COUNCIL LEVIES (RSC LEVIES)

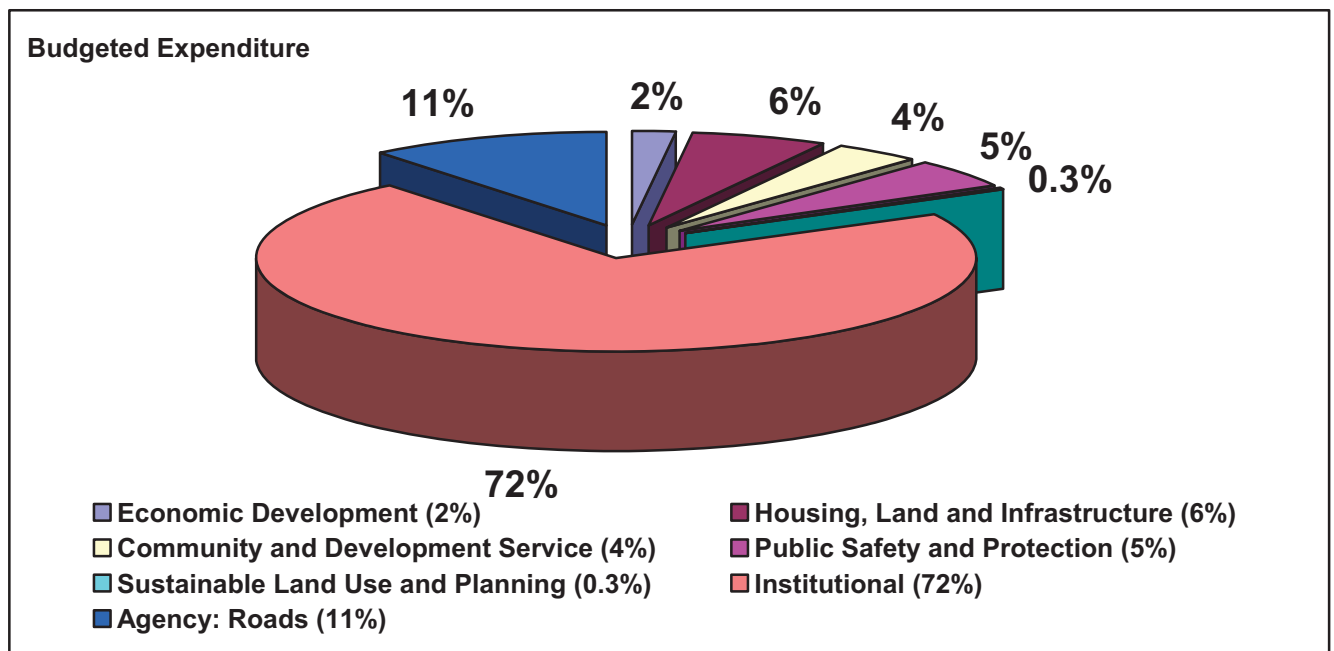
The Minister of Finance, in his Budget Speech of 2005, announced the abolishment of the RSC Levies as effective from 1 July 2006. The Cape Winelands District Municipality had a deadline of 30 June 2008 to recover outstanding RSC Levies that became due and payable to it.

RSC Levies were previously assessed by the levy payers and the municipality only did assessments if no returns were received. An assessment by the South African Revenue Services (SARS) is a prerequisite for the collection of RSC Levies and this Council has been negotiating with SARS since 2006 to obtain assessments of actual figures of turnover and remuneration for the determination of outstanding RSC levies. As at 30 June 2008, SARS provided the municipality with the proper figures, summonses could be issued, which summonses necessitated a corresponding debtor to be raised at the end.

The RSC Levy debtors are opposing liability, resulting in a significant provision for doubtful debt being raised.

EXPENDITURE

Figure 2: Actual Expenditure 2007/2008 per strategic objective



AGENCY FUNCTIONS

- **Roads**

The CWDM acts as an agent for the Provincial Government of the Western Cape in respect of road maintenance of all proclaimed roads. The net costs for the financial year amount to R 69, 054, 695 and are fully funded by the Provincial Government: Western Cape.

- **Working for Water**

This function focuses on the eradication of alien vegetation in the district of the CWDM. The municipality acts as an agent for the Department of Water Affairs and Forestry and therefore is fully funded by the latter to the amount of R 5, 910, 823.

GOVERNMENT GRANTS AND SUBSIDIES USED FOR OPERATIONAL EXPENDITURE

The following grants and subsidies were used for operational expenditure:

Division of Revenue Act (DORA) transfer payments:	R
- National Government	153, 300, 243
- Provincial Government	<u>12, 441, 292</u>
TOTAL	<u>165, 741, 535</u>

(Refer to note 14 of the 2007/2008 Annual Financial Statements for more details of the above)

Table 2: Funds allocated to strategic objectives and actual expenditure (R'000)

Strategic Objective	Budgeted 2007/08	Actual Expenditure	(Over)/Under Spending	% under spending
Economic Development	12 393	10 590	1 803	14.55
Housing, Land and Infrastructure	40 587	36 319	4 267	10.52
Community and Developmental Service	29 705	28 191	1 513	5.10
Public Safety and Protection	44 075	34 367	9 708	22.03
Sustainable Land Use and Planning	2 718	1 931	788	29.00
Institutional	74 402	470 226	(395 824)	(532)
Agency: Roads	83 985	69 055	14 930	18.00
TOTAL	287 864	650 678	(362 814)	

The overspending on the strategic objective: Institutional is due to the increase of the provision for doubtful debt.

The under spending reflected are due to:

- Strategic Objective: Economic Development - The fact that various projects are ongoing and therefore funds will only be spent in the next financial year.
- Strategic Objective: Housing, Land and Infrastructure – Proposed funds from donors that were not transferred in time from Provincial Government.
- Strategic Objective: Community and Developmental Service – The late establishment of this function resulted in projects to be carried forward to the next financial year.
- Strategic Objective: Public Safety and Protection - The Disaster Management Centre that did not materialise as a result of a delay in the construction of a building by the Provincial Government Western Cape.
- Strategic Objective: Agency Roads - Inclement weather conditions which resulted in the delay and incompleteness of various roads maintenance projects.

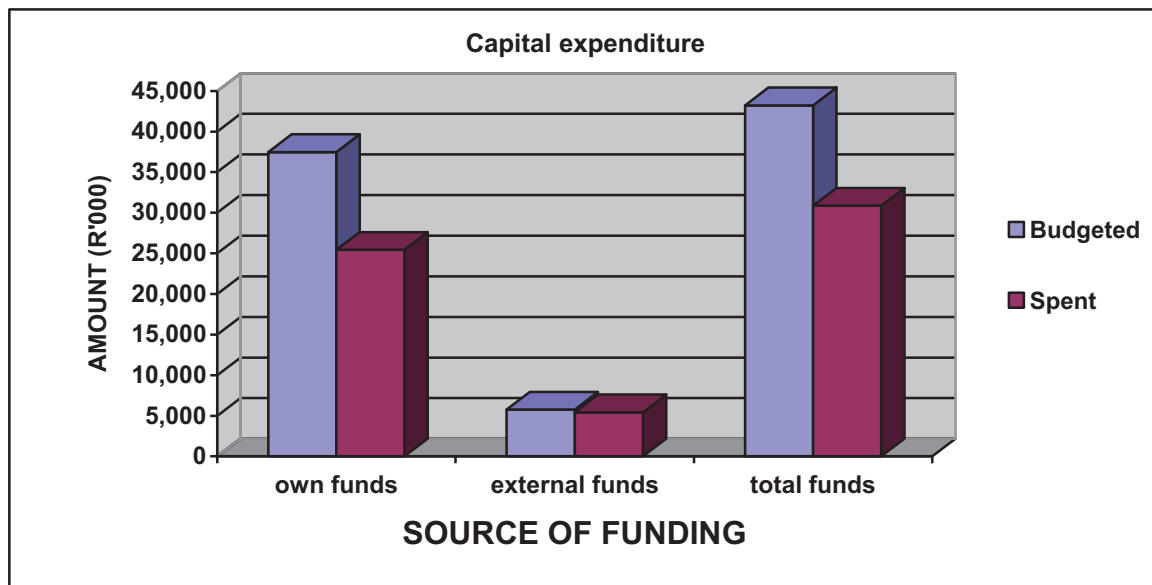
CAPITAL EXPENDITURE

The Total Capital Expenditure amounts to R10, 774, 125 and is funded from both the Capital Replacement Reserve and Government Grants.

Table 5: Capital Expenditure for the 2005/06 to 2007/08 Financial Years (R'000)

	2005/06 Actual	2006/07 Actual	2007/08 Actual	Total
Capital expenditure: Own Funds				
Budget	11 826	12 572	13 079	37 477
Actual Expenditure	6 602	8 548	10 299	25 449
% of Budget Allocated	56%	68%	79%	68%
Capital expenditure: External Funding				
Budget	-	4 961	794	5 755
Actual Expenditure	-	4 961	475	5 436
% of Budget Allocated	-	100%	60%	95%

Figure 3: Capital Expenditure Compared to budget from Own Funds and External Funding (R'000)



EXTERNAL LOANS

The municipality is in a sound financial position which did not necessitate the need for external loans.

CASHFLOW OVERVIEW

The Municipality's cash flow has remained sufficient and reflects that the municipality was able to extend and maintain operations.

FUNDS, RESERVES AND PROVISIONS

The closing balance at the end of the 2007/2008 financial year amounted to R 218, 359, 598 and was calculated as follows:

Capital Replacement Reserve

Opening balance at beginning of the year	R 31 446 637	
Additions	-	
Contributions to Capital Expenditure	<u>(R 10 191 621)</u>	<u>R 21 255 016</u>

Government Grant Reserve

Opening balance at beginning of the year	R 5 460 112	
Grants Received	R 376 713	
Offsetting of Depreciation	<u>(R 220 585)</u>	<u>R 5 616 239</u>

Revaluation Reserve

Opening balance at beginning of the year	R 99 627 396	
Revaluation of Property	R 107 091	
Offsetting of Depreciation	<u>R 1 881 748</u>	<u>R 101 616 235</u>

Future Medical Aid and Pension Liabilities

Opening balance at beginning of the year	R 80 586 110	
Contribution for the year – Medical Aid	R 11 774 072	
Contribution for the year – Pension	R 3, 728, 801	
Employer Benefit Payments – Medical Aid	<u>(R 2 488 074)</u>	<u>R 93 600 909</u>

TOTAL **R 222 088 399**

FUTURE LIABILITIES

In terms of AC 116 of the Statements of Generally Accepted Accounting Practice (GAAP), Council must provide for future liabilities determined by an annual actuarial valuation. Future liabilities to the amount of R93, 600, 909 are fully funded.

INVESTMENTS

The surplus cash is invested at all A1 banks in terms of Council's Cash management and Investment policy. The average rate of return on investments was 10.69%.

OUTSTANDING DEBTORS

The total outstanding debtors at the end of the financial year amount to R 34, 517, 837 and consist of -

	R
CONSUMER DEBTORS:	
Property Rates	454 112
Levy debtors	424 478 934
Provincial Government – Primary Health	8 869 604
Trade Debtors	<u>7 644 092</u>
Consumer debtors as at 30 June 2008	441 446 741
LESS provision for doubtful debt	<u>(416 678 286)</u>
TOTAL CONSUMER DEBTORS	<u>24 768 455</u>

OTHER DEBTORS:

9 749 382

The debt of R 424.4 million, including VAT and interest, in respect of summonses issued for outstanding Regional Services Council Levies was raised. The provision for doubtful debt in respect of RSC Levies amounting to R406 million is based on the number of opposed cases.

CHAPTER 2

PERFORMANCE HIGHLIGHTS

Performance management is a holistic process that incorporates business planning, developing an execution plan, modelling the execution plan using key business metrics and ultimately reporting on the business operations against the execution plan.

In giving effect to this definition, the Cape Winelands District Municipality has adopted a comprehensive performance management framework, which is designed to be the key strategic management tool that identifies the CWDM's annual priorities, establishes indicators and targets, and serves as the monitoring and reporting tool for measuring delivery against objectives.

The Municipal Systems Act 32 of 2000, the Local Government: Municipal Planning and the Performance Management Regulations 2001, require municipalities to adopt a performance management system. Once the IDP and budget have been prepared and approved, the CWDM prepares the SDBIP in accordance with the MFMA and MFMA Circular 13. The SDBIP indicates quarterly performance targets, financial performance targets and assigns responsibility to execute the respective performance targets. The CWDM assessed its performance on a quarterly basis and reported progress on performance against targets set to Council and ultimately presents the annual performance in this annual report.

This chapter speaks to the performance highlights in terms of the CWDM achievements based on the projects it has implemented

DISASTER MANAGEMENT

PLANNING

The Cape Peninsula University of Technology was appointed during the 2006/2007 financial year to conduct a community based risk and vulnerability assessment. This project was staggered over two financial years and is currently in its final stages with a draft report currently under scrutiny. The process involved an extensive consultation exercise including interaction with lead agencies at institutional level and their inputs were compared with the opinions researched amongst local communities in all five local municipalities. Two communities per municipality were prioritised by lead agencies. It is encouraging to report that good co-operation with local municipalities was generally experienced during the project.

CAPACITY BUILDING AND TRAINING

As part of its business planning the Disaster Management Section embarked on a training programme for educational institutions in collaboration with the Department of Education. Altogether 260 schools attended the training courses with a total number of 268 teachers and principals in attendance. Thus far this project has been one of the most successful efforts in obtaining participation from role-players in the district.

The Disaster Management Section contributed to community preparedness and capacity building of especially farm workers by presenting First Aid Levels 1 and 2 to 85 individuals in rural areas including the District Management Area.

Throughout the 2007/2008 financial year, disaster management officials were given the opportunity to attend various training sessions, workshops, conferences and courses in order to keep abreast of new developments within the disaster management field.

SIGNIFICANT EVENTS

Some extraordinary flooding and snowfalls were experienced in the Witzenberg area however; no serious damage or disruption was experienced as it is a natural phenomenon occurring annually. Flooding was also experienced during November 2007 in the Breede River Winelands, Breede Valley and District Management areas with a total damage of approximately R 9 million to rural gravel roads.

Although traffic accidents are not usually declared disasters, the district experienced two devastating transport accidents namely, a bus accident outside Robertson and a truck accident outside De Doorns. Of significance is the fact that 11 fatalities and 75 injuries were experienced during these two accidents. Both incidents tested the multi-disciplinary management complexities involved, especially where foreign nationals were victims.

During May 2008 the district also experienced its share of xenophobic attacks on foreign nationals in the Drakenstein, Stellenbosch and Witzenberg areas. Initially a total of 599 people were displaced and accommodated in emergency shelters in Wellington (340), Stellenbosch (234) and Ceres (25). Incidentally, no incidents at all were reported in Breede River Winelands and Breede Valley Municipalities. Assistance was rendered to the victims of attacks in the form of tents, blankets, food parcels, baby food and other necessary equipment by various government departments and non-governmental organisations. The Section was also continuously involved in multi-disciplinary and multi-sectoral forums established to address the situation.

As part of multi-disciplinary planning and preparedness the Disaster Management Section participated in an exercise arranged by Spoornet to test the co-ordination and on-scene management of train accidents in the Hex River Rail Tunnel. Although some

minor problems were experienced, the exercise was regarded as a success by all role-players involved and will hopefully become an annual occurrence.

FIRE SERVICES

OPERATIONAL FIRE-FIGHTING SERVICES

Cape Winelands Fire Fighters spent 2496 hours on operational and fire-fighting duties and attended to 1124 calls in the 2007/2008 fire season. The Fire Services provided assistance to the B Municipalities on 212 occasions and received assistance on 59 occasions. The fire fighting vehicles covered a total distance of 143273 km and used 9000 kl of water to which 2200 litres of foam were added.

The mutual aid agreements with the B Municipalities were put into operation, to the benefit of all parties.

MAJOR FIRES

- Elandsberg (21/01/08)
- Tulbagh/Witzenberg (01/02/08)
- Robertsvlei - Franshoek (02/02/08)
- Bainskloof (08/02/08)
- Oude Kloofberg – Tulbagh (08/03/08)
- Paarl Mountain (31/03/08)

The total area burned during these major fires was 4500 hectares which consists mostly of fynbos and damage to orchards and vineyards.

FIRE PROTECTION ASSOCIATIONS

For the past two years the Fire Services have been closely involved in the establishment of Fire Protection Associations in the District. The following 4 Fire Protection Associations were established, i.e. Drakenstein, Stellenbosch, Breede Valley and Tulbagh.

The Fire Services has worked extensively on assisting landowners to establish these Fire Protection Associations in terms of the National Veld and Forest Fire Act. The majority of landowners show no interest in the legislation or its requirements.

SKILLS DEVELOPMENT AND TRAINING

Fire Services personnel were given the opportunity to attend various internal and external skills development and training courses in order to keep abreast of new developments within the fire and rescue field.

- Law Enforcement course – 11 officials
- SAQA Assessor and Moderator Course – 2 officials
- First Aid level III course – 43 officials
- Two week's introductory Fire Fighting course – 49 officials
- Cultural Diversity course – all personnel
- 4x4 driving course – 60 officials
- Fire Fighter 1 and 2 course (duration 6 months) – 17 officials
- English language communications course – 20 officials
- Basic Ambulance Assistant course – 12 officials
- Fire Engineering Science – 24 officials
- Hazmat Technician course – 8 officials
- Self Contained Breathing Apparatus course – all operational staff
- Fitness assessment and training course – all fire service staff
- Hazmat Awareness course – 21 officials
- Hazmat Operational course – 6 officials
- High angle rescue course – 15 officials
- Project Management course – 5 officials

WORKING ON FIRE

The Fire Services are involved in the National "Working on Fire" project. At present 9 "Working on Fire" personnel are being utilised to man vehicles together with Fire Services personnel. These members were recruited from informal settlements as part of the Community Development and Poverty Alleviation Project. The Fire Services are also using the services of 45 reservists to assist with operational, administration and control centre duties.

MUNICIPAL HEALTH SERVICES

The key issues and challenges that were addressed by the department for 2007 – 2008 were:

- The MHS bylaw was revised in line with comments received.
- Internal training was provided to all Environmental Health Practitioners (EHP"s) within the directorate that ensured that all EHP"s were able to obtain the necessary CPD points to ensuring continued registration with the Health Professionals Council. Staff from the directorate also assisted Overberg District Municipality with training of their EHP"s
- The Food control committee was active and ensured that the CWDM was the first municipality within the Western Cape to do their sampling in line with the MFMA.
- A sampling program and sampling data management system was put in place.
- Systems were put in place to manage and store MHS data.
- The department was also able to assist 5 EHP students in completing their 1 year internship.
- The department played a leading role in the Western Cape District Environmental Health Forum which is a structure that has representation from all the district municipalities within the Western Cape. The purpose of the forum is to discuss and find solutions to common issues and problems within MHS and to set standardized norms and standards for MHS throughout the province.
- The department also participates in the Boland Public Health Advisory Board as well as the Boland Overberg Environmental Health Forum and has representation on the Western Cape Food Control Committee.
- The baseline information study on farms relating to the status of basic subsistence facilities on farms was concluded.
- The directorate in partnership with DWAF embarked on and concluded a project which was aimed at making local authorities aware of their responsibilities relating water services to residents living on privately owned land.

ANNUAL ENVIRONMENTAL HEALTH EDUCATION PROGRAMME

This project aims to create environmental awareness amongst the communities of the CWDM in order to change negative behavioral patterns.

This was achieved through the following strategies:

- The development and implementation of live theatre performances at schools throughout the Cape Winelands District.
- Poster competitions.
- Development of educational material to educate and empower people in the community and the food industry.

- Exhibits at career marketing initiatives.
- Educational programs developed and presented.

The Target Groups for health promotion expos were:

- Schools
- Communities within the Cape Winelands
- Business Sector
- Special Projects of Council

This project through live theatre shows at schools reached 90 schools with 80 performances and educated 14 327 learners.

HEALTH AND HYGIENE AWARENESS AND EDUCATION PROGRAMME

This project provides Health and Hygiene Education on farms and at schools where subsidies for the upgrading of water and sanitation were allocated.

The project aims included:

- Creating awareness amongst communities about diseases and the spreading thereof.
- The promotion of good hygiene practices amongst communities.
- Bringing about a change in the behavioral patterns of communities in respect of sanitation and good hygiene practices.

Achievements for 2007 – 2008 include:

- 89 farms were reached through the project
- 370 education sessions were held.
- A total of 9060 persons were trained.

CAPE WINELANDS CLEAN-UP CAMPAIGN

The Cape Winelands Clean-up campaign aims to create awareness amongst the general public about the environment we live in and pollution control. This is achieved through educational projects at schools and clean-up actions. This project also creates jobs for those target groups who are the most vulnerable in our communities namely the disabled, elderly and woman. This project was implemented through the use of small scale contractors.

Through this project 145 clean-up actions were held throughout the district and provided temporary job opportunities to 1711 individuals. This project is providing assistance to B-municipalities by cleaning-up those problem areas they are unable to serve and is

also welcomed by communities who are reaping the benefits of a cleaner environment as well as being presented with an opportunity to earn an income.

GREENING CAPE WINELANDS PROJECT

This project had the following aims:

- Promoting a greener environment.
- Establishing environmental awareness amongst communities through environmental education.
- Improving the quality of life of all inhabitants of the Cape Winelands.
- Creating income opportunities
- Getting communities involved in environmental actions through the planting of trees.

A total of 6780 trees were planted throughout the district.

As part of the Department's Arbor Day activities the department planted 500 trees at schools throughout the district these tree planting activities were accompanied with environmental awareness training to children.

The department assisted by Fruit & Trees for Africa planted an additional 6280 trees. The official launch for the project took place in Worcester on 22 April 2008 to coincide with Earth day.

Several meetings were held throughout the district in preparation for the planting of the trees. Thereafter 179 community based educators were trained throughout the district at 12 training workshops. It is estimated that approximately 33 900 persons from various communities received environmental training.

Short term employment opportunities were created for 106 community members involved with the planting of the trees.

HEALTH AND HYGIENE IMPROVEMENT PROJECT IN THE INFORMAL SLAUGHTERING AND MEAT SALE INDUSTRY

This project aimed to improve the health and safety of meat to consumers through the empowerment & up-liftment of meat handlers in the informal sector through education and investigations into the provision of infrastructure and was a pilot project launched in Mbekweni, Paarl.

Project results for 2007 – 2008 include the following:

- The design, development and distribution of a hygiene booklet for informal meat handlers.
- Twelve meetings were held with the different stake holders which included the Portfolio Holder, Directorate Meat Hygiene, Red Door, Drakenstein Municipality and the Informal Meat Traders.
- Two strategic planning workshops were held.
- Six Training sessions were held with seventy informal traders attending.

MUNICIPAL HEALTH SERVICES PROJECTS

WATER AND SANITATION SUBSIDY SCHEME

This is an innovative programme implemented within the Municipal Health Services department, which has attracted national commendation. The subsidy scheme provides an incentive to farmers to improve the water and sanitation services for their farm workers. A maximum of R 25 000 per farm is given for this purpose. In 2007/2008, a total number of 58 farms received allocations which were used to serve 213 houses. These subsidies comprised of the following:

- Running water over kitchen sinks
- Bathrooms with flush toilets in houses.
- In accordance with Council's policy, a total of 89 health and hygiene awareness educational sessions were given on the above mentioned farms by external educators contracted by the district.
- The department suggests that this policy be reviewed in order to ensure more success with the implementation of this project. Currently the project is totally dependent upon the cooperation and counter funding from the farmer and this leads to continuous under spending on this vote when farmers do not come to the table.

BASELINE INFORMATION PROJECT

This project was concluded during the financial year 2007 – 2008 and included the following.

Data were collected from almost all the farms throughout the district and this information were captured on a central database.

The information on the database was analysed by Professor Jonathan Bloom of the Stellenbosch University and a report reflecting his findings and conclusions were produced.

At a cost of approximately R 120 000 a reporting programme was attached to the database enabling the department to run various queries and generate reports.

A 10% sample of the data collected was also verified by an independent auditor in order to assure the validity and credibility of the data collected. The cost for the verification of the data was R 120 000.

During the 2008 – 2009 financial year EHP's will be trained on how to operate and update the database.

Workshops will also be held with interested and affected parties throughout the Cape Winelands in order to relay the findings of the survey and to develop strategies in order address problems identified through the survey.

NEEDS ASSESSMENT FOR THE RENDERING OF AN AIR QUALITY MONITORING FUNCTION

This project entailed the appointment of a consultant to do a scoping exercise and an assessment of the risks to inhabitants of the Cape Winelands due to air pollution exposure and to determine the needs in terms of training, equipment and budgetary requirements if this function is to be rendered by the department in future, as envisaged by the Department of Environmental Affairs in terms of the National Environment Management: Air Quality Act, Act 39 of 2004.

A budget of R 540 000 were made available for this project.

After embarking on a tender process Gondwana Environmental Solutions (GES) was appointed to do an air quality risk assessments, emission inventory, scoping study and draft an air quality management plan.

The ultimate aim of the project would be to ensure that air pollutants do not cause harm to human health or the environment

To date two reports have been received from GES and they are busy with a public participation process it is foreseen that the final air quality plan will only be available during the 2008 -2009 financial year.

BREEDE RIVER IMPROVEMENT PROJECT

The objective of this project is to determine specific sources of pollution, pollution trends and trends in terms of river water quality and health through scientific

micro-biological, chemical and pesticides residual analysis of water samples over a period of at least three years.

Results obtained from this sampling will be used to determine the main sources of pollution and introduce specific interventions aimed at addressing these identified sources of pollution.

An amount of R 302 000 were allocated to the project.

Through the project a total of 178 chemical samples and 171 microbiological samples were taken and analysed. The project also tested for the presence of pesticides and a total of 38 samples were taken in this regard.

The 2007 – 2008 financial year was the 1st year of the project and 2008 – 2009 financial year will be the 2nd year for the project.

ENSURING WATER SERVICES TO RESIDENTS ON PRIVATELY OWNED LAND

Ensuring access to efficient, affordable, economical and sustainable water source is a Constitutional obligation for all municipalities. As a result of this the the Department of Water Affairs (DWA) was compelled to provide policy and strategic guidance to municipalities that are responsible for ensuring access to to water and sanitation services- Water Services Authorities (WSAs).

This led to the development of a guideline “ENSURING WATER SERVICES TO RESIDENTS ON PRIVATELY OWNED LAND (A GUIDE FOR MUNICIPALITIES)”

The document is aimed at all municipal stakeholders, councilors and officials and sets out policy issues and strategic aspects for WSAs to consider in order too fulfill their universal obligation to ensure services to residents on privately owned land.

DWA selected the CWDM as one of the municipalities to pilot the guideline. The guideline document will then be updated with applicable lessons learnt and possible best practice scenarios. Funding for the project was provided through donor funds secured by DWA which were supplemented with funds provided by the CWDM.

The project had a two phased approach:

Phase 1

This phase involved the identification of a suitable beneficiary community living on privately owned land without proper services and than providing the necessary services to the residents.

Phase 2

This part of the project involved hosting workshops in all 5 B- Municipal areas to create awareness amongst water services authorities about their responsibility to ensure water services to residents living on privately owned land.

It also involved active participation from other stakeholders namely agriculture, farm laborers representatives, Civic organizations, NGO's and government departments at the workshops.

In order to gather comments and inputs towards the guideline document from a wide range of interested and affected parties.

SUMMARY OF EXPENDETURE

TOTAL PROJECT EXPENDITURE		
Item	Service provider	Expenditure
Provision of water	F.G. Besproeiing	R 36 525.43
Provision of 22 Hydraloo 6 EP systems	SA Biotech	R 149 727.60
Environmental Clean-up	CWDM	R 20 940.00
Workshops & Report	Bergstan SA	R 157 471.00
	Total Expenditure	R 364 664.03

The CWDM also received a commendation from DWAF for the successful implementation of this project.

PLANNING SERVICES

ENVIRONMENTAL CAPACITY BUILDING PROGRAMME

The Cape Winelands District Municipality prioritized the compilation of an Environmental Capacity Building Programme as part of the first phase to implement the Strategic Environmental Assessment. The capacity building programme was aimed at capacitating politicians and officials throughout the CWDM. 28 Delegates throughout the Cape Winelands district attended the course.

The Environmental Capacity Building Programme was designed and implemented to clearly outline the viewpoint of the CWDM with regard to ecosystem services as well as raise awareness of environmental priorities within the CWDM area. In addition, the Environmental Capacity Building Programme aims to make the relevant local authorities aware of the environmental statutory requirements, obligations and policies that are key to successful execution of functions that have a bearing on the environment.

The following objectives of the training and awareness programme have been met:

- Provided a clear understanding of Integrated Environmental Management
- Highlighted the environmental issues and legislation of significance to the CWDM area
- Consultation with all relevant officials on the compilation of the Environmental Capacity Building Programme
- Outlines of the CWDM's statutory requirements and obligations.

REGIONAL ECONOMIC DEVELOPMENT

CAPE WINELANDS ECONOMIC DEVELOPMENT COUNCIL (CW-EDC)

President Mbeki has set a national growth target of 6% by 2014 in order to halve poverty and unemployment. District and Metro municipalities are identified as the optimum government entities to drive regionally based strategies to mobilize and coordinate resources to meet these targets.

In the Cape Winelands, the Growth and Development Summit process provided the opportunity for all sectors to come together and visualize the kind of future we want for ourselves and our children, and then to explore ways of achieving this. The Cape Winelands Growth and Development Strategy (CW-GDS) strives to mobilise the resources and co-operation of all sectors - government, business, civil society and labour – and demonstrates how sectors will contribute towards the achievement of the national growth, development and service delivery targets set by President Mbeki.

The CW-GDS has identified the establishment of the Cape Winelands Economic Development Council (CWEDC) as a key outcome and means of ensuring ongoing co-ordination and co-operation between sectors. The Council will be responsible for providing considered economic advice and guidance to the District Municipality and to ensure the implementation, modification and improvement of the CW-GDS. The launch of the Cape Winelands Economic Development Council took place on 23 June 2008.

We are confident that before 2014 we will have achieved our vision of *Growing, Sharing, Delivering and Innovating Together!*

ECONOMIC ANALYSIS STUDY OF THE TOP COMPANIES WITHIN THE CAPE WINELANDS DISTRICT

Knowing the context of the local economy is crucial for municipalities stimulating local economic development and therefore a comprehensive, updated economic and social database of firm level information is needed to continually inform the local economic development and growth and development strategies of the Cape Winelands District Municipality.

The aim of the economic analysis of the top 20 companies within the District is to obtain the latest information on the structure and economic performance of these top 20 companies. In addition, the study captures the perceptions amongst these companies with regard to the performance of the municipalities within the district in supporting the business environment, what these companies perceive as the districts competitive and comparative advantages and it's growth potential as well as what are the strategic choices available to the municipalities within the District in realising its full economic and growth potential.

GROWTH AND DEVELOPMENT STRATEGY (GDS) OUTPUTS

Within the CW-GDS a number of catalytic projects were identified by participants. The Cape Winelands District Municipality has been investigating the feasibility of these catalytic projects.

FEASIBILITY STUDY FOR ESTABLISHING AN AGRICULTURAL SUPPORT CENTRE WITHIN THE DISTRICT

Cape Winelands District Municipality (CWDM) is committed in supporting both established and emerging farmers in the region. In order to ensure equitable and sustainable economic growth, there is a need for the district municipality to create an enabling environment for emerging businesses to operate and function optimally. Creating such an environment would not only stimulate the local economy, but it would also enable emerging entrepreneurs to compete in both regional and global markets.

With this backdrop, the CWDM conducted a feasibility study on the viability of establishing an Agricultural Business Support Centre within the District. The Business Support Centre is geared towards supporting emerging farmers to help them grow during the start up period. Given the significance of the Agricultural Sector in the Cape Winelands District, the introduction of new and innovative support in this particular sector will make it easier for emerging farmers to establish themselves.

FEASIBILITY STUDY FOR ESTABLISHING A CUSTOMS CLEARANCE CENTRE WITHIN THE DISTRICT

The CWDM conducted a feasibility study on the viability of a customs clearance centre in the Cape Winelands District. The Customs Clearance Centre is geared towards supporting emerging importers and exporters and stimulating our export competitiveness.

CAPE WINELANDS DISTRICT INFORMAL SECTOR STUDY

Local Economic Development is a process by which the public, business and non-governmental sector partners work collectively to create better conditions for economic growth, poverty reduction and employment generation. The aim of such co-operation is to improve the quality of life for all.

As expressed in the Cape Winelands Integrated Development Plan and the Growth and Development Strategy, it is crucial for the municipalities to play a role in stimulating local economic development in the region. It is the role of Cape Winelands District Municipality to develop a path that promotes shared growth and integrated

development. To be able to play this role meaningfully, Cape Winelands District Municipality must have a comprehensive understanding of the regional economy which includes the informal economy.

The aim of the study is to undertake a survey of the economic activities within the informal sectors within the Cape Winelands District as to inform interventions that can be made to support this sector.

BIO-FUELS/BIO-ENERGY FEASIBILITY STUDY

The CWDM is conducting a biofuels/bio-energy feasibility study. The goal of the feasibility study are two-fold, i.e. the investigation of biofuels and bio-energy production as a means to provide economic support for upcoming farmers, and secondly to develop the Cape Winelands as a bio-energy provider to the Western Cape metropole. Biofuel production implies the utilisation of (mainly) plant material as feedstock/energy source for processing into solid fuel for electricity generation or liquid fuel for machines.

The scope of the present project is to evaluate different scenarios for the creation of a sustainable bio-energy value chain in the Cape Winelands, by investigating different potential feedstocks, technologies and bio-energy markets of relevance to the region. The scope of the present project includes the capture of such information in a feasibility study to identify a preferred scenario for developing a bio-energy demonstration project in the region, and prepare the project plan for the demonstration project.

LOCAL ECONOMIC DEVELOPMENT

SMALL BUSINESS SUPPORT PROGRAMME

The Cape Winelands District Municipality has entered into an agreement with the Small Enterprise and Development Agency (SEDA) to provide business support to entrepreneurs within the District. The business development and support programme is underpinned by the local economic development strategy and growth and development strategy of the Cape Winelands District Municipality. The small business support programme gives support in the form of training and skills development amongst small businesses as well as business planning and development support.

ENTREPRENEURIAL SEED FUND PROGRAMME

The Entrepreneurial Seed Fund programme supports partnerships between the district and the small businesses around the objectives of

- Broadening income opportunities within the district
- Addressing poverty
- Promoting BBBEE, and
- Diversifying the local economy

The programme provide direct support to SMMEs within the district that require assistance in order to establish themselves and/or grow in the form of a grant in-kind, for example, through the purchasing of equipment or supplies on behalf of the SMME by the district municipality. In the current financial about 30 SMMEs were supported.

SMALL FARMER SUPPORT PROGRAMME

The Small Farmer Support Programme supports partnerships with small farmers within the district around the objectives:

- promote BBBEE within the agricultural sector
- to create alternative income sources for seasonal workers and unemployed within the district
- to address issues of poverty and social development

The programme provide direct support to small farmers within the district that require assistance in order to establish themselves and/or grow in the form of a grant in-kind, for example, through the purchasing of equipment or supplies on behalf of the small farmer by the district municipality. In the current financial year about 3 farmers groupings were supported.

CAPE WINELANDS LED/TOURISM EXPO

In terms of marketing and branding the Cape Winelands, the District is active in driving a Cape Winelands Annual Events-driven campaign. A core element of the Cape Winelands marketing strategy is to profile and market tourism and community events as well as giving entrepreneurs a platform from which to market their products within the district. More attention is given to community based events in order to improve participation of previously disadvantaged communities in the tourism industry.

Another core element of strategy is to establish active marketing partnerships with relevant roleplayers. The Cape Winelands LED/Tourism Expo was developed in partnership with Paarl Mall and Cape Town Routes Unlimited (CTRU). The Cape

Winelands LED/Tourism Expo was in its first year of running and attracted quite a lot of interest and participation from various roleplayers.

TOURISM

SCHOOLS TOURISM AWARENESS PROJECT

The Schools Tourism Awareness Project is aimed at increasing community and youth awareness in tourism by creating an understanding of the industry through Grade 4 excursions, Grade 9 Career Road shows and planned FET tours. This project is implemented at 40 primary schools, 80 high schools and 25 FET schools currently. A Schools Art Competition is run annually amongst the primary schools forming part of the project. As a result of this competition a tent calendar is produced annually to depict Tourism activities and icons in our district. The schools project is also involved in the environmental aspect of schools awareness in conjunction with Cape Nature and DEAT.

BREDEKLOOF BURSARY FUND

The Breedekloof bursary fund is a partnership between the Cape Winelands District Municipality, the Department of Economic Development and Tourism, Breedekloof Wine & Tourism, the University of Stellenbosch and Wineries of the Breedekloof area. 5 Students are currently pursuing a course in winemaking at Stellenbosch University over a 4-5 year period. CWDM started off by contributing R33 275 with an annual increase of 10% towards the fund, which is administered by the University of Stellenbosch.

TOURISM BUSINESS TRAINING (COMMUNITY TRAINING)

This programme's aim is to support emerging tourism entrepreneurs in the Cape Winelands by building their capacity in effectively and profitably managing their own businesses in the (direct or indirect) tourism industry. THD's have been appointed by Department Economic Development and Tourism /KMA for the Cape Winelands Region to facilitate and run this training programme. Cape Winelands have however appointed these THD's to do additional work by means of Tourism Outreach programmes, Awareness sessions etc. in our region since the Department Economic Development and Tourism's funds could not cover the whole district. Through the appointment of the THD'S Cape Winelands have managed to reach a substantial number of entrepreneurs as well as prospective entrepreneurs wanting to start their own tourism businesses.

Training in the customer care as well as hospitality service was also conducted for Cape Winelands SMME's with the view on preparation for the Soccer World Cup 2010.

ARTS & CRAFT ROUTE DEVELOPMENT

After a very comprehensive skills audit was done in the District, selected crafters underwent an extensive arts & craft training programme specially designed to suite all their needs. 23 Crafters successfully completed the training programme and 10 went further on the mentorship programme. An Arts & Craft Co-op was registered and the craft products were exhibited and sold at the Waterfront outlet. Marketing collateral was produced for the crafters and they were invited and accommodated at most of the exhibitions done by CWDM as well as at festival and events. All the crafters are currently members of their local tourism offices and are also listed on their web site. All product development aspects for the crafters are completed and it is now over to the marketing section and the crafters themselves to market their businesses extensively so they can become sustainable businesses.

FREEDOM ROUTE

The Spiritual & Religious Freedom Study was completed during the 2007/2008 financial year. The Aunties Project research information was transferred to DVD in order to be placed in Museums. Copying of all the Freedom Route DVD's were completed and will be placed in all the provincial museums.

LEARNERSHIP TRAINING

Through this project, CWDM in conjunction with CTRU train Tourism students in manning and managing the Cape Winelands Gateway centre at the V&A Waterfont in Cape Town. The latter are taken on educationals throughout the Cape Winelands District in order to capacitate them to effectively market the Cape Winelands Area.

CAPE TOWN MARKET OUTLET

An agreement has been entered into between CWDM & Cape Town Routes Unlimited (CTRU) whereby space is allocated to the CWDM at the V&A Waterfront to market the Cape Winelands products. Firstly it was secured as an Arts & Craft Outlet, but after a trial period it was decided to utilise it more effectively as a marketing Gateway Centre for the Cape Winelands Region.

ROAD SIGNAGE

Cape Winelands & Overberg Tourism forms part of the Regional Tourism Liaison Committee, established by the Department Economic Development and Tourism (DEDT) to facilitate tourism road signage within the two districts. Tourism road signage

applications are processed through the two District Municipalities and presented at these forum meetings for approval by the District Roads Engineer's Office.

Training workshops are conducted regularly to assist the Local Tourism Associations (LTA) in completing the applications for the product owners wanting to acquire road signs.

The Cape Winelands Tourism Department in conjunction with the LTA's and the Cape Winelands Department of Engineering are responsible for the audit and removal of illegal and outdated tourism road signage in the district. The Tourism section also assists the Engineering Department in identifying problematic signage that prevent tourists from moving around freely in the district and without getting lost.

MARKETING

EXHIBITIONS

As part of the Cape Wineland's marketing plan exhibitions were identified as one of the marketing tools that can be utilized to market the Cape Winelands domestically and internationally.

Tourism Role players are invited to participate in these exhibitions that include established businesses and SMME's as per Council decision. During the 2007/2008 financial year the Cape Winelands District Municipality participated in the following exhibitions:

EXHIBITION	VENUE	DATE
Johannesburg Getaway Show	The Dome – North Gate	24 – 26 August 2007
03 rd Incoming Country Jaipur	India	26- 30August 2007
Cape Town Outdoor Adventure Expo	Bien Donne - Franschoek	26 – 28 September 2007
Utrecht Vakantiebeurs	Utrecht Holland	08 – 13 January 2008
Beeld Holidaymakers Expo	Gallagher Estate - Johannesburg	15 – 17 February 2008
Pick n' Pay Argus Life Cycle Expo	Goodhope Centre, Cape Town	05 – 08 March 2008
ITB	Berlin - Germany	05 – 09 March 2008
Indaba	Durban – ICC	10 – 13 May 2008

EDUCATIONALS

The purpose of an educational is to take the media to the various attractions in the region and in return the latter writes articles about their experiences in the region. This is a very cost effective method of getting publicity both locally and internationally.

Various travel media were invited to participate in media educational per municipal area in the Cape Winelands Area. All municipal areas of the CWDM were visited by the media in the 2007/2008 financial year. Media educational are organized in conjunction with a Public Relations Agency whose primary function is to invite the various media on the educational.

Two Indian media educational took place in the 2007/2008 financial year. The latter provides opportunities to the Cape Winelands to enjoy publicity in the Indian market. This has led to media coverage worth more than R2.13 million and the CWDM has been informed by South African Tourism that the awareness and interest is still growing.

A visiting Italian TV crew also undertook an educational in the Cape Winelands region with a specific focus on the Stellenbosch and Breede Valley area. As part of their visit the Cape Winelands was presented with a DVD that was documented in Italy.

Lastly, educational are also meant to educate staff and improve their knowledge about Cape Winelands as a destination. This also enables staff to be able to respond to questions that may be posed to them about Cape Winelands region and its various attractions and tourism products.

EVENTS

The events driven campaign aims to attract tourists into the region through events. One of the objectives is to attract tourists into the hinterland as well through various events throughout the year. This widens the choice of a prospective tourist when it comes to choosing a destination for a holiday.

During the 2007/2008 financial year, Council approved twelve (12) events district wide as well as community events.

BRANDING SIGNAGE

A Service Level Agreement was entered into between the Cape Winelands District Municipality and Cape Town Routes Unlimited to brand all the accredited Local Tourism Association offices in the region as per the Provincial White Paper. The purpose is to create strong brand applications throughout the district.

MARKETING COLLATERAL

Approximately three hundred thousand brochures were reproduced i.e., R62 brochure map, Cape Winelands map, e-brochure, the Home Grown Booklet and the Growth Development Strategy Booklet. Other marketing collateral that was purchased included plastic wine glasses for wine tasting during exhibitions, glass wine glasses for Indaba, branded paper for exhibitions and t-shirts as part of the branding exercise.

MARKETING CAMPAIGN

Over the years Cape Winelands has been building its brand presence in the Netherlands. We continued with this trend as Cape Winelands advertised in the Travelution magazine, SA Tourism Update, Zuid Afrika Magazine and other magazines such as the Wine Handbook. As part of the marketing campaign, a public relations officer was appointed to assist the Cape Winelands with its marketing campaign and its involvement in projects such as educational.

LOCAL TOURISM ASSOCIATIONS

Bi-monthly meetings were held with LTA's and other tourism stakeholders such as Cape Town Routes Unlimited to discuss tourism related matters.

TOURISM MONTH

"Discover your heritage in the Cape Winelands" was the theme for tourism month during the 2007/2008 financial year. Four busses, one each from Stellenbosch, Breede Valley, Breede River Winelands and Witzenberg municipalities, took disadvantaged groups to the various museums in the region. This provided the participants with an opportunity to explore and familiarize themselves with the museums. The event took place on World Tourism Day.

VIDEO/DVD

The following DVD's were reproduced during the 2007/2008 financial year :

- Voices and Memories of Farm Workers in the Cape Winelands
- Cape Winelands Arts & Crafts Routes
- LED interactive DVD
- GDS

FINANCIAL MANAGEMENT SERVICES

OVERVIEW

The Accounting Policy of the Cape Winelands District Municipality provides financial guidelines and directives to ensure compliance with prescribed relevant legislation.

ACTIVITIES

The function of the Financial Management Services Department within the Cape Winelands District Municipality is administered as follows and includes:

- General:** The administrative function of the budget and treasury office, which function includes advise to the accounting officer, senior managers and other senior officials on the exercise of powers and duties assigned or delegated to them, administration of the municipality's bank accounts, the preparation and implementation of the municipality's budget and perform budgeting, accounting, analysis, financial reporting, cash management, debt management, supply chain management, financial management and review as legislatively prescribed.
- Income:** Debt management, Collection of outstanding RSC Levies and Grants, maintenance of the valuation roll for the District Management Area, the rendering of accounts for sundry services and the allocation of all payments received.
- Expenditure and Supply Chain Management:** The payment of creditors, the administration and payment in respect of the payroll, the administration of stores and procurement function as well as the management of tender processes.
- Budget Office:** Compilation of the budget within the timeframes as set out in the MFMA, Revenue and Expenditure control, Compilation of Annual Financial Statements, Cash Management and Investments, Insurance Management and Fixed Asset Management.

The Department has a mandate to:

- collect all income,
- make all payments due by Council, and
- control the budget as approved by Council, within the scope of policies set by Council and all the applicable legislation.

The strategic objectives of this Department are to:

- Maximize income through the credit control policy
- Apply Revenue and Expenditure Control
- Report on these matters on a timely manner

The key issues for 2007/08 were:

General: Ensure the effective and efficient performance of the department.

Budget Office: The compilation of the budget and financial statements within prescribed timeframes and safeguarding of the municipality's fixed assets.

Income: Maintaining sufficient in-house capacity as well as a fully functional follow-up system for collection of outstanding RSC Levies and other debtors.

Supply Chain Management: Establishing sufficient capacity and systems to fulfil the mandate for the section.

ANALYSIS OF FUNCTION / STATISTICS

Service	Number	R (000s)
Debtor billings: number and value of monthly billings	6, 149	10,155
Debtor collections: value of amount received and interest		88 916
Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days		451 196
Irrecoverable debts: number and value of debts written off	10	464
Property rates: District Management Area WCDMA02 (Flat rate for all Zonings)		
- Number and value of properties rated	874	292,938
- Number and value of properties not rated	0	0
- Number and value of rate exemptions	6	1, 070

- Rates collectable for the current year	868	874
Regional Service Council (RSC) levies:		
- Number and value of returns	1,806	291 947
- Total Establishment levy		270 797
- Total Services levy		21 150
- Levies collected for the current year		2, 243
Property valuation: - Year of last valuation	2005	
- Regularity of valuation	4 years	
Indigent Policy: - Quantity (number of households affected)	Nil	
- Quantum (total value across municipality)	Nil	
Creditor Payments: Approx. Total	10,183	141,818
Five biggest creditors: - Requad Construction cc		8,267
- Imba Plant Hire (Pty) Ltd		3,771
- FFA Aviation (Pty) Ltd		3,664
- AFRIMAT		2,886
- RJ Mullins Civils cc		2,550

KEY PERFORMANCE AREAS

	Area	Description	Current	Target
General	Compile multi-year Capital, Operating and Project budget	In terms of the Local Government Municipal Finance Management Act, the Council of a Municipality must for each financial year approve an annual budget before the start of that financial year.	June 2007	June 2007
	Compile Annual Financial Statements	In terms of the current Legislation, the financial statements must be completed and handed to the Auditor General before 31 August 2008	31 August 2008	31 August 2008

Income	Provide an efficient and effective Debt Management System	Effective management of the Revenue Section was upheld throughout.	80 %	80 %
	Ensure sufficient Revenue Collection	Budgeted Income estimates for the 2007/2008 financial year were met - outstanding balances did not escalate beyond control due to effective measures to recover these debts.	234 982 468	287 864 307
Expenditure	Provide and manage an efficient and timeous Creditor Payment System.	A creditor payment run is held once a week. This was done throughout the year with a 99% success rate. No creditors are outstanding for more than 30 days.	16 days	30 days
	Provide and manage an accurate Payroll System	Payment of salaries is done on an Integrated VIP System	100 %	80 %

HOUSING

RURAL HOUSING PROJECTS

The provision of Rural Housing Opportunities remains one of the most daunting challenges to bring to realisation. This is evident in the prolonged period it takes from planning rural housing projects to implementation. Despite this, Council remains committed to bringing about tenure security opportunities to its rural constituents. Projects that were in a planning phase during this year include the Nieuwedrift and Groot Drakenstein Housing Projects respectively while the Hermon Housing Project was in the process of implementation.

Together, the three projects have the potential to create more than one thousand (1000) housing opportunities for mostly farm worker families.

All the preliminary planning studies for the Nieuwedrift Human Settlement were completed during the 2007/08 financial year and a funding application for conditional project approval was lodged with the Provincial Department of Housing during June 2008. Should the funding application be approved, the detail planning will commence during the course of the 2008/09 financial year.

Despite numerous setbacks during 2007, it is anticipated that the final Environmental Impact Assessment and Heritage Impact Assessment (which will guide the future of the project) for the Groot Drakenstein Human Settlement will be completed and submitted to the relevant approval authorities during the second quarter of the 2008/2009 financial year.

In addition to the above projects, the 2007/2008 financial year also saw the introduction of the Housing Consumer Education (Housing Beneficiary) training program. The objective of this program is to educate beneficiaries of state subsidised housing in terms of their role and responsibility as housing consumers.

Council is currently co-ordinating the District wide roll-out of the program.

In total, 27 Housing Officials and Community Development Workers (CDW"s) were trained across the various municipalities in the District during this year. This would considerably improve capacity at each municipality. To date, over 800 beneficiaries were trained in Housing Consumer Education across the District. It is anticipated that this number will increase significantly within the coming financial years.

WATER AND SANITATION

WATER AND SANITATION PROVISION TO SCHOOLS AND CLINICS

The aim of this project is to ensure that all rural schools within the CWDM have adequate water supply and sanitation systems. This Council has been implementing projects of this nature for several years and during the previous year funds for these projects was received from the Department of Water Affairs and Forestry. This demonstrates the synergy that exists between different spheres of government in eradicating inadequate services. In conjunction with health awareness training done by the EHP"s, these projects ensures a safer and healthier environment for both learners and teachers while the upgrading of facilities at clinics ensures a little comfort for the sick and vulnerable. During the 2007/2008 financial year six schools were provided with upgraded sanitation facilities and water supplies while three clinics were provided with improved facilities. Due to the constant closing of certain, and amalgamation of other schools, there is a constant need for adequate facilities.

DISTRICT MANAGEMENT AREA

BASIC SERVICE DELIVERY

The extent to which normal municipal services can be rendered within this vast rural area is limited due to the fact that the area consists of farmland that is scarcely populated. Council however embarked on a project to supply basic lighting and hot water to farm dwellers in collaboration with farm owners. Basic solar systems are subsidised and provided to farm owners for installation in places where using the Eskom supply grid is not a viable option. By improving the conditions of living of farm dwellers using renewable energy sources, this Council contributes in different ways to the wellbeing of its citizens.

EXTENDED PUBLIC WORKS PROGRAMME

ROAD RESERVES CLEARING PROJECTS

During the 2007/2008 financial year Council continued with this program. Although these contracts are not fully compliant with the requirements of the EPWP program, it does provide unemployed people with much needed job opportunities. It also creates the opportunity where small contractors are developed and where labour intensive working methods are utilised.

During the 2007/8 financial year 3 projects for small emerging Contractors, for maintaining road reserves by the cutting of grass and trees, collecting litter and cleaning storm water ditches, were awarded.

For an average of 8 months a minimum of 45 local workers were employed and in the process 1500 km of road reserves were cleaned. The labour force comprised of 60% woman, 20% youth at 10% disabled persons.

WORKING FOR WATER

As implementing agent for the department of Water Affairs and Forestry, this Council is proud to be associated with this EPWP program. The program entails the eradication of alien and invasive plant species in river catchments. This is done by using small contractors and local labour that are all trained through this program. In the process of eradicating alien vegetation, this project ensures an improved natural environment conducive for the indigenous plant species. It also improves the quality and quantity of water in the rivers and creates employment for the poor. The Assegaibos project received the Provincial Flagship award as best project and was runner up in the National competition.

32 Contractors employing a total of 340 people were used for an average of 9 months during the year.

PUBLIC TRANSPORT

The following projects commenced during the 2007/2008 financial year:

- Current Public Transport Record (CPTR) - review
The CPTR's for Breede River Winelands, Breede Valley and Witzenberg are to be reviewed.
- Operating Licensing Strategy (OLS) - review
The OLS's for Breede River Winelands, Breede Valley and Witzenberg are to be reviewed.
- Integrated Transport Plan (ITP) – approved by the MEC. The commencement with the “new generation” District Integrated Transport Plan is dependant on the approval of funding by the provincial department.
- Non-motorised Transport Master Plan
This project is funded through a Provincial grant and in its early phase. A draft framework has been compiled.

NON-MOTORISED INFRASTRUCTURE

The Directorate : Public Transport Regulation endeavours towards fulfilling the concepts of The Expanded Public Works Programme (EPWP) in the implementation of all its infrastructure projects. As a first phase towards full EPWP implementation of projects, the 2007/2008 infrastructure projects were based on the EPWP principles.

SAFER JOURNEYS TO SCHOOLS STRATEGY

Improvements to existing road infrastructure to enhance the safety of rural learners by constructing sidewalks, bus embayments and learners shelters at various rural schools:

- Witzenberg – Skurweberg Combined school
- Breede River/Winelands – Bruintjiesrivier, Wellville, Gelukshoop schools
- Drakenstein – Windmeul, Wagenmakers schools
- DMA – one multi purpose shelter with embayment and sidewalk

UPGRADING EXISTING FOOTPATHS

Phase III – Labour intensive upgrading of the existing Newton/Wellington footway and bicycle path

DEVELOPMENT OF PEDESTRIAN SAFETY EDUCATIONAL MATERIAL

This projects was implemented by utilising rural sewing groups for the making-up of the reflective bands as a targetted rural employment initiative for women with the reflective bands distributed and monitored by the local Municipal law enforcement units and training done by the Provincial Department Community Safety.

SHOVA KALULA BICYCLE ROLL-OUT

This National initiative managed by the Provincial Department Transport and Public Works has commenced in our District with the distribution of two hundred and ninety five bicycles.

GEPROKLAMEERDE PAAIE

PROVINSIALE AGENTSKAPSFUNKSIE

Die realiteit hierdie jaar was dat dit „n moeilike, maar uitdagende jaar was, omrede:

Probleme ondervind was om kritiese tegniese poste te adverteer en te vul met gekwalifiseerde persone wat oor die nodige ondervinding beskik het.

Aftredes van baie senior persone veroorsaak dat die proses wat dikwels uit nood gevolg word, naamlik om persone met geen of min ondervinding maar aan te stel en dan indiensopleiding te gee, al moeiliker uitvoerbaar word omrede die oorblywende senior tegniese personeel dramaties afgeneem het.

Fondse beskikbaar asook skades aan padinfrastruktuur deur vloede plaas groot druk op die beskikbare personeel en toerusting.

In die lig van bogenoemde, is die druk om „n sukses van die afdeling se tegniese siviele ingenieursstudente program te maak ook al hoe belangriker, saamgelees met die indiensopleiding wat deur die paar oorblywende senior paaie personeel gegee kan word aan ander jonger en onervare aanstellings.

Ter agtergrond kan die volgende genoem word:

Die Wes- Kaapse Provinsiale Administrasie, Department van Vervoer en Publieke Werke is die Padowerheid vir alle landelike provinsiale publieke paaie in die Wes Kaap. Tans word die drie provinsiale Distrikspadingenieurskantore in die Wes-Kaap gebruik om die grootpaaie en sekere hoofpaaie te bestuur en te onderhou. Die vyf Distrik Munisipaliteite se paaie afdelings tree as hulle agente op om sekere hoofpaaie, afdelingspaaie en ondergeskikte paaie te bestuur en te onderhou asook om direk met die publiek te skakel.

NORMALE PADONDERHOUD EN HERSTELWERK

Die Raad het vyf padonderhoudseenhede by Ceres, Robertson, Worcester, Paarl en Stellenbosch. Op die oomblik is die fokus op die land se padnetwerk wat die grootste volume verkeer dra en ook „n baie belangrike skakel vorm in die land se ekonomie. Die bestaande beperkte bronne (finansies en mannekrag) word daarom gebruik om daaglikse padonderhoudsaktiwiteite te doen soos:

- Dreinerings onderhoud wat behels die skoonmaak van die talle pype en duikers wat onder paaie voorkom, skoonmaak van grondslote aan beide kante van landelike paaie voorkom dat water die padlae penetreer en verswak.
- Seël van die talle oop krake wat voorkom by ouer bitumen oppervlak paaie (beter bekend as teerpaaie) om die penetrasie van water te verhoed.

- Onderhoud van beskadige skramreëlings en padtekens weens ongeluukskades of vandilisme.
- Verwydering van indringende plantegroei en optel van rommel.
- Beveiliging van die talle kilometers verweerde gruisskouers langs die rante van bitumen (geteerde) oppervlak paaie.
- Herseël en hergruis van paaie asook herstel van beskadigde padinfrastruktuur.

FINANSIERING: GEPOKLAMEERDE PAAIE

Die fondse soos ontvang vanaf die Provinsiale Departement van Vervoer is opgedeel volgens die volgende kategorië, naamlik:

R41,130 miljoen vir algemene onderhoud deur eie personeel asook d.m.v werkskeppingskontrakte soos grassny en rommel verwydering. Addisioneel vir agentskap se administrasie kostes: R 4,496 miljoen (byvoorbeeld gedeelte van finansies se personeel se kostes, geboue huur, gedeelte van menslike hulpbronne se kostes, ens). Addisioneel om paaie te herseël: R 4,210 miljoen.

Oorblywende geld vir vloedskade toegeken vir 2006/2007 asook 2007/2008 boekjare: R 7,2 miljoen.

Die realiteit is egter dat die beskikbare fondse vir padonderhoud of padopgradering nie genoeg is nie en kommer bestaan oor die ongeveer 3 400 km grondpaaie in ons gebied. Die grootste kritiek kom vanaf die publiek oor die grondpaaie wat nie gereeld geskraap word nie. Van die probleme wat ondervind word deur die tegniese personeel is o.a:

- Baie van die paaie het nie meer gruis oor om te skraap nie („n grondpad moet ongeveer elke 7 tot 9 jaar weer hergruis word omrede verkeer, reën en wind elke jaar die gruislagie dunner maak)
- Die Provinsiale Padowerheid bestuur hulle landelike grondpaaie d.m.v „n hergruisprogram waar daar met insette van die Distrikmunisipaliteite se kundige tegniese personeel, Raadgewende Ingenieurs en die Provinsiale Hoofkantoor „n prioriteitslys opgestel word en dan onder die normale onderhoudsfondse aangespreek moet word.

OPGRADERING VAN LAE ORDE LANDELIKE GRUISPAAIE

Daar bestaan tans „n baie groot agterstand tov die opgradering van die lae orde landelike gruispaaie na bitumen standaard. Dit saamgelees met die beperkte fondse wat deur provinsie beskikbaar gestel word vir die instandhouding van hierdie paaie het die Raad genoodsaak, om in belang van die veiligheid van sy landelike inwoners, fondse te bewillig vir die opgradering van die paaie.

„n Meetinstrument in terme waarvan die paaie ge-evalueer en geprioritiseer kan word is vir die doel ontwikkel. In die kriteria wat gebruik word, word klem gelê op onder andere die vervoer van sensitiewe landbou produkte, toeristefasiliteite, voetgangers en skole.

Vir die 2007/2008 finansiële jaar is „n bedrag van R8.8 miljoen bewillig vir die opgradering van lae orde landelike paaie.

Die volgende paaie en interseksies is gedurende die 2007/2008 finansiële jaar opgradeer:

- Opgradering van Interseksie van Hoofpad 168 en Hoofpad 177
- Opgradering van Ondergeskik pad 4243. Riathby - 1.1km
- Ondergeskikte pad 5692, Klipdrift, Rawsonville -
- Die verlengde kruising van Afdelingspad 1429, Rooshoek en 1152, Hermon-Bo, Wellington

KAPASITEITSBOU: TEGNIESE PERSONEEL PAAIE

In die lig van die tekort aan ingenieurs wat nie net by Provinsie maar ook landwyd ondervind word, word die volgende tegniese ondersteuning ook deur die Raad se ingenieurs gegee, naamlik:

Tegniese padondersoeke, voorbereiding van tegniese verslae m.b.t padrehabilitasie, padopgradering, visuele inspeksies, ens.

Vorbereiding van tegniese verslae m.b.t grondgebruikaansoeke ontvang vanaf plaaslike B-Munisipaliteite wat basies bestaan uit die tegniese evaluering van ontwikkelings soos hotelle, gastehuse, behuising, ens om te verseker dat die pad die ontwikkeling se verkeer veilig kan akkomodeer.

VLOEDSKADE

T.o.v vloedskade was verskeie padinfrastruktuur ook in die Raad se gebied beskadig gedurende vloede en daar is alreeds in 2007 begin om verskeie klein brugstrukture wat weggespoel of beskadig is te herstel. Sommige van die ontwerpe is deur die Raad se eie ingenieurs gedoen, gebaseer op die Provinsiale vereiste.

Weens „n gebrek aan tegniese brugbouvoormanne met ondervinding, is groot verantwoordelikheid op sekere tegniese personeel geplaas om van die vloedskadeherstelprogram te bestuur en ook toesig te hou. Daar is ook gepoog om d.m.v die brugkonstruksiewerk praktiese opleiding te gee.

Die voorsetting van die interne siviele studente opleidingsprogram, waar daar gepoog word om om siviele studente by „n tegnikon, behulpsaam te wees tydens hulle verpligte praktiese werksjaar. Hierdie jaar was drie studente werksaam by die onderskeie paaie depots. Daar word ook gepoog om aan die studente interne tegniese teoretiese opleiding te gee.

CHAPTER 3

HUMAN RESOURCES

OVERVIEW

Human Resource Management in the Cape Winelands District Municipality is aimed at establishing a representative, competent and well-managed workforce, committed to delivering high quality services to the people of the Cape Winelands District. Human Resource Management Directorate provides the following support services for line management:

- **Industrial relations:** *aims at promoting the right to fair labour practice, and advance the spirit of the Labour Relations Act and other relevant legislative arrangements at the workplace.*
- **Recruitment and selection:** *aims at attracting potential job applicants from the available labour force.*
- **Human resource administration:** *aims at ensuring updated records, fully informed personnel and adherence to conditions of services, policies and procedures of the CWDM.*
- **Occupational health and safety:** *aims at ensuring a healthy workforce and safe work environment.*
- **Training and development:** *aims at creating a competent and productive workforce.*
- **Individual performance management:** *aims at achieving the best possible results.*
- **Organisation and work-study:** *aims at ensuring the optimum quantity and quality workforce.*

ORGANISATIONAL STRUCTURE

MACRO AND MICROORGANOGRAMS

CWDM has been involved in a Strategic Organisational Assessment of performance and productivity in order to fulfil its current and future roles and functions cost-effectively, and in support of national developmental strategies. This process was undertaken in collaboration with the services of an external service provider, informed by Cape Winelands District Integrated Development Plan (2007-2011), Growth and Development Strategy (2006-2014) and other related strategic priorities.

This process has led to the approval of CWDM's macro structure on 6 December 2007 with the following departments: Corporate Services, Financial Management Services, Engineering and Infrastructure Services, Community and Developmental Services, and Regional Development and Planning Services, and subsequently on 29 May 2008 an additional department was approved namely: Rural and Social Development Services. The process of updating the current micro structure and aligning it with the approved macro structure will be finalized in the next financial year (2008/9).

EMPLOYMENT

WORKFORCE PROFILE

NOTE: A=AFRICANS, C=COLOURED, I=INDIANS AND W=WHITES

Occupational Categories										TOTAL	
	Male			Female				White Male	Foreign Nationals		
	A	C	I	A	C	I	W	W	Male		Female
2007/8			2007/8					2007/8			
Legislators, senior officials and managers	3	6	0	3	1	0	0	9	0	0	22
Professionals	2	10	0	0	1	0	4	10	0	0	27
Technicians and associate professionals	6	30	0	6	17	0	1	55	0	0	115
Clerks	4	9	0	13	29	0	21	3	0	0	79
Service and sales workers	10	29	0	6	2	0	1	3	0	0	51
Skilled agricultural and fishery workers	0	2	0	0	0	0	0	0	0	0	0
Craft and related trades workers	7	23	0	2	0	0	7	0	0	0	39
Plant and machine operators and assemblers	14	28	0	0	0	0	1	2	0	0	45
Elementary occupations	62	55	0	23	34	0	0	4	0	0	178
TOTAL	108	192	0	53	84	0	28	93	0	0	558

COUNCILLORS

NOTE: A=AFRICANS, C=COLOUREDS, I=INDIANS AND W=WHITES

Occupational Categories										TOTAL	
	Male			Female				White Male	Foreign Nationals		
	A	C	I	A	C	I	W	W	Male		Female
2007/8			2007/8					2007/8			
Legislators, senior officials and managers	1	16	0	4	5	0	0	10	0	0	36

EMPLOYMENT EQUITY

The principal goal of the CWDM's Employment Equity Plan is to speed up the creation of a representative and equitable CWDM, and to build an environment that supports and enables those who have been historically disadvantaged by unfair discrimination to fulfil their maximum potential. This will allow CWDM to derive maximum benefit of individuals' diverse skills and talents, and thereby improve service delivery. CWDM submits EE Report annually on the 1st working day of October in the Department of Labour as required by the Employment Equity Act, 1998 (Act nr. 55 of 1998). The report as submitted for the year 2007, and updated up to 30 June 2008, showed some degree of progress, with regard to representation especially on the occupational levels, indeed a lot is still required. Consultation with all relevant parties is held through the Local Labour Forum on a monthly basis, where parties are offered with an opportunity to assess and monitor the progress. See the table below:

OCCUPATIONAL CATEGORIES

NOTE: A=AFRICANS, C=COLOURED, I=INDIANS AND W=WHITES

Occupational Categories											TOTAL
	Male			Female				White Male	Foreign Nationals		
	A	C	I	A	C	I	W	W	Male	Female	
TARGETS 2004-2009	12%	34%	0.2%	10%	30%	0.2%	6%	8%	0%	0%	100.0%
CURRENT STATUS 2007/8			CURRENT STATUS 2007/8								
Legislators, senior officials and managers	13.6%	27.2%	0.0%	13.3%	4.5%	0.0%	0.0%	40.0%	0.0%	0.0%	100.0%
Professionals	7.4%	37.0%	0.0%	0.0%	3.7%	0.0%	14.0%	37.0%	0.0%	0.0%	100.0%
Technicians and associate professionals	5.2%	26.0%	0.0%	5.2%	14.7%	0.0%	0.8%	47.8%	0.0%	0.0%	100.0%
Clerks	5.0%	12.5%	0.0%	16.2%	36.2%	0.0%	26.2%	3.7%	0.0%	0.0%	100.0%
Service and sales workers	19.6%	56.8%	0.0%	11.7%	3.9%	0.0%	1.9%	5.8%	0.0%	0.0%	100.0%
Skilled agricultural and fishery workers	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Craft and related trades workers	17.9%	58.9%	0.0%	5.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Plant and machine operators and assemblers	31.1%	62.2%	0.0%	0.0%	0.0%	0.0%	2.2%	4.4%	0.0%	0.0%	100.0%
Elementary occupations	34.8%	30.8%	0.0%	12.9%	12.1%	0.0%	0.0%	2.2%	0.0%	0.0%	100.0%
TOTAL %	19.3%	34.5%	0.0%	9.4%	15.0%	0.0%	5.0%	16.6%	0.0%	0.0%	100.0%

OCCUPATIONAL LEVELS

NOTE: A=AFRICANS, C=COLOURED, I=INDIANS AND W=WHITES

Occupational Levels											TOTAL
	Male			Female				White Male	Foreign Nationals		
	A	C	I	A	C	I	W	W	Male	Female	
TARGETS 2004-2009	12%	34%	0.2%	10%	30%	0.2%	6%	8%	0%	0%	100.0%
CURRENT STATUS 2007/8			CURRENT STATUS 2007/8								
Top management	33.3%	0.0%	0.0%	16.6%	16.6%	0.0%	0.0%	33.3%	0.0%	0.0%	100.0%
Senior management	11.7%	29.4%	0.0%	11.7%	5.8%	0.0%	0.0%	41.1%	0.0%	0.0%	100.0%
Professionally qualified and experienced specialists and mid-management	2.3%	33.3%	0.0%	2.3%	7.1%	0.0%	7.1%	47.6%	0.0%	0.0%	100.0%
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	7.0%	32.2%	0.0%	7.7%	12.2%	0.0%	5.1%	35.4%	0.0%	0.0%	100.0%
Semi-skilled and discretionary decision making	18.9%	41.1%	0.0%	8.8%	17.0%	0.0%	10.7%	3.1%	0.0%	0.0%	100.0%
Unskilled and defined decision making	34.2%	32.0%	0.0%	12.7%	18.7%	0.0%	0.0%	2.2%	0.0%	0.0%	100.0%
TOTAL %	19.3%	34.5%	0.0%	9.4%	15.0%	0.0%	5.0%	16.6%	0.0%	0.0%	100.0%

EDUCATION, TRAINING AND DEVELOPMENT

CWDM annually submits the Workplace Skills Plan (WSP), bi-annual implementation reports and quarterly reports to the Local Government SETA. The 2008/9 WSP was submitted on 30 June 2008 to SETA and currently the LGSETA is processing claims for the financial year 2007/8. In 2007/8 more than 331 employees and councillors participated in various training and skills development programmes including but not limited to: ABET, Administration, Computer Literacy, Corporate, Legal and Support, Financial, Information Technology, Life Skills, Management/Leadership, Occupational Health and Safety, Policy Development, Project Management etc at a total cost of R870.000.00.

STUDY AID

One of the of the key objectives of the Study Aid Policy of the CWDM is to enable full-time council employees to undergo formal, part-time study, modular, full-time or training by means of financial assistance in the form of a study aid bursary and leave concessions so that they can be better qualified for posts on council's staff establishment.

In compliance with this policy amongst others, CWDM ensured that 100% of employees who applied in the 2007/8 financial year for **study aid** in various fields were assisted to a total cost of R228,000.00.

Cape Winelands District Municipality has further committed itself to create a vision of "**Growing, Sharing, Delivering and Innovating Together**". Central to this vision CWDM acknowledges that youth development is an integral to the social, political and economic life of every young person in the District and society in general.

To respond to the above the **Mayoral Bursary Fund** has played a key role in ensuring that human resource development, with specific emphasis to the youth of the district, addresses the development of human capabilities, abilities, knowledge and know-how to meet the people's ever growing needs for goods and services, to improve their standard of living and their quality of life.

It is against this background and the District's commitment to a better life for all, that more than 100 well deserving students, both financially and academically, were awarded bursaries, in various fields including, but not limited to: BComm, Accounting, Agriculture, Tourism, Engineering, Business Management, Farming Management, Public Management, Human Resource Management etc, with a total cost of R877, 000.00 in the financial year 2007/8.

Cape Winelands District is currently offering work experience (In-Service training, Internship, Learnership) to various students who are resident in the district, in fields such as Finance, Engineering, Environmental Health, Communications, Human Resource Management, Local Economic Development, Land-use and Spatial Planning, etc.

In compliance with the **Municipal Finance Management Act**, as the municipality we have set a Steering Committee that is tasked in ensuring that all officials as prescribed by the Municipal Finance Management Regulations meet the financial management competency levels prescribed, by January 2013. Top officials of the CWDM are already undertaking training as required by the Municipal Finance Management Regulations and processes are already in place to assess and identify officials from the Department: Financial Management Services who should attend the necessary financial training

INDIVIDUAL PERFORMANCE MANAGEMENT

CWDM continues with the successful implementation of balanced scorecards for its employees. These scorecards facilitate regular monitoring of employee performance, while linking individual performance agreements and skills development plans with the IDP objectives and Municipal and Departmental scorecards.

OCCUPATIONAL HEALTH AND SAFETY

During the past year the CWDM has focused on ensuring employee health and safety, as prescribed in the Occupational Health and Safety Act, 1993 (Act nr. 85 of 1993). Health and Safety Committees were set up in the workplace to ensure that all employees exposed to health and safety risks have a forum to remedy these situations. In addition, Health and Safety Representatives were elected, appointed and trained (including supervisors and personnel in general) in the different departments.

The Construction Regulations, promulgated under the Occupational Health and Safety Act, introduced generic safety plans in conjunction with the Directorate: Roads to enhance compliance to contractor health and safety in the Expanded Public Works Programme (EPWP).

Other functions performed by the Health and Safety Section included but not limited to: Contractor site visits, routine inspections at different workplaces, Occupational Health and Safety Road Shows (awareness) in all workplaces, incident investigation and administration of injuries on duty.

INDUSTRIAL RELATIONS

CWDM constantly promotes sound labour relations environment by facilitating an atmosphere of collective bargaining in all matters of collective bargaining as enshrined in the Organizational Rights Agreement, the latter which results from the Main Collective Agreement. The Local Labour Forum proves to be the most viable vehicle in facilitating the promotion of employer-employee relations. Our municipality has adopted an open door policy when it relates to employer-employee relations. We are indeed excited with the level of interaction between the council as the employer and labour, we will continue in endeavouring to be the employer of choice in many regards.

DIVERSITY MANAGEMENT

More than 80% of our employees participated in the Diversity Management Programme with the main intention to manage, promote and value diversity and create equal opportunities for all in the workplace. The last leg of the programme will be finalised in the first half of the next financial year (2008/9).

HIV AND AIDS

The Laureate Nelson Mandela, on February 17, 2002, once said:

"The vision which fuelled our struggle for freedom; the development of energies and resources; the unity and commitment of common goals - all these will be needed if we are to bring AIDS under control. This is a war. We must not continue to be debating, to be arguing, when people are dying."

(Former South African President and Nobel Peace Prize Winner)

This is one of the most famous statements that keep us going in our HIV and AIDS Workplace programme. Cape Winelands has implemented an HIV and AIDS Workplace programme in collaboration with the Department of Provincial and Local Government (DPLG) that includes but is not limited to promoting a non discriminatory working environment, HIV Testing, Confidentiality and Disclosure, promoting a safe workplace and enhancing awareness amongst staff.

Part of the implementation of our HIV and AIDS Workplace programme was the voluntary testing and counselling programme that was held on 7 December 2007, where councillors and employees participated and it can be reported with confidence that the outcome of VCT, indicates that all those tested on the day were HIV negative, but we must not be complacent as we need to advance our programme to reach as many as possible employees in our employment.

CONTINGENT LIABILITIES AND RISKS

MEDICAL AID SCHEMES (SECTION 57 EMPLOYEES INCLUDED)

Medical Scheme	Members Currently Employed	Continued Members
Keyhealth	67	32
Bonitas	106	3
LA Health	64	98
Prosano	2	7
Hosmed	69	10
Samwumed	45	0
Fedhealth	1	0
Discovery Health	1	0

PENSION/RETIREMENT FUNDS (SECTION 57 EMPLOYEES INCLUDED)

Cape Joint Pension Fund	30
Cape Joint Retirement Fund	479
SAMWU National Provident Fund	40

CHAPTER 4

AUDITED STATEMENTS AND FINANCIAL INFORMATION

.

Annual Financial Statements for the year ended 30 June 2008



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

0861 265 263

www.capewinelands.gov.za

admin@bolanddm.co.za

INDEX

	PAGE
1 INDEX	2
2 GENERAL INFORMATION	3
3 REPORT BY THE AUDITOR GENERAL	5
4 DECLARATION: MUNICIPAL MANAGER	6
5 ACCOUNTING POLICY	7
6 STATEMENT OF FINANCIAL POSITION	20
7 STATEMENT OF FINANCIAL PERFORMANCE	21
8 CASH FLOW STATEMENT	22
9 STATEMENT OF CHANGE IN NET ASSETS	23
10 NOTES TO FINANCIAL STATEMENTS	24
11 SCHEDULE OF PROPERTY, PLANT and EQUIPMENT	46
12 APPENDICES	
APPENDIX A: Schedule of External Loans	48
APPENDIX B(1): Analysis of PPE - 2008	49
APPENDIX C: Segmental Analysis of PPE 2008	51
APPENDIX D: Segmental State of Financial Performance 2008	52
APPENDIX E(1): Budget vs Actual 2008 and 2007	54
APPENDIX E(2): Budget vs Actual 2008	55
APPENDIX F: Grants and Subsidies	57
APPENDIX G: Financial Commitments	58

CAPE WINELANDS DISTRICT MUNICIPALITY

GENERAL INFORMATION

COUNCILLORS AS AT 30 JUNE 2008

MAYORAL COMMITTEE

Cllr. C.W. JOHNSON (Executive Mayor)
Cllr. L.E.J. JANTJIES
Cllr. C.C.BRINK
Cllr. C.G. DU PLESSIS
Cllr. Z.J. MTHINI
Cllr. S. SWANGAZA
Cllr. E.B.PHEKO
Cllr. E.N. BUSHWANA

ANDER/OTHER:

Cllr. J.J. ABRAHAMS
Cllr. D. ADAMS
Cllr. R. BRAND
Cllr. G. BRUWER
Cllr. C.A. DE BRUYN
Cllr. A.M. DU TOIT
Cllr. J.I.K. GAGIANO
Cllr. S. GELDENHUYS
Cllr. H.P. GEYER
Cllr. S. GOEDEMAN
Cllr. C.J. GROOTBOOM
Cllr. N.D. HANI
Cllr. H.M. JANSEN
Cllr. D.J. OOSTHUIZEN
Cllr. (Dr) N.E. KAHLBERG
Cllr. B. MFUTWANA
Cllr. A. MULLER
Cllr. W.F. ORTELL
Cllr. C. PHILANDER
Cllr. L. RICHARDS
Cllr. H.J. SMIT
Cllr. J. SMIT
Cllr. L. SIWAKAMISA
Cllr. J. THOMAS
Cllr. S.W. VAN EEDEN
Cllr. E.J. VAN ZYL
Cllr. B.E. VOS
Cllr. D.K. XHASO

GRADING OF COUNCIL

GRADE 9

AUDITOR

AUDITOR GENERAL

BANKER

ABSA

REGISTERED OFFICES

STELLENBOSCH:
46 ALEXANDER STREET
STELLENBOSCH 7600

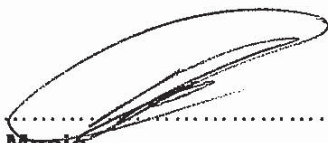
POSTAL ADDRESS:
P O BOX 100
STELLENBOSCH 7599

TELEPHONE:
021 888 5100
FAX:
021 883 8871

WORCESTER
51 TRAPPES STREET
WORCESTER 6850

POSTAL ADDRESS
P O BOX 91
WORCESTER 6850

TELEPHONE
023 348 2300
FAX
023 342 8442



.....
M Mgajo
MUNICIPAL MANAGER

..... 25/11/08

DATE



.....
J.G. MARAIS
EXECUTIVE DIRECTOR:
FINANCIAL MANAGEMENT SERVICES

..... 25/11/08

DATE



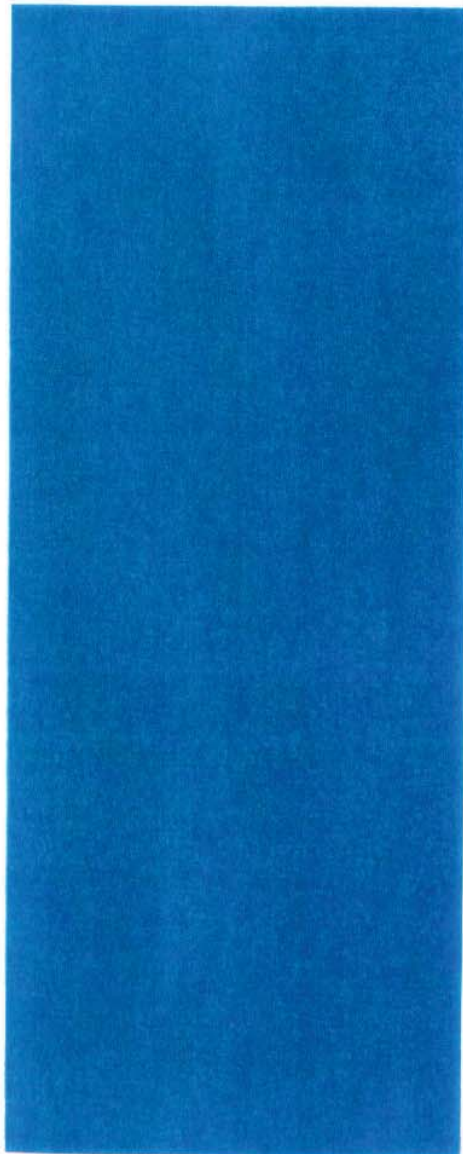
AUDITOR-GENERAL



**REPORT OF THE AUDITOR-GENERAL
CAPE WINELANDS DISTRICT
MUNICIPALITY**

**FINANCIAL STATEMENTS &
PERFORMANCE INFORMATION**

**FOR THE YEAR ENDED
30 JUNE 2008**



**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL
PARLIAMENT AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND
PERFORMANCE INFORMATION OF THE CAPE WINELANDS DISTRICT
MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Cape Winelands District Municipality which comprise the statement of financial position as at 30 June 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages XX to XX.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1, and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act, 2007 (Act No. 1 of 2007) (DoRA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3)(a) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. Paragraph 11 et seq. of the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the Cape Winelands District Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

9. The municipality's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.

Opinion

10. In my opinion the financial statements present fairly, in all material respects, the financial position of the Cape Winelands District Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1, and in the manner required by the MFMA and DoRA.

Emphasis of matters

Without qualifying my audit opinion, I draw attention to the following matters:

Consumer debtors

11. As disclosed in note 8 to the annual financial statements, the municipality raised levy debtors at year-end amounting to R424 478 934 representing all outstanding levy debtors before it prescribed on 30 June 2008. Legal action was commenced against most of the debtors to recover this amount. However, the majority opposed the legal action, or is intending to oppose. Consequently, the municipality raised a bad debt provision of R406 334 809 to account for the possibility that the amounts may be irrecoverable.

Restatement of corresponding figures

12. As disclosed in note 20 to the financial statement, the corresponding figures for the year ended 30 June 2007 have been restated as a result of a change in accounting policy and errors discovered during the current year ended 30 June 2008 in the financial statements of the municipality at, and for the year ended 30 June 2007.

OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matters that relates to my responsibilities in the audit of the financial statements:

Matters of governance

13. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The municipality had an audit committee in operation throughout the financial year.	■	
• The audit committee operates in accordance with approved, written terms of reference.	■	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.	■	
Internal audit		
• The municipality had an internal audit function in operation throughout the financial year.	■	
• The internal audit function operates in terms of an approved internal audit plan.	■	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.	■	
Other matters of governance		
• The annual financial statements were submitted for audit as per the legislated deadlines in section 126 of the MFMA.	■	
• The annual report was submitted to the auditor for consideration prior to the date of the auditor's report.	■	
• The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		■
• No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	■	
• The prior year's external audit recommendations have been substantially implemented.	■	

Unaudited supplementary schedules

14. The municipality provided supplementary information in the financial statements on whether resources were obtained and used in accordance with the legally adopted budget, in accordance with GRAP 1 *Presentation of Financial Statements*. The supplementary budget information set out on pages XX to XX (Appendix E) does not form part of the financial statements and is presented as additional information. Accordingly I do not express an opinion thereon.

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

15. I have reviewed the performance information as set out on pages XX to XX of the annual report.

Responsibilities of the accounting officer for performance information

16. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Responsibility of the Auditor-General

17. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007* and section 45 of the MSA.
18. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
19. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

20. The draft annual report revealed that the performance targets and the achievement thereof for the prior year had not been included together with the measures taken to improve on the prior year's performance, as required in terms of section 46 of the MSA.

APPRECIATION

21. The assistance rendered by the staff of the Cape Winelands District Municipality during the audit is sincerely appreciated.

Auditor - General
Cape Town

30 November 2008



A U D I T O R - G E N E R A L

REPORT BY THE CHAIRPERSON OF THE C.W.D M AUDIT COMMITTEE.

INTRODUCTION

MR. MAYOR; MR SPEAKER; MEMBERS OF COUNCIL & OFFICIALS.

Allow me to congratulate the C.W.D.M fraternity on once again having obtained an unqualified report from the Auditor General for the 2007/2008 financial year. This achievement or accolade should not be taken for granted as it bears testimony of competent and dedicated employees as well as a leadership intent on serving the best interest of the community it serves.

Thank you for affording the audit committee the opportunity to share a few perspectives with council as viewed from our vantage point.

The audit committee CWDM currently consists of 5 members and during the year of review it has met on at least four occasions.

I regret to inform that we have lost the services of our previous chairperson (Mr Uys) through untimely death as well as the services of Mr. Africa as a result of work pressure.

The present committee consists of:

Cyprian Martin (Chairperson)
Marlene Burger
Joseph Matsau
Bertram Jacobs
S. Claassen

I am pleased to inform that the committee consists of a well qualified array of persons who are suitably qualified to perform all the stated duties with competence.

TERMS OF REFERENCE

Our terms of reference as well as the Audit Charter requires the chairperson of the Audit Committee to submit a yearly report and or to meet with council at least once a year with the view of:

- (a) SHARING INFORMATION RELATING TO THE AUDITING FUNCTION and
- (b) ANSWERING QUESTIONS CONCERNING MATTERS FALLING WITHIN THE AMBIT OF THE AUDIT COMMITTEE

1. AUDIT COMMITTEE RESPONSIBILITIES -TERMS OF REFERENCE

1.1 LIAISE WITH THE OFFICE OF THE AUDITOR GENERAL

To review Auditor General's report and to share with his office any information so desired by him.

It pleases me to inform that the Auditor General's representative has been present at all the meetings of the CWDM audit committee which has had Ample opportunity with them to share all desired information.

1.2 FINANCIAL STATEMENTS

The audit committee will review and examine the approved annual financial statements as well as the Auditor General's Audit report, prior to submission and approval by Council.

The audit committee's key responsibility is its duty to ensure that CWDM financial statements are accurate, complete, reliable and easy to understand.

In this regard it pleases the audit committee to report that the 2007/2008 financial statements forwarded to the Auditor General conforms to the said requirements and that the financial status of CWDM is sound.

1.3 INTERNAL CONTROL

The committee will provide an objective overview of the operational effectiveness of the Council's systems of internal control. The committee will furthermore attempt to ensure transparency and collusion and conflict of interest.

Under the guidance of the Audit Committee the Internal Auditor and his team have conducted audits on the basis of a pre-determined risk-based audit plan. The audit committee is satisfied that these audits/investigations have been of a high standard; that they were comprehensively reported on and that effective recommendations were made in order to rectify and or eradicate shortcomings. The responses by the executive directors to these findings and recommendation were generally very positive.

1.4 INTERNAL AUDIT

The committee is to monitor and supervise the effective functioning of the internal auditor.

Best practice indicates that the internal audit activity should have a dual reporting relationship. The Internal Auditor should report to Municipal Manager for establishing direction, support and administrative interface and to the Audit Committee for validation, reinforcement and accountability.

It once again pleases the audit committee to inform that the Internal Auditor has kept the Audit Committee informed and up to date in regard to risk control; governance and effective monitoring of related activities. The planned audits for 2007/2008 were completed in a highly satisfactory manner. In this regard the audit committee wishes to express its sincere appreciation to the Internal Audit team under the very capable leadership of Mr. Norman Ontong.

1.5 ETHICS

Statutory Law; Common Law as well as the Municipal Finance Management Act covers the ethical behaviour of Municipal officials.

Increasingly audit committees must monitor ethics and codes of conduct, as well as compliance with laws and regulations

In this regard it needs to be stated that the audit committee is not aware that such a code of conduct has been developed for CWDM.

The audit committee humbly recommends that such a robust code of conduct is distributed amongst all councilors and officials.

The code of conduct would typically require that councilors declare the nature and extent of their financial interests; or that municipal officials are not involved in personal business/entrepreneurial ventures.

1.6 PERFORMANCE MANAGEMENT AND PERFORMANCE MANAGEMENT SYSTEMS.

The audit committee will review the Council's and Management's performance management systems within the context of the IDP but more specifically the Key Performance Areas; the Key Performance Indicators; The setting of objective and performance targets as well as to determine the extent to which objectives and targets have been achieved.

In this regard it the following areas will feature prominently on the radar screen of the audit committee.

1.6.1 THE TRIPPLE BOTTOM LINE (Economic Social and Environmental performance)

1.6.2 Nature and extent of its SOCIAL TRANSFORMATION programmes (H.I.V/AIDS Strategy; Procurement Policy which takes Black Economic Empowerment into account. (As set out in the Municipal Systems Act of 2000 Schedule 2 (2a)

1.6.3 Extent to which the knowledge, skills and competencies of employees in the designated groups have been enhanced.

1.6.4 The extent to which a clearly articulated Code of Ethics has been developed and implemented.

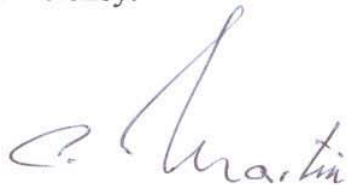
As in the case of the Internal Audit team it pleases the audit committee to inform that it was equally impressed by the excellent work being performed by the Director of Performance Management.

CONCLUSION

The Audit Committee is of the opinion that it is functioning within an organization consisting of committed employees and visionary leaders.

The Audit Committee is furthermore of the opinion that the Internal Audit Department is functioning well and fully supports it in its quest for improved service delivery.

May CWDM continue to serve its constituency with pride, dignity and efficiency.



.....
Chairman: AUDIT COMMITTEE
20TH January 2009

ACCOUNTING POLICY FOR THE YEAR ENDED 30 JUNE 2008

1. BASIS OF PRESENTATION

The Cape Winelands District Municipality has adopted standards of Generally Recognised Accounting Practice (GRAP) during the 2004/2005 financial year - issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act 56 of 2003). GAMAP and GRAP standards are fundamentally different to the fund accounting policies adopted previously and has been approved by National Treasury. In terms of the MFMA phased implementation strategy, medium capacity municipalities should only comply within the 2006/2007 financial year with the new GRAP compliant financial statements.

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the Standards of Generally Accepted Municipal Accounting Practice (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 Standard comprise the following:

3 Standards of Generally Recognised Accounting Practice (GRAP)

- Preface to Standards of Generally Recognised Accounting Practice
- GRAP 1 Presentation of financial statements
- GRAP 2 Cash Flow statements
- GRAP 3 Accounting policies, changes in accounting estimates and errors

8 Standards of Generally Accepted Municipal Accounting Practice Standards (GAMAP)

- GAMAP 4 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 interest in joint ventures
- GAMAP 9 Revenue
- GAMAP 12 Inventories
- GAMAP 17 Property, Plant and Equipment
- GAMAP 19 Provisions, contingent liabilities and contingent assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP Standards have been developed in accordance with paragraphs 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 Practice (GAAP), including any interpretations of such Statements, issued by the Accounting Practices Board.

Council fully comply with the GAMAP, GRAP and GAAP statements as mentioned above, therefore it did not apply for the exemptions.

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

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required 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 are prepared on the going concern basis.

In finalising the financial statements, management must in terms of GRAP 1 disclose any material uncertainties related to events or conditions, which may cast significant doubt upon the organisation's ability to continue as a going concern. The determination whether the going concern assumption is appropriate is primarily relevant for individual entities rather than for a government as a whole.

The primary source of revenue for the Cape Winelands District Municipality is transfer payments from the National Government. The following National allocations were made to Cape Winelands District Municipality:

2007/2008 Financial Year R148 960 000

2008/2009 Financial Year R168 283 000

2009/2010 Financial Year R187 083 000

The abovementioned allocations are sufficient for the sustainability of the District Municipality. An alternative source of income should be explored to reduce the dependency of the District Municipality on National funds.

4. RESERVES

4.1 Capital Replacement Reserve (CRR)

In order to finance the future provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the Capital Replacement Reserve (CRR). A corresponding amount is transferred to a designated CRR bank account. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The following provisions are set for the creation and utilisation of the CRR:

- * The cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.
- * Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance.
- * The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for the maintenance of these items.
- * The CRR is reduced and the accumulated surplus/(deficit) credited with corresponding amounts when the funds are utilised.
- * If a gain or loss is made on the sale of assets the gain or loss on the sale of assets is reflected in the Statement of Financial Performance.
- * The amounts transferred to the CRR is based on the Municipality's need to finance future capital

projects included in the Integrated Development Plan.

4.2 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 and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Government Grants.

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).

4.3 Public Contributions and Donations 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 Public Contributions and Donations Reserve equal to the Public Contributions and Donations Reserve 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 Public Contributions and Donations 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 depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Public Contributions and Donations.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Public Contributions and Donations Reserve relating to such item is transferred to the accumulated surplus/(deficit).

4.4 Revaluation Reserve

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/(deficit). On disposal the net revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on current values, are credited or charged to the Statement of Financial Performance.

5. **PROPERTY, PLANT AND EQUIPMENT (PPE)**

5.1 PPE is stated:

* At cost less accumulated depreciation

Heritage assets : Building in 46 Alexander street, was declared as an Provincial Heritage site on 8 September 1967.

5.2 Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended are examples of subsequent expenditure which should be capitalised.

5.3 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.

5.4 **Depreciation and impairment losses**

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

Buildings	30
Specialist Vehicles	10
Other Vehicles	5
Office Equipment & Air Conditioners	3
Furniture & Fittings	5
Specialist plant & equipment	10
Other Plant & Equipment	5

In the case of vehicles Depreciation is calculated on cost less residual values, using the straight line method, over the estimated useful lives of the assets. The Auto Dealers Guide was used to determine the following percentages for residual values:

- Motor Cars	40%
- LDV's	50%
- Combi's	30%
- Specialized Fire Vehicles	60%

5.4.2 Heritage assets, which are defined as culturally significant resources are not depreciated as they are regarded as having an infinite life. Land is also not depreciated for the same reason.

5.4.3 Incomplete construction work is stated at historic cost. Depreciation only commences when the asset is commissioned into use.

5.4.4 The carrying amount of an item or a group of identical items of PPE is reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount (impairment loss). When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The amount of the reduction is recognised as an expense immediately, unless it reverses a previous revaluation, in which case it is charged to the revaluation non distributable reserve.

5.5 **Disposal and retirement of assets**

* Assets are written off on disposal or retirement.

* The difference between the net book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a gain or loss in the Statement of Financial Performance.

6. **REVALUATION OF LAND AND BUILDINGS**

Land, Buildings and Heritage assets are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Land and Buildings are revalued every 4 years.

7. **INTANGIBLE ASSETS**

Intangible assets are treated in accordance with the provisions of International Accounting Standard (IAS) 38. In accordance with these provisions intangible assets are initially recorded at their cost price and are subsequently amortised over their expected useful lives. An intangible asset is defined as an identifiable non – monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. The intangible assets under the control of the Municipality, is amortised according to the straight line method.

8. **INVESTMENTS**

8.1 **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.

The municipality may have the following types of financial instruments.

- * **Held to maturity (HTM) investments** are financial assets with fixed or determinable payments and fixed maturity where the entity has the positive intent and ability to hold the investment to maturity.
- * **Loans and receivables originated by the enterprise** are financial assets that are created by providing money, goods or services directly to a debtor.

INITIAL MEASUREMENT of financial instruments is **at cost, which is the fair value** of the consideration given. The fair value is usually the transaction price or market price. **Transaction costs** are included in the initial measurement of financial assets. Transaction costs include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges and transfer taxes and duties. Transaction costs do not include debt premium or discount, financing costs or allocations of internal administrative or holding costs.

SUBSEQUENT MEASUREMENT of financial assets.

HTM investments and **loans and receivables originated by the entity and not held for trading** are subsequently recognised at **amortised cost using the effective interest rate method**. **Amortised cost** is the amount at which the financial asset was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount, and minus any write-down for impairment or uncollectability.

Where investments 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.

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.

Investments in municipal entities under the ownership control of the Municipality are carried at cost. Separate consolidated financial statements are prepared to account for the Municipality's share of net assets and post-acquisition results of these investments.

8.2 **Interests in Joint Ventures**

A joint venture is a contractual arrangement whereby the Municipality and other parties undertake an economic activity that is subject to joint control. Interests in joint ventures are stated at cost.

9. INVENTORIES

Inventories consist of consumables, raw materials, work in progress and finished goods which are valued at the lower of cost, determined on the weighted average cost basis, and net realisable value. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Cost of inventories comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventories to its present location and condition.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Redundant and slow moving inventories are identified and written down with regard to their estimated economic or realisable values. Consumables are written down with regard to their age, condition and utility.

10. 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. Provision is made for bad debts taking into account the payment trend of all the debtors on the age analysis.

11. TRADE CREDITORS

Trade creditors are stated at their nominal value.

12. UNUTILISED CONDITIONAL GRANTS

Unutilised conditional grants are reflected on the Statement of Financial Position as a creditor – Unspent Conditional Grants. They represent unspent government grants, subsidies and contributions from the public. This creditor always has to be backed by cash. The following provisions are set for the creation and utilisation of this creditor:

- * The cash which backs up the creditor is invested until it is utilised.
- * Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

- * Whenever an asset is purchased out of the unutilised conditional grant an amount equal to the cost price of the asset purchased is transferred from the Unutilised Conditional Grant into the statement of financial performance as revenue. Thereafter an equal amount is transferred on the Statement of changes in net assets to a Government Grant Reserve. This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the Unspent Conditional Grants. The Government Grant Reserve is used to offset depreciation charged on assets purchased out of the Unutilised Conditional Grants.

13. **VALUE ADDED TAX**

The Council accounts for Value Added Tax on the cash basis.

14. **REVENUE RECOGNITION**

Revenue excluding value-added taxation where applicable is derived from a variety of sources which include rates levied in the District Management Area, Grants from other spheres of Government, RSC Levies and other services provided. Revenue is Recognised when it is Probable that future Economic Benefits or Service potential will flow to the Municipality and these benefits can be measured reliably.

- * The Regional Establishment Levy and Regional Services Levy are recognized at the time of receipt of the RSC 4 return submitted by all registered levy payers. Where RSC4 returns are not submitted an historical estimate is made of revenue for the year. Levies that must be recognised are calculated as a percentage of turnover and remuneration. RSC Levies will finally be phased out at 30 June 2008.
- * Revenue from rates in the DMA is recognised when the Legal Entitlement to this revenue arises. Rates are levied on the land and improvements value of property.
- * Income in respect of housing rental and instalments sales agreements is accrued monthly in terms of the agreement.
- * Government grants and public contributions are recognised as revenue when all conditions associated with the grant have been met.
- * Interest earned on unutilised conditional grants is allocated directly to the Statement of Financial Performance. Then the interest is allocated to the creditor : Unspent Conditional Grants, if the grant conditions indicate that interest is payable to the funder.

- * Interest on outstanding debtors is recognised on a time proportionate basis and is charged on all outstanding debtors older than 30 days.
- * Collection charges are recognized when such amounts are legally enforceable.
- * Donations are recognized 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 arising from the application of the approved tariff of charges is recognized when the relevant service is rendered by applying the relevant authorized tariff. This includes the issuing of licences and permits.

15. 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.

16. PROVISIONS

A provision is recognised when the municipality has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each Statement of Financial Position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

17.1 Employee Benefits

17.1.1 Pension / Retirement Fund

The Council and its employees contribute to various Pension and Retirement Funds and its councillors contribute to the Pension Fund for Municipal Councillors. These funds provide retirement benefits to such employees and councillors.

The retirement benefits are calculated in accordance with the rules of the funds. Full actuarial valuations are performed on a regular basis.

Current contributions are charged against the operating account of the Council at a percentage of the pensionable remuneration paid to employees or councillors.

A provision is made for the best estimate of the current cost of gratuities payable to employees that were not previously members of a pension fund.

A provision is raised as the best estimate of the current cost of paying future pensions to employees who have become disabled as a result of injuries sustained whilst on duty.

17.1.2 Medical Aid: Continued Members

Council provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the municipality. According to the rules of the medical aid funds, with which Council is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for 30% or 40% of the medical aid membership fee, and Council for the remaining 70% or 60%. Council adopted a policy whereby the age of staff appointed under the new conditions of service would determine their portion of contribution to the medical aid on retirement.

An actuarial valuation was performed during June 2007. According to AC116 Council has 5 years from the first date the accounting standard is implemented to recognize the liability. Approximately 51% of this liability was recognized as at 30 June 2005. As at 30 June 2006 approximately 67% of the initial liability has been recognized. The Council recognized the remaining 33% of the initial liability as well as the additional liability as calculated, during 2006/2007 financial year.

17.1.3 Actuarial (Gain)/Loss

Actuarial gains or losses are recognized as income or expenses when the cumulative actuarial gains or losses exceed 10% of the higher of the defined benefit obligation and the fair value of the plan assets, if any, at that date. These gains or losses are recognized over the expected average remaining working lives of the employees.

17.1.4 Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

17.1.5 Provision for Performance Bonuses

The Municipality makes provision for bonuses payable owing to officials in terms of performance agreements.

17.1.6 Provision for Bonuses

Provision is made for unpaid bonuses payable to officials in their next bonus cycle prorated to the end of the financial year.

17.2 Provision for constructive obligations

Provision is made for any constructive obligations of the Municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the Municipality has indicated to other parties that it will accept certain responsibilities and as a result, the Municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

18. LEASES

LESSEE ACCOUNTING

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality.

Operating leases are those leases which do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the lease term or any other basis which is representative of the time pattern of the lessee's benefit.

Assets subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the assets is depreciated at appropriate rates on the straight line basis over the estimated useful lives of the assets. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

The Municipality will not incur a foreign currency lease liability other than that allowed by the MFMA.

LESSOR ACCOUNTING

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return to the Municipality's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Currently Council does not have any leases.

19. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially accounted for at the rate of exchange ruling on the date of the transaction. Trade creditors denominated in foreign currency are reported at the Statement of Financial Position date by using the exchange rate at that date. Exchange differences arising on the settlement of creditors or on reporting of creditors at rates different from those at which they were initially recorded during the period are recognised as revenue or as expenses in the period in which they arise.

Where the transaction is covered by a forward exchange contract, the rate specified in the contract is used. The Municipality will not incur a foreign currency liability other than that allowed by the MFMA.

20. SEGMENTAL INFORMATION

The principal segments have been identified on a primary basis by service operation and on a secondary basis by the classification of income and expenditure. The primary basis is representative of the internal structure for both budgeting and management purposes. The secondary basis classifies all operations based on the classification of income and expenditure.

21. COMMUNITY SUPPORT

The Cape Winelands District Municipality annually awards grants to organisations in terms of section 67 of the MFMA. When making these transfers, Council does not:

- * Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- * Expect to be repaid in future; or
- * Expect a financial return, as would be expected from an investment.

These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

In order to comply with the MFMA section 67(4)(a) a limit of R30 000 was approved by Council.

22. 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.

23. 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.

24. IRREGULAR EXPENDITURE


Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (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.

25. FRUITLESS AND WASTEFUL EXPENDITURE

In terms of the MFMA, 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.

26. ROUNDING

The amounts reflected in the financial statements of the Municipality are all in Rand, and all amounts are rounded off to the nearest Rand.



J. G. Marais

Executive Director: Financial Management Services
(B. Comm; AIMFO Registered Municipal Accountant - Associate Member)

25/21/08

Date

CAPE WINELANDS DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		355,298,441	334,733,305
Housing Development Fund		-	-
Capital Replacement Reserve		21,255,016	31,446,637
Capitalisation reserve		-	-
Government Grant Reserve		5,616,239	5,460,112
Donations and Public Contribution Reserves		-	-
Self-Insurance Reserve		-	-
Revaluation Reserve		101,882,385	99,627,396
Accumulated Surplus/(Deficit)		226,544,801	198,199,160
Non-current liabilities		83,684,090	71,446,110
Long-term Liabilities		-	-
Non-current Provisions	1	83,684,090	71,446,110
Current liabilities		89,517,347	43,477,065
Consumer Deposits		-	-
Provisions		-	-
Creditors	2	24,562,743	18,248,136
Unspent conditional grants and receipts	3	15,092,628	12,930,559
Taxes	4	39,945,157	-
Short-term Loans		-	-
Bank Overdraft	11	-	3,158,370
Current portion of Provisions	1	9,916,819	9,140,000
Total Net Assets and Liabilities		<u>528,499,878</u>	<u>449,656,480</u>
ASSETS			
Non-current assets		164,448,310	153,956,675
Property, Plant and Equipment	5	164,255,400	153,547,333
Investment Property		-	-
Investments		-	-
Long-term receivables	6	192,911	409,342
Current assets		364,051,567	295,699,805
Inventory	7	1,947,780	1,214,540
Consumer Debtors	8	24,768,455	2,165,070
Other Debtors	9	9,749,382	6,499,830
Taxes	4	-	248,098
Current portion of long-term receivables	6	61,687	502,881
Call investment deposits	10	326,013,443	285,069,386
Bank balances and cash	11	1,510,820	-
Total Assets		<u>528,499,878</u>	<u>449,656,480</u>

**CAPE WINELANDS DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30th JUNE 2008**

Budget			Actual	
2007	2008		2008	2007
R	R	Note	R	R
REVENUE				
824,300	874,200	Property rates	824,705	824,301
37,170	39,000	Property rates - penalties imposed and collection charges	57,631	51,247
135,980	145,500	Service charges	3,973,783	2,362,876
4,509,294	-	Regional Services Levies – remuneration	21,150,119	4,986,304
19,135,109	1,200,000	Regional Services Levies - turnover	270,797,616	20,689,659
83,000	119,700	Rental of facilities and equipment	73,982	68,807
12,600,000	25,075,000	Interest earned - external investments	38,128,613	26,597,817
281,844	3,700	Interest earned - outstanding debtors	88,916,714	573,856
-	-	Dividends received	-	-
-	-	Fines	-	-
-	-	Licences and permits	-	-
76,085,998	84,084,900	Income for agency services	61,342,967	58,262,646
167,297,967	172,644,000	Government grants and subsidies	165,741,535	155,676,194
1,840,644	3,678,307	Other income	7,123,032	4,029,136
22,591,490	-	Contribution from Surplus	-	8,424,177
-	-	Public contributions, donated and contributed property, plant and equipment	-	-
-	-	Gains on disposal of property, plant and equipment	1,330,705	95,145
305,422,796	287,864,307	Total Revenue	659,461,402	282,642,165
EXPENDITURE				
75,006,467	67,698,200	Employee related costs	69,986,566	67,771,774
5,871,180	5,933,000	Remuneration of Councillors	5,878,941	6,052,258
332,400	365,000	Bad debts	398,743,629	2,435,359
578,000	-	Collection costs	-	564,806
5,305,046	5,364,810	Depreciation	8,060,893	11,652,457
74,765,029	67,519,690	Repairs and maintenance	63,151,528	63,013,531
-	-	Interest paid to Unspent Grants and Funds	3,158,369	1,983,312
-	4,000,000	Interest paid to Future Medical Aid Liability	6,849,819	6,313,000
2,400,000	2,000,000	Medical Aid Liability - Current Service Cost	3,067,000	2,827,000
27,000,000	-	Medical Aid Liability - Transitional Liability Recognised	1,857,253	26,292,191
-	-	Bulk purchases	-	-
-	-	Contracted services	-	-
-	-	Grants and subsidies paid	-	-
96,631,505	134,931,207	General expenses	83,409,408	61,562,197
-	-	Contribution to Ex-Gratia Pension Fund	3,728,801	-
(0)	52,400	Loss on disposal of property, plant and equipment	51,924	-
287,889,627	287,864,307	Total Expenditure	647,944,131	250,467,885
17,533,169	-	SURPLUS/(DEFICIT) FOR THE YEAR	11,517,271	32,174,280
		Share of surplus/(deficit) of associate accounted for under the equity method	-	-
17,533,169	-	NET SURPLUS/(DEFICIT) FOR THE YEAR	11,517,271	32,174,280

Refer to Appendix E(1) for explanation of variances

CAPE WINELANDS DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		-	-
Cash paid to suppliers and employees		-	-
Cash generated from/(utilised in) operations	21	(65,648,188)	52,618,238
Interest received		127,045,327	27,171,674
Interest paid		-	-
Provision for VAT		-	-
NET CASH FROM OPERATING ACTIVITIES		61,397,139	79,789,912
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(10,774,125)	(15,569,798)
Proceeds on disposal of fixed assets		(5,667,392)	367,725
Increase in investment properties		-	-
(Increase)/decrease in non-current loans		657,625	1,245,486
Increase in non-current investments		-	-
(Increase)/Decrease in call investment deposits		(40,944,057)	(76,069,386)
NET CASH FROM INVESTING ACTIVITIES		(56,727,949)	(90,025,973)
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		-	-
Increase in consumer deposits		-	-
Decrease/(increase) in short-term loans		-	-
NET CASH FROM FINANCING ACTIVITIES		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,669,190	(10,236,061)
Cash and cash equivalents at the beginning of the year		(3,158,370)	7,077,691
Cash and cash equivalents at the end of the year		1,510,820	(3,158,370)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,669,190	(10,236,061)

CAPE WINELANDS DISTRICT MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

	<u>Capital Replacement Reserve</u>	<u>Capitalisation Reserve</u>	<u>Government Grant Reserve</u>	<u>Donations and Public Contribution Reserve</u>	<u>Self-Insurance Reserve</u>	<u>Revaluation Reserve</u>	<u>Accumulated Surplus/ (Deficit)</u>	<u>Total</u>
	R	R	R	R	R	R	R	R
2007								
Balance at 1 July 2006	24,995,112	-	873,605	-	-	97,974,791	175,276,960	299,120,468
Prior Year Adjustments (Note 20)							8,367,526	8,367,526
Implementation of GRAP (Note 19)								
Restated balance	24,995,112	-	873,605	-	-	97,974,791	183,644,487	307,487,995
Net surplus/(deficit) for the year	-	-	-	-	-	-	32,174,280	32,174,280
Transfer of Functions to B-Municipalities	-	-	-	-	-	-	-	-
Transfer to CRR	15,000,000	-	-	-	-	-	(15,000,000)	-
Property, plant and equipment purchased	(8,548,475)	-	-	-	-	-	8,548,475	-
Capital grants used to purchase PPE	-	-	4,961,227	-	-	-	(4,961,227)	-
Donated/contributed PPE	-	-	-	-	-	-	-	-
Revaluation of Property	-	-	-	-	-	3,495,209	-	3,495,209
Contribution for the year	-	-	(374,720)	-	-	(1,842,603)	(8,424,177)	(8,424,177)
Insurance claims processed	-	-	-	-	-	-	2,217,323	-
Offsetting of depreciation	-	-	-	-	-	-	-	-
Depreciation on Heritage Assets reversed	-	-	-	-	-	-	-	-
Balance at 30 June 2007	31,446,637	-	5,460,112	-	-	99,627,396	198,199,161	334,733,306
2008								
Correction of errors (Note 20)	-	-	-	-	-	-	8,674,624	8,674,624
Implementation of GRAP (Note 19)	-	-	-	-	-	-	-	-
Change in accounting policy (Note 31)	-	-	-	-	-	-	-	-
Restated balance	31,446,637	-	5,460,112	-	-	99,627,396	206,873,785	343,407,930
Net surplus/(deficit) for the year	-	-	-	-	-	-	11,517,271	11,517,271
Transfer of Functions to B-Municipalities	-	-	-	-	-	-	-	-
Transfer to CRR	-	-	-	-	-	-	-	-
Property, plant and equipment purchased	(10,191,621)	-	-	-	-	-	10,191,621	-
Capital grants used to purchase PPE	-	-	376,713	-	-	-	(376,713)	-
Donated/contributed PPE	-	-	-	-	-	-	-	-
Revaluation of Property	-	-	-	-	-	373,240	-	373,240
Contribution for the year	-	-	-	-	-	-	-	-
Insurance claims processed	-	-	-	-	-	-	-	-
Transfer to Housing Development Fund	-	-	-	-	-	-	-	-
Asset disposals	-	-	-	-	-	-	-	-
Offsetting of depreciation	-	-	(220,585)	-	-	1,881,748	(1,661,163)	(0)
Balance at 30 June 2008	21,255,016	-	5,616,239	-	-	101,882,385	226,544,801	355,298,441

CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
1 NON-CURRENT PROVISIONS		
Performance bonus	-	-
Ex Gratia Pensions	3,728,801	-
Medical Contributions	89,872,108	80,586,110
Auditfees (Removed with implementation of GAMAP)	-	-
Current portion of long-service provision	(9,916,819)	(9,140,000)
Total Provisions	83,684,090	71,446,110
1.1 FUTURE MEDICAL AID LIABILITY		
Reconciliation of Net liability recognized in the Statement of Financial Position:		
1.1.1		
Opening Balance	80,586,110	47,754,576
Current Service Cost	3,067,000	2,827,000
Interest Cost	6,849,819	6,313,000
Transitional Liability Recognised	1,857,253	26,292,191
Actuarial (Gain) / Loss Recognized	-	-
Past Service cost Recognized	-	-
Effect of Curtailment or Settlement	-	-
Miscellaneous Item	-	-
Expense Recognized	92,360,182	83,186,767
Expected Employer Benefit Payments	(2,488,074)	(2,600,657)
Closing Balance	89,872,108	80,586,110
1.1.2 Reconciliation of Unrecognised Teransitinal Liability		
Opening Unrecognized Transitional Liability	-	20,442,424
Transitional Liability Recognized	-	(20,442,424)
Closing Unrecognized Transitional Liability	-	-
Transitional Liability at Date of adopting AC116	62,553,000	62,553,000
Transitional Liability to be Recognized in Current Year	-	20,442,424
1.1.3 Reconciliation of Unrecognized Actuarial Gains and Losses		
Opening Unrecognized Gain/(Loss)	-	-
Actuarial Gain /(Loss) Arising	-	1,609,000
Actuarial Gain /(Loss) Recognized	-	-
Closing Unrecognized Gain/(Loss)	-	1,609,000
1.1.4 Reconciliation of Assets and Liabilities Recognized in the Statement of Financial Position		
Present Value of Funded Obligations	-	-
Fair Value of Plan Assets	89,872,108	80,586,110
Present Value of Unfunded Obligations	89,872,108	80,586,110
Present Value of Obligations in excess of Plan assets	-	-
Unrecognized Transitional Liability	-	-
Unrecognized Actuarial Gains/(Losses)	-	-
Unrecognized Past Service Cost	-	-
Miscellaneous Item	-	-
Net Liability in Statement of Financial Position	-	-

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
1.1.5 Reconciliation of fair Value of plan Assets Recongnized in the Statement of Financial Position		
Opening of Fair value of Plan Assets	80,586,110	47,754,556
Expected Return on Plan Assets	6,849,819	4,059,137
Actuarial Gain /(Loss)	-	1,257,953
Employer Contribution	4,924,253	30,115,121
Employer Benefit Payments	(2,488,074)	(2,600,657)
Closing Fair Value of Plan Assets	89,872,108	80,586,110

1.2 VALUATION METHODOLOGY AND ASSUMPTIONS

1.2.1 METHODOLOGY

Liabilities are valued using discounted cash flow techniques. Using a set of Actuarial assumptions, future cashflows are projected and discounted back to the Valuation Date, allowing for future investment returns and the probability of each cashflow occurring.

This methodology allows for the probability of and benefit payable in respect of different types of exit from Active Employment e.g. Withdrawal, Death, Retirement.

We assume that benefit entitlement accrues uniformly over each Employee's Total Service. The accrued liability is calculated as the ratio of the Past Service to Total Service for each Employee.

The method of valuing the PRMA liabilities of the Municipality is consistent with the Previous Valuation.

We have not explicitly allowed for the impact of HIV/AIDS on projected future healthcare costs. This could be a source of significant strain over the short to medium term future, leading to higher Medical Aid Inflation than was allowed for.

It was implicitly assumed that all Members would stay on the same Medical Aid scheme and chosen option in future. We have also not allowed for any significant shift in the demographic profiles of the various Medical Aid schemes e.g. the impact of an aging population.

1.2.2 ASSUMPTIONS

In order to project the liability, it was necessary to make a number of assumptions concerning future experience.

Assumptions should not be assessed in isolation, but rather in relation to each other. The difference between the financial assumptions drives the results of the Valuation.

The set of assumptions used in this Valuation is largely similar to that used in the Previous Valuation. Differences have been highlighted below.

1.2.2.1 Financial Assumptions

The main financial assumptions are as follows:

Medical Aid inflation rate	7.5%
Investment return	8.5%

Accounting Standard AC116 defines the determination of the Investment Return assumption to be used as the rate that can

"be determined by reference to Market Yields at the Statement of Financial Position Date on high quality Corporate Bonds. In countries where there is no deep market in such bonds, the market yields (at the Statement of Financial Position Date) on Government Bonds should be used. The currency and term of the Corporate Bonds or Government Bonds should be consistent with the currency and estimated term of the Post-Employment Benefit obligations."

Our Investment Return assumption was based on the current yields of long-term Government bonds plus a risk premium as a proxy for the yield on high quality Corporate Bonds.

2008
R

2007
R

Medical Aid Inflation was based on an assumed long-term rate of consumer inflation of 6% p.a. plus a margin of 1.5% p.a.

The Real Rate of Return (Investment Return less Medical Aid Inflation) is thus 1% p.a.

1.2.2.2 Normal Retirement Age

The Normal Retirement Age for employees that are members of the Cape Joint Provident Fund is 60 years.

The Normal Retirement Age for employees that are members of the Cape Joint Pension Fund is the earlier of age 65 or age after 55 when the employee has completed 35 years of service.

1.2.2.3 Mortality Rates

Mortality for Pre-Retirement benefits has been based on the SA 56-62 mortality table rated down by three years for Females.

Mortality for Post-Retirement benefits has been based on the PA (90) ultimate mortality table.

1.2.2.4 Withdrawal Rates

Withdrawal rates from Employment were allowed for using the following rates:

AGE	MALES	FEMALES
20	16%	24%
25	12%	18%
30	10%	15%
35	8%	10%
40	6%	6%
45	4%	4%
50	2%	2%
55+	0%	0%

1.2.2.5 Ill -Health Retirement Rates

Ill-Health Retirement rates from Employment were allowed for using the following rates:

AGES	MALES	FEMALES
25	0.00%	0.00%
30	0.01%	0.02%
35	0.08%	0.12%
40	0.21%	0.22%
45	0.38%	0.32%
50	0.82%	0.50%
55	1.96%	1.02%
59	3.00%	1.50%
64	4.30%	2.50%

1.2.2.6 Early Retirement Rates

Early Retirement rates from Employment were allowed for using the following rates:

AGES	MALES	FEMALES
55	2.00%	2.00%
56	1.00%	1.00%
57	1.00%	1.00%
58	1.00%	1.00%
59	2.00%	2.00%
60	2.00%	2.00%
61	2.00%	2.00%
62	3.00%	3.00%
63	4.00%	4.00%
64	5.00%	5.00%

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R

1.2.2.7 Family and General Assumptions

It was assumed that all Employees currently married will be married at the time of their exit from Employment. It was assumed that 90% of current single Male Employees and 20% of current single Female Employees would be married at the time of their exit from Employment.

We assumed that Husbands are on average 4 years older than their Wives; the previous Valuation assumed a difference of 5 years.

After Retirement the actual number of qualifying children was taken into account up to a maximum of two. It was assumed that Child Dependant status ceases at age 23; the Previous Valuation assumed age 21.

An increase in Medical Aid premiums was allowed for to reflect the Valuation Date being set midway through a Calendar Year.

Medical Contributions

Balance at beginning of year	80,586,110	47,754,576
Transfers	-	-
Contributions to provision	2,436,179	27,514,465
Interest on Investments	6,849,819	5,317,069
Expenditure incurred	-	-
Balance at end of year	89,872,108	80,586,110

1.3 Bus Accident Fund

Council established a disaster relief fund for victims of a bus accident during September 2007. The fund was closed on 30 June 2008, because all possible claims has been settled. Transactions of the fund is indicated below:

Opening Balance	-	
Funds received	213,352	
Expenditure	(94,131)	
Transfers	(119,222)	
Balance carried forward	-	

2 CREDITORS

Trade creditors	-	-
Payments received in advance	275,594	1,235,865
Retentions	2,126,728	1,976,861
Unpaid Bonus	4,334,832	
Staff leave	7,420,531	4,616,146
Other creditors	10,405,058	10,419,264
Total Creditors	24,562,742	18,248,136

3 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

3.1 Conditional Grants from other spheres of Government	15,092,628	12,930,559
MIG Grants	-	-
PAWC and State Funds: Various Projects	15,092,628	12,930,559
Provincial LED Projects	-	-
Total Conditional Grants and Receipts	15,092,628	12,930,559

See Note 14 and Appendix G for reconciliation of grants from other spheres of government. These amounts are invested in a ring-fenced investment until utilized

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
4 TAXES		
VAT payable	<u>39,945,156</u>	<u>-</u>
VAT receivable	<u>-</u>	<u>248,098</u>

VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.

5 PROPERTY, PLANT AND EQUIPMENT

Please refer to the detailed schedule of Property, Plant and Equipment on page 46.

A revaluation of Land and Buildings was carried out during May and June 2006.

A valuation of Property Plant and Equipment was done by the Workshop Superintendent and the Engineering Department. No impairments were reported.

6 LONG-TERM RECEIVABLES

Loans to controlled Municipal Entities	-	-
Car loans	254,598	912,223
Sewerage connection loans	-	-
Electricity appliance purchase scheme	-	-
Housing selling scheme loans	-	-
	<u>254,598</u>	<u>912,223</u>
Less : Current portion transferred to current receivables	61,687	502,881
Car loans	61,687	502,881
Sewerage connection loans	-	-
Electricity appliance purchase scheme	-	-
Housing selling scheme loans	-	-
Total	<u>192,911</u>	<u>409,342</u>

7 INVENTORY

Consumable stores – at cost	1,947,780	1,214,540
Total Inventory	<u>1,947,780</u>	<u>1,214,540</u>

8 CONSUMER DEBTORS

Service debtors	454,112	420,859
Rates	454,112	420,859
Electricity	-	-
Water	-	-
Sewerage	-	-
Trade Debtors (VAT included)	7,644,092	14,299,493
Housing rentals	-	-
Less : Provision for bad debts	(1,473,873)	(12,555,282)
Sub Total	<u>6,624,331</u>	<u>2,165,070</u>

CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
PAWC Health Debt	8,869,604	
Less: Provision for bad debts	(8,869,604)	
Sub Total	-	
Levy Debtors(Vat included)	424,478,934	5,844,957
Less Provision for bad debts	(406,334,809)	(5,844,957)
Sub Total	18,144,125	-
Total	24,768,456	2,165,070

Trade Debtors: Ageing

Current (0 – 30 days)	2,681,099	960,589
31 - 60 Days	2,629	58,844
61 - 90 Days	328,236	808,740
91 - 120 Days	2,355,066	925,284
121 + Days	11,146,666	11,546,036
Total	16,513,696	14,299,493

Levy Debtors: Ageing

Current (0 – 30 days)	424,478,934	-
31 - 60 Days	-	
61 - 90 Days	-	
91 - 120 Days	-	
121+ Days		5,844,957
Total	424,478,934	5,844,957

Summary of Debtors by Customer Classification

30 June 2008

	<u>Consumers</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
	R	R	R
Current (0 – 30 days)	1,895,636	424,478,934	789,399
31 - 60 Days	1,797		1,207
61 - 90 Days	313,117		15,119
91 - 120 Days	2,102,533		252,533
121+ Days	2,651,067		8,945,400
Sub-total	6,964,150	424,478,934	10,003,658
Less: Provision for bad debts	(1,267,475)	(406,334,809)	(9,076,002)
Total debtors by customer classification	5,696,675	18,144,125	927,656

Summary of Debtors by Customer Classification

30 June 2007

	<u>Consumers</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
	R	R	R
Current	-	-	-
Current (0 – 30 days)	167,202	-	793,388
31 - 60 Days	58,844	-	-
61 - 90 Days	774,586	-	34,154
91 - 120 Days	743,689	-	181,595
121 + Days	2,171,444	5,844,957	9,795,451
Sub-total	3,915,765	5,844,957	10,804,588
Less: Provision for bad debts	(1,750,695)	(5,844,957)	(10,804,588)
Total debtors by customer classification	2,165,070	0	0

Council does not have any trade services therefore it is not easy to determine payment trends on debtors. However, over the past three years an average of

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

18.2% of the amount of debtors levied did not made any payment on their accounts. Hence provision for bad debts on Trade Debtors was made at a rate of 18.2%

Despite numerous attempts by Council to recover the outstanding Primary Health shortfalls, PAWC has not made any payments on this outstanding amount which has accumulated over the past 7 years. Therefore the total amount of R8 869 604 has been provided for as a bad debt.

Sommonses were issued to all Levy Debtors, however, provision for bad levy debt was based on matters that were opposed (R307 828 222). According to the attorneys managing the recovery of outstanding RSC levies, more cases might be opposed in future. Thus a further provision of R98 506 587 was made for bad debts relating of RSC Levies.

9 OTHER DEBTORS

	2008 R	2007 R
Other	9,744,110	6,445,458
Insurance claims	5,272	54,372
Government subsidies	-	-
Total Other Debtors	9,749,382	6,499,830

10 CALL INVESTMENT DEPOSITS

ABSA Call Account	11,013,443	15,069,386
ABSA	60,000,000	60,000,000
FNB	70,000,000	30,000,000
INVESTEC	50,000,000	55,000,000
NEDCOR	65,000,000	65,000,000
STANDARD BANK	70,000,000	60,000,000
Total Call Investments Deposits	326,013,443	285,069,386

Average Rate of Return on Investments	10.69%	8.53%
---------------------------------------	--------	-------

Call Investment Deposits of R21 255 016 (2007: R31 446 637) are ring-fenced and attributable to the Capital Replacement Reserve.

11 BANK BALANCES AND CASH

The Municipality has the following bank accounts: -

Current Account (Primary Bank Account)

ABSA Bank Ltd
 Account Number 4053536026

Cash book balance at beginning of year	(3,158,370)	7,077,692
Cash book balance at end of year	1,510,820	(3,158,370)
Primary Bank Account	1,505,730	(3,163,460)
Floats	-	-
Petty Cash	5,090	5,090
Bank statement balance at beginning of year - (overdrawn)	4,688,149	12,254,313
Bank statement balance at end of year - (overdrawn)	5,036,734	4,688,149

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
12 PROPERTY RATES		
<i>Actual</i>		
Residential	-	-
Commercial	824,705	824,301
State	-	-
Total Assessment Rates	824,705	824,301

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2006. Supplementary valuations are processed on an annual basis to take into account changes in individual property values due to alterations.

13 SERVICE CHARGES		
Electric Prepaid Income	-	-
Building Plan Scrutiny Fees	15,403	6,723
Fire Fighting Services	3,958,380	2,356,152
Sewerage and sanitation charges	-	-
Total Service Charges	3,973,783	2,362,875

14 GOVERNMENT GRANTS AND SUBSIDIES		
Equitable share	2,581,821	2,132,000
RSC Replacement Grant	143,203,000	125,302,231
Provincial LED Projects		65,211
Property Management Grant	302,450	
CMIP	343,766	-
Working for water	5,888,799	1,908,459
Public Contributions	7,192,652	261,389
PAWC Housing Subsidy	627,477	7,024,590
Great Wine Capitals	178,000	
Contribution towards meetings	8,000	
Water & Sanitation to Schools	555,057	
Training of Housing Officials	145,556	
Consumer Education	190,615	
Perception Survey	15,350	-
PAWC - Roads Agency Function		58,262,646
PAWC - Health Agency Function		10,323,466
R62 Provincial Funding	81,384	-
Global Funding		736,676
Masibambane Project	796,128	
Public Transport Regulations - Non Motorised Transport	484,547	-
WCPG - Planning Grant		90,000
PIM centre	1,000,000	1,075,563
Finance Management Grant	626,623	741,727
MIG Grant	370,000	1,042,100
WCPG - Wolwekloof		4,961,228
Entrepre. Support (PAWC)		11,554
Slanghoek	520,029	
Sandhills	630,282	-
Government Grant and Subsidies	165,741,535	213,938,840

CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008


	2008 R	2007 R
15 OTHER INCOME		
Sale of housing	-	-
Task Refund (Salaries)	646,359	683,005
Tourism	80,711	62,227
Roads	3,886,265	238,926
Comprehensive Health	5,567	488,533
Environmental Services	52,632	-
Recovery of Tax on Group Life		993,219
Group Life recovered from SARS	975,370	
Seta Refund	256,756	442,318
Recoverables - Personell	345,107	327,273
Fire Fighting Services	10,368	34,998
Admin : Work for Water	296,828	-
Other	567,070	758,636
Recovery of unauthorised, irregular, fruitless and wasteful expenditure (Note 35)	-	-
Total Other Income	7,123,032	4,029,136
16 EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	67,968,556	73,882,639
Employee related costs - Contributions for UIF, pensions and medical aids	14,978,727	15,523,989
Travel, motor car, accommodation, subsistence and other allowances	7,309,240	-
Housing benefits and allowances	2,012,344	-
Overtime Payments	2,259,768	-
Performance bonus	512,371	-
Long-service awards	2,000	-
Less: Employee costs capitalised to Property, Plant and Equipment	-	-
Less: Employee costs included in other expenses	(25,056,439)	(21,634,854)
Total Employee Related Costs	69,986,566	67,771,774
Remuneration of the Municipal Manager(K. Chetty)		
Annual Remuneration	136,785	775,000
Performance Bonuses	-	136,468
Car Allowance	-	80,000
Computer Allowance	3,414	17,500
Study Allowance	4,096	24,000
Medical, pension fund and other allowances	35,890	220,802
Total	180,185	1,253,770
Remuneration of the Municipal Manager(M. Mgajo)		
Annual Remuneration	523,684	
Performance Bonuses	88,758	
Car Allowance	53,905	
Computer Allowance	-	
Study Allowance	-	
Medical, pension fund and other allowances	130,926	
Total	797,273	-

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R	
16 EMPLOYEE RELATED COSTS (continued)			
<i>Remuneration of the Chief Finance Officer</i>			
Annual Remuneration	544,144	432,440	
Performance Bonuses	90,246	88,451	
Car Allowance	18,000	65,628	
Medical, pension fund and other allowances	151,262	192,536	
Total	803,652	779,055	
<i>Remuneration of Individual Executive Directors</i>			
30 June 2008			
	<u>Technical</u> <u>Services</u>	<u>Corporate</u> <u>Services</u>	<u>Community</u> <u>Services</u>
	R	R	R
Annual Remuneration	477,500	468,818	658,162
Performance Bonuses	90,246	90,246	112,808
Car Allowance	48,327	107,500	61,500
Medical, pension fund and other allowances	103,170	117,984	116,742
Total	719,243	784,548	949,212
30 June 2007			
	<u>Technical</u> <u>Services</u>	<u>Corporate</u> <u>Services</u>	<u>Community</u> <u>Services</u>
	R	R	R
Annual Remuneration	421,981	409,732	807,210
Performance Bonuses	88,451	88,451	176,902
Car Allowance	35,000	133,022	150,544
Medical, pension fund and other allowances	226,378	105,402	322,256
Total	771,810	736,607	1,456,912
<i>Executive Director Councillor Support</i>			
	2008	2007	
Annual Remuneration	260,069	457,568	
Performance Bonuses	40,068	74,200	
Car Allowance	35,000	30,267	
Medical, pension fund and other allowances	67,704	124,019	
Total	367,841	686,054	


Performance bonuses accrue to employees biannually, subject to certain conditions. The provision is an estimate of the amount due to staff at the reporting date.

In the previous Financial year provision for performance bonuses was made but, not indicated in the notes.



 M. Majo
 Municipal Manager

25/11/08



 J.G. Marais
 Executive Director Finance

25/11/08

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
17 REMUNERATION OF COUNCILLORS		
Executive Mayor	416,569	413,900
Deputy Executive Mayor	299,142	309,605
Speaker	328,162	324,448
Mayoral Committee Members	1,757,278	1,721,947
Councillors	1,320,049	1,351,336
Travelling Expenses	946,206	1,060,305
Allowances: Other	318,648	303,831
Councillors' pension contribution	492,887	566,886
Total Councillors' Remuneration	<u><u>5,878,941</u></u>	<u><u>6,052,258</u></u>

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

As certified in the declaration by the municipal manager, salaries, allowances and benefits of Councillors as disclosed in this note are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

18 INTEREST ALLOCATED TO INTERNAL FUNDS

18.1 Interest paid to Unspent Grands and Funds	3,158,369	1,983,312
18.2 Interest paid to Future Medical Aid Liability	6,849,819	6,313,000
Total Interest allocated to internal funds	<u><u>10,008,188</u></u>	<u><u>8,296,312</u></u>

19 CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GRAP

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of Grap: -

Due to the implementation of GRAP Council had to make the following adjustments:

Transfer to increase the Capital Replacement Reserve	-	-
	<u><u>-</u></u>	<u><u>-</u></u>

The effect of the change in accounting policy at the beginning of the year on the accumulated surplus/(deficit) is as follows: -

	<u><u>-</u></u>	<u><u>-</u></u>
--	-----------------	-----------------

CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
20 CORRECTION OF ERRORS		
During the year ended 30 June 2008, errors were corrected: -		
The comparative amount has been restated as follows: -		
Transfer to Creditor - Training Housing Department Retention previously settled erroneously	98,379	200,000 (2,812)
RSC Levies paid back		(221,386)
Correction to offsetting of Depreciation - Assets below R10 000		2,818,129
Capitalization of Assets below R10 000 previously expensed		(10,081,833)
Backlock Depreciation on Assets below R10 000 previously not capatilized		8,155,683
Depreciation written back due to the implimentation of Residual Values on vehicles		(9,235,307)
Depreciatin written back on Agency Fucntion Assets	(689,864)	-
Depreciation written back on Assets with zero balances	(3,444,241)	
Depreciation on Community PPE Written back	(4,276,965)	
License Fees Previously allocated to PPE	30,934	-
Rounding error on Conversion of assets Capatilized in previous years	(42)	-
PPE transferred to PAWC funded by the Surplus in prior years.	32,698	
Expenditure Tjeks of proir years written back	15,595	
Operating Expenditure allocated to PPE	67,795	-
Land bought in 2006/2007, registered in 2007/2008	(250,000)	
Unclaimed Retention money Transferred to Surplus	(258,913)	
Net effect on surplus/(deficit) for the year	<u>(8,674,624)</u>	<u>(8,367,527)</u>

21 CASH GENERATED FROM OPERATIONS

Surplus for the year	11,517,271	32,174,280
Adjustment for:-		
Depreciation	8,060,893	11,652,457
Depreciation	-	
Prior year Transactions	1,067,392	(24,199)
Utelization of Government Grants received in prior years		(4,961,228)
Corrections on PPE	6,589	(74,709)
Gain on disposal of property, plant and equipment	-	(95,145)
Contribution to Capital Replacement Reserve	-	-
Contribution to Future Medical Aid Liability		26,292,191
Payment against Medical Aid Liability	-	-
Current Service Cost Medical Aid Liability	3,067,000	2,827,000
Contribution from the Surplus	-	(8,424,177)
Contribution to bad debt provision	5,586,054	-
Investment income	(127,045,327)	(27,171,674)
Internal Interest Paid	10,008,188	8,296,312
	-	-
Operating surplus before working capital changes:	(87,731,940)	40,491,108
(Increase)/Decrease in inventories	(733,240)	(381,705)
(Increase)/decrease in debtors	(22,603,386)	751,217
(Increase)/decrease in other debtors	(3,249,552)	4,271,866
(Decrease)/increase in conditional grants and receipts	2,162,069	620,499
Increase in creditors	6,314,607	8,359,889
Decrease in provisions	-	-
(Increase)/decrease in VAT	40,193,255	(1,494,636)
Cash generated by/(utilised in) operations	<u>(65,648,188)</u>	<u>52,618,238</u>

During the implementation of GAMAP, only 2004 figures were converted to GRAP. No comparison 2003 figures was converted, thus no Cash Flow Statement could be compiled.

22 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
<u>22.1 Contributions to organized local government</u>		
Opening balance	-	-
Council subscriptions	-	-
Amount paid - current year	-	-
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

**22 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE
 MANAGEMENT ACT (continued)**

22.2 Audit fees

Opening balance	-	-
Current year audit fee	922,743	766,212
Amount paid - current year	(922,743)	(766,212)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

The balance unpaid represents the audit fee for an interim audit conducted during May and June 2005 and is payable by 31 July 2005

22.3 VAT

VAT inputs receivables and VAT outputs receivables are shown in note 8. All VAT returns have been submitted by the due date throughout the year.

22.4 PAYE and UIF

Opening balance	-	-
Current year payroll deductions	11,886,529	12,318,278
Amount paid - current year	(11,886,529)	(12,318,278)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

22.5 Pension and Medical Aid Deductions

Opening balance	-	8,806
Current year payroll deductions and Council Contributions	26,223,920	23,856,334
Amount paid - current year	(26,223,920)	(23,865,140)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

22.6 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

A supply Chain Management policy has been developed and has been implemented in January 2006.

2008
R
2007
R

23 RETIREMENT BENEFIT INFORMATION

All Council's employees belong to one of the following funds. These schemes are subject to a tri- annual, bi- annual or annual actuarial valuation as set out. The Council's contributions to these funds are reflected as a charge against income in the financial statements.

23.1 Cape Joint Pensionfund, which is a defined benefit fund and is governed by the Pension finds Act of 1956. 6.81% of Council's employees are members of this fund. The fund is also a multi employer plan and the contribution rate payable is 27 %, p% by the members and 18 % by Council. No actuarial valuation is available yet. The actuarial valuation of the Cape Joint Pension Fund disclosed a market value of assets of R2 897million on 30 June 2007. The funding level of the fund was 107.2% on 30 June 2007. The 2007/2008 Financial Statements are not available yet.

According to current information available the Fund is still fully funded. If it should happen that the Fund becomes under funded, Coucil will have an obligation to cover the shortfall in terms of the rules of this fund. The possible obligation could not be determined as at 30 June 2008.

23.2 Cape Joint Retirement Fund is defined contribution fund and is governed by the Pensions Funds Act of 1956. 86.88 of Council's employees are members of this fund. The contribution rate paid by the members (9%) and Council (18%) is sufficient to fund the benefits accruing from the fund in future. According to the actuarial valuation the value of total net assets of the Cape Joint Retirement Fund is R 7 224 million on 30 June 2006. The funding level of the Pensions Account was 137.4%. Financial Statements for the 2007/2008 financial year are not available yet.

23.3 SAMWU National Provident Fund, which is a privately-administered fund. The fund is subject to actuarial valuation. According to the actuarial valuation the value of total assets of the SAMWU National provident Fund was R 2 007 million on 30 June 2006. 6.49 % of Council's employees are members of this fund.The funding level of the fund was 110.3% on 30 June 2006. Financial Statements for the 2007/2008 financial year are not available yet.

23.4 13 Councillors of the Cape Winelands District Municipality are members of the Municipal Councillors Pension Fund, which operates as a defined contribution scheme. The fund was established in 1988 and an actuarial valuation is carried out every 3 years. The fund was sound at its previous valuation in 2005 and was valued at R 691 million. The 2007/2008 Financial Statements and Actuarial Valuation will be available in December 2008.

24 CONTINGENT LIABILITY

Cape Joint Pension Fund - There might be a possibility that this fund is not 100% funded. The amount cannot be disclosed because it cannot be calculated from the information that is currentley available from the fund. See also note 23.1

Guarantees to Building Societies and Banks in respect of housing loans to employees	184,080	142,880
Obligation to implement TASK	-	-
	<u>184,080</u>	<u>142,880</u>

This liability is going to be fased out.

The obligation to implement task was fased out, because personell are being remunerated according to the posts they were plased in although the Task Job Evaluation proprocess has not been completed yet.

25 REGIONAL SERVICE LEVIES

With regard to item 14 of the accounting policy the following needs to be noted: Provisional RSC Levies are raised where levy payers do not submit declarations of their actual liabilities. The provisional RSC Levies are calculated based on actual historical declarations or information submitted with initial registration as a levy payer. As these provisional levies cannot be determined accurately and the eventual recovery thereof is uncertain, it was not recognised in the Statement of Financial Performance for the year under review.

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2008
R

2007
R

26 DEVIATIONS

No deviations were reported during the financial year under review.

27 PRIMARY HEALTH CARE

The Primary Health Care function is in the process of being transferred to the Provincial Government of the Western Cape. The decrease in the salary cost is caused by this process. This transfer process will be completed during the 2006/2007 financial year.

28 FUTURE COMMITMENTS

Please refer to APPENDIX G

29 GENERAL EXPENSES

Administration Costs	97,819.97	556,928.12
Advertisements	681,961.17	494,225.90
Assets Below R10 000		0.00
Audit Committee	32,833.00	31,904.00
Audit Fees	922,742.87	766,212.10
Audit Support Service	279,631.65	277,432.27
Audit Training Support :Mun.		0.00
Banking Costs	82,605.95	132,059.06
Bargaining Council Levy	19,712.93	20,815.06
Books and Publications	4,456.17	9,313.82
Cash Handling	35,505.10	57,563.00
Cellphone Charges	774,222.42	706,151.17
Chemicals & Disinfectants	1,765.89	
Chemicals Foam	139,212.00	119,750.00
Cleaning Services and Cleans.	248,221.33	221,001.45
Commission On Income	274,224.08	0.00
Communication	693,229.70	819,676.42
Community Development - Worker	47,762.75	216,000.00
Community Support Programme	565,962.10	
Congress Expenses	222,328.13	253,715.42
Consultancy Fees Planning	2,112,193.50	1,415,261.45
Consumable Equipment	1,092.42	801.87
Consumable Materials	253,302.30	247,956.34
Contingencies	203,458.86	180,597.09
Contribution:Academy Of Learning	171,526.16	
Co-operational Agreements	459,868.56	431,827.99
Council Special Projects		120,000.00
Data Processing Equipment		139,334.59
Deed Enquiries	4,816.32	4,340.10
Delivery of Agendas	23,547.56	34,355.24
Dev Gender Equality Plan	205,883.45	
Develop Sectoral Plans	41,086.52	
Development Of Pms	155,502.42	
Disciplinary Hearings	20,062.00	
Disposal of Sewerage	41,146.56	49,393.32
District Learning Network	4,558.64	8,056.40
Electricity	810,491.49	908,821.15
Emergency Aid	130,213.98	45,624.10
Employee Wellness	11,638.80	98,686.49
Entertainment	121,912.38	110,630.73
Environmental Sector	3,763.20	
Equipment General items	584,932.48	11431,876.11

CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
Events	768,863.78	444,278.23
Exhibitions	783,434.83	771,842.81
Families And Children	143,600.00	
Fire Extinguishers: Mainten.	25,133.76	21,718.66
Fire Fighting Special Events	3,339,570.11	944,381.20
Fire Prevention	64,590.35	
Flowers, Wreaths, Gifts	1,926.04	2,307.62
Fuel - Diesel	3,857,682.01	3,307,890.06
Fuel - Petrol	1,696,502.69	1,797,866.19
Gardening Purchases		168.52
Group Life		993,218.57
Guidance	39,410.80	0.00
Herbicides	25,956.00	
Information Notices		0.00
Insurance	1,492,849.42	1,528,770.28
Interest Allocated to Creditors	-	2,340,458.39
Interest Allocated(Future Medical Aid Liability)	-	6,313,000.00
Internet Costs	22,793.43	14,041.58
Journalists		28,541.92
Laundry Service		2,827.21
Learnership Training	371,276.83	145,752.65
Legal Fees - Other	42,797.94	14,774.50
Licence Fees - Other	357,412.88	317,402.02
Licence Fees - Radio's	40,323.00	40,878.80
Licence Fees - Vehicles	36,777.60	21,919.50
Local Tourism Board Liaison	27,792.94	
Magazines	850.00	907.02
Marketing Collateral	524,406.62	307,037.80
Material: Reseal Projects	2,389,166.58	
Medical Consumable Items	18,460.96	17,291.55
Medical Services	3,835.95	
Medies PDP	635,335.00	5,820.02
Member Fees		305,795.63
Milkpowder	18,700.56	
Miscellaneous Equipment	12,925.50	4,799.35
Miscellaneous Expenses	261,179.33	192,749.57
Municipal Police	398,000.00	361,382.00
Ngo - Services	500,000.00	
Oil and Lubrications	180,454.15	197,034.26
Operators Costs		49,834.80
Other		
Parts and Accessories	1,419,303.75	1,618,891.25
Payment In Advance	172,022.00	
Photo Copy Machine Expenses		260.51
Planning	20,376.67	
Planning, Co-Ordinating And Re	29,497.50	
Planning: Disaster Management	303,590.00	
Postage and Minor Expense.	35,794.25	110,128.89
Printing and Stationery	1,202,516.15	1,190,914.76
Professional Fees (Coat of Arms		11,657.00
Program Changes (Mainframe	26,715.17	46,811.58
Projects	47,417,717.47	41,276,120.38
Property Rates: Exemption	10,037.36	38.68
Property Rates: Rebate	1,977.57	4,354.37
Property Tax	641,288.89	656,515.24
Protective Clothing	8,964.24	
Public Functions	182,441.77	111,436.67
Public Participation	278,557.75	115,200,585.61

CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
Publicity Expenditure	1,515.78	
Quality Assurance	13,400.00	
Radio		
Refreshments and Tee	172,030.90	186,230.02
Refuse Removal Domestic	44,909.08	40,790.45
Relet Station (Radio's/Telem.	29,074.00	28,248.00
Relocation Costs	273,619.08	156,456.29
Rental - Construction Machinery		902,409.98
Rental Buildings	127,532.18	49,149.00
Rental General	56,790.09	54,583.71
Rental Machinery	337,718.23	161,913.25
Rental - Offices	12,666.02	
RSC 5	7,200,000.00	1,000.00
Sanitary Services	72,693.61	83,182.20
Security Services / Monitoring	351,790.01	322,100.69
Selection Cost: Personnel	39,145.31	9,334.56
Seta Levies	699,373.00	705,577.92
Service Cost Medical Aid Liability	-	
Site Maintenance	51,172.55	
Software Licence Fees	12,655.00	8,491.50
Software Purchases	344,173.02	340,596.77
Speaker Forum	3,177.01	
Study and Examination fees	228,375.92	265,319.88
Study Bursary Fund	880,710.00	274,060.00
Subscriptions / Regulations	46,143.56	104,963.13
Substance Abuse	343,487.74	
Support Various Cultures	17,100.00	
Sustainable Livelyhood	71,000.00	
Task Pos Evaluation	245,298.73	253,008.67
Telephones & Telexes	2,426,258.71	2,344,357.69
Tolhek Geld	8,602.29	
Tourism	255,249.13	106,574.84
Tourism Advisory Committee		18,117.00
TOURISM TRAVEL AND SUBSISTANCE ALLOWAN		1,381,573.61
Trade Union Exp: IMATU	33,686.25	33,017.61
Trade Union Exp: SAMWU	41,557.93	45,412.13
Trade Union Representation	3,691.05	5,337.03
Training	488,678.91	
Training: External	276,670.00	
Training of Personnel	868,069.05	723,369.63
Training Other	1,111,863.15	479,490.44
Transfer Fees: Property	10,590.68	6,083.01
Translation	258,193.51	208,850.32
Transport Internal	2,532,722.76	3,818,543.19
Transport Management	9,473.68	
Travel And Subsistence Allowance	1,961,571.54	
Uniforms	986,357.79	650,700.24
Valuation Fees	94,179.28	
Vehicle Repairs (External)	1,550,569.18	1,492,564.41
Video/Dvd	65,000.00	
Voluntary Fire Service	708,571.10	146,688.52
Vuna Awards	67,277.77	
Water Supply	376,404.78	230,801.53
Water/Food Sample/Testing	533,650.20	382,570.86
Womensday Celebrations	46,221.41	
Workshop Costs(Internal)	3,445,142.67	14,423,103.89

CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
Workshops	15,675.34	
Workshops/Meetings	239,879.98	89,664.73
Workshops/Training	117,498.60	2,368.26
Year End Function	34,717.07	
Youth Council	510.72	
Youth Empowerment	157,171.60	
Less: Int. Alloc.(Future Medical Aid Liability)		-6,313,000.00
Less: Int. Allocated to Creditors		-2,340,458.39
Less Expenditure by Debited elsewhere	-27,309,853.57	-24,953,665.59
TOTAL	83,409,407.79	61,562,197

30 RELATED PARTIES

Council entered into business agreements with the following related parties:

Kleinplasia Restaurant	67,200	52,704
Odette Rogers	-	31,020
	<u>67,200</u>	<u>83,724</u>

31 RISK MANAGEMENT

31.1 CREDIT RISK

Credit Risk primarily relates to cash investments. Council deposits cash surpluses with financial institutions of high quality and standing. A cash management and investment policy has been approved.

In terms of the MFMA Act 56 of 2003 the granting of credit (Loans) are prohibited.

31.2 RELIANCE ON NATIONAL GOVERNMENT FOR FUNDS (INCOME)

With the phasing u to the Regional Services Levies on 30 June 2006 the Cape Winelands will be dependant of the National and Provincial Governments for its income +/-80%. This created a lot of uncertainties regarding the future of District Municipalities.

31.3 INTEREST RISK (EXTERNAL BORROWING)

The Council has no outstanding loans as at 30 June 2008. The increases in interest rates will therefore have no effect on the liquidity of Council.

31.4 FOREIGN EXCHANGE RISK

Foreign currency risk is deemed to be minimal as very few international transactions are conducted.

31.5 POLITICAL RISK

The political landscape of the Western Cape has been quite stable and there is respect for the rule of law.

31.6 DISCLOSURE ON COLLATERAL

Refer to note 24.

32 INVESTMENT PLAN

Particulars of the investments as prescribed by section 17(1)(f) of the Local Government: Municipal Finance Management Act(Act 56 of 2003)

Invested as at 30 June 2008 at the following A1 Banks as prescribed by Council's Investment Policy:

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
ABSA Call Account	11,013,443	15,069,386
ABSA	60,000,000	60,000,000
FNB	70,000,000	30,000,000
INVESTEC	50,000,000	55,000,000
NEDCOR	65,000,000	65,000,000
STANDARD BANK	70,000,000	60,000,000
	<u>326,013,443</u>	<u>285,069,386</u>
Bank / Cash - ABSA	1,510,820	-3,158,370
TOTAL : CASH AND INVESTMENTS	<u><u>327,524,263</u></u>	<u><u>281,911,016</u></u>

Commitments linked to investments as at 30 June 2008

Future Medical Aid contributions	89,872,108	80,586,110
Capital Replacement Reserve	21,255,016	31,446,637
Future Depreciation	27,429,697	32,764,882
Government Grant Reserve	5,616,239	5,460,112
Future Commitments	-	25,805,728
Unspent Grants	15,092,628	12,930,559
Staff Leave	7,420,531	4,616,146
Retention	2,126,728	1,976,861
Other Creditors	10,680,652	11,655,129
Provision for Bad Debt	1,473,873	18,400,239
Working Capital	146,556,792	56,268,613
	<u>327,524,263</u>	<u>281,911,016</u>

33 ACCUMULATED SURPLUS

Opening Balance	198,199,161	175,276,960
Correction of errors (Note 20)	8,674,624	8,367,526
Implementation of GRAP (Note 19)	-	-
Restated balance	<u>206,873,785</u>	<u>183,644,487</u>
Additions	20,047,728	42,940,078
Contributions made	(376,713)	(13,385,404)
Closing Balance	<u><u>226,544,801</u></u>	<u><u>213,199,161</u></u>

34 DEPRECIATION

Opening Balance	(32,764,882)	(23,571,728)
Additions	(9,430,775)	(11,652,457)
Write offs	9,094,201	1,219,777
Corrections	686,797	1,092,416
Disposals	4,984,963	147,110
	<u>(27,429,696)</u>	<u>(32,764,882)</u>

35 FAIR VALUE

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2008
R

2007
R

Financial instruments which includes short-term trade receivables and payables are stated at cost excluding debt premiums and discounts which is also equal to their fair value. Therefore every material line item in the financial instruments carrying value approximates the fair value.

36 PLAN ASSETS

Although there are no specific investments linked to the Future Medical Aid Liability Fund, it was cash backed.

Council's surplus funds are not managed by external asset management service providers.

37 Pensionfund Liability

2007

2006

The Cape Joint Pension Fund indicated that their Actuarial Valuation will only be available at December 2008. Hence the information provided below is that of the 2006/2007 financial year as disclosed in its previous financial statements.

37.1 Net Assets available for benefits 3,849,846,661 3,460,729,000

37.2 The actuarial value of the net assets available for benefits, for the purposes of comparison with the actuarial present value of promised retirement benefits:

Defined Benefit Section 3,445,814,764 3,090,489,000
 Defined Contribution Section 404,031,898 370,240,000

37.3 The actuarial present value of promised retirement benefits:

DB Section (based on a salary increase of 6% effective 1 July 2006)

- Active and deferred members' liabilities 843,301,000 771,492,000
 - Pensioners 1,853,551,000 1,800,610

DC Section:

- Active members' shares 383,812,000 350,895,000

37.4 Reserve account balances:

DC Section Investment Reserve 20,220,000 19,345,000

37.5

Details of the valuation method adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary of report:

The future service contribution rate has been calculated according to the Attained Age method. This method gives a uniform rate of contribution required to fund future benefits over the remaining working lifetime of the membership.

Liabilities for DB active service members and pensioners are taken as the actuarial present values of all future benefit payments using the long term valuation assumptions. For DB active service members, salaries are projected to retirement, and past service liabilities are calculated based on members' pensionable service completed at the valuation date including bonus service. Minimum benefits are allowed for based on the long term valuation assumptions.

Member's Shares and contributions in the DC Section were accumulated with declared interest of 19.3% p.a. over the year ending 30 June 2007.

The value of the asset for DB liabilities has been determined by discounting the expected future investment proceeds generated by a notional portfolio of assets at the valuation rate of interest. The notional portfolio of assets used reflects the long-term benchmark outlined in the investment strategy adopted by the Trustees. The notional portfolio is based on the overall investment strategy benchmark for both pensioners and active members.

37.6 Details of the actuarial basis adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary report. (There were no changes since the previous summary.)

CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
	30 June 2007		
Interest rate	8% p.a.		
Pension Increase	2% p.a.		
Interest rate net of pension increases	6% p.a.		
Price Inflation	4% p.a.		
Dividend Growth	4.5% p.a.		
Mortality of pensioners	PA(90) - 2 years		
Mortality of ill-health pensioners	PA(90) + 8 years		
Husband's age greater than wife	4 years		
Proportion Married:			
- actives at retirement	90%		
- male pensioners	80%		
- females with Pension Age 65	100%		

37.7 Any other particulars deemed necessary by the valuator for the purposes of this summary.

Financial condition

Defined Benefit Section

Actuarial value of assets		2,897,061,000	2,865,117,000
Past service liabilities		2,696,852,000	2,572,102,000
- Active service members		835,952,000	766,114,000
- Paid-up members		7,349,000	5,378,000
- Pensioner liability		1,853,551,000	1,800,610,000
Surplus / (deficit)		200,209,000	293,015,000

Funding level (DB Section)

107.20%

111.40%

Defined Contribution Section

**Recommended
19.30%**

**Declared
20% p.a.**

Market value of assets		404,032,000	370,240,000
Members' Shares		383,812,000	350,895,000
Investment Reserve		20,220,000	19,345,000
Funding level (DC Section)		105.3%	105.50%

Future service contribution rate

% of salaries

Defined Benefit Section

Future service benefits			
- Retirement benefits		26.33%	25.55%
- Death and withdrawal benefits		3.07%	3.17%
Expense allowance		1.50%	1.40%
Total Contribution		30.90%	30.12%
Less: Member contributions		-9.00%	-9.00%
Recommended Local Authority contribution rate		21.90%	21.12%
Current Local Authority contribution rate		18.00%	18.00%
Over / -under provision		-3.90%	-3.12%

37.8

A statement as to whether the fund was in a sound financial condition for the purposes of the Pension Funds Act, 1956.

The fund declared a final bonus rate of 19.3% p.a. for the DC Section. Pension increases of 2.4% on 1 January 2007 and 3.4% on 1 March 2007 were declared, and a 60% bonus was granted. Inflationary catch-up increases were granted on 1 January 2007.

The Fund is in a sound financial condition as at 30 June 2007

If the recommended contribution rate under the Attained Age method is adopted for the DB Section, the Fund, in the normal course of events, will be funded on sound actuarial principles.

2008
R

2007
R

No actuarial valuation could be obtained to make the proper disclosures for the 2006/2007 financial year, see note 23.1.

38 COUNCIL'S RIGHT TO AMEND THE ANNUAL FINANCIAL STATEMENTS

In terms of IAS 10.17 Council has the right and power to amend the annual financial statements after issue.

39 EVENTS AFTER THE REPORTING DATE

Council issued summonses to all Levy Debtors. 38 of these debtors opposed their summonses. If Council decide to take these cases to Court, the cost might amount to R300 000 per case.

CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

5. SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

30 June 2008 Reconciliation of Carrying Value	Land and Buildings		Infra-structure		Community		Heritage		Other		Work in Progress		Leased Infrastructure		Total	
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Carrying values at 1 July 2007	91,990,215	-	-	-	23,093,035	8,467,000	29,997,083	-	-	-	-	-	-	-	-	153,547,333
Cost	93,313,056	-	-	-	28,286,977	3,944,419	46,638,164	-	-	-	-	-	-	-	-	172,182,616
Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation written back	(1,190,768)	-	-	-	(2,391,396)	-	10,061,698	-	-	-	-	-	-	-	-	6,479,534
Revaluation	3,495,209	-	0	-	-	4,522,581	0	-	-	-	0	-	-	-	-	8,017,790
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(367,725)
Accumulated depreciation	(3,627,282)	-	-	-	(2,802,546)	-	-	-	-	-	-	-	-	-	-	(32,764,882)
- Cost	(3,627,282)	-	-	-	(2,802,546)	-	(26,335,054)	-	-	-	-	-	-	-	-	(32,764,882)
- Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment of Opening Balances	-91,990,215.40	2,260,254.96	2,260,254.96	-	-2,157,718.00	(5,418,425)	97,272,466	33,618	-	-	33,618	-	-	-	-	0
Cost	(91,990,215)	2,767,727	(507,472)	-	3,158,645	(5,418,425)	95,086,266	23,285	-	-	23,285	-	-	-	-	-
Depreciation	-	-	-	-	(5,316,363)	-	2,186,219	10,334	-	-	10,334	-	-	-	-	-
Acquisitions	-	-	372,500	-	1,409,032	-	8,992,593	-	-	-	-	-	-	-	-	10,774,125
Capital under Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increases/decreases in revaluation	-	-	-	-	-	-	266,150	-	-	-	-	-	-	-	-	266,150
Depreciation written back	-	-	-	-	4,276,965	-	4,817,236	-	-	-	-	-	-	-	-	9,094,201
Depreciation	-	-	(103,566)	-	(320,889)	-	(9,006,321)	-	-	-	-	-	-	-	-	(9,430,776)
- based on cost	-	-	(103,566)	-	(320,889)	-	(9,006,321)	-	-	-	-	-	-	-	-	(9,430,776)
- based on revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	(270,339)	-	(412,092)	-	-	-	-	-	-	-	-	(682,430)
Cost/revaluation	-	-	-	-	(275,692)	-	5,391,700	-	-	-	-	-	-	-	-	5,116,008
Accumulated depreciation	-	-	-	-	5,353	-	4,979,608	-	-	-	-	-	-	-	-	4,984,962
Impairment losses	-	-	-	-	-	-	686,796	-	-	-	-	-	-	-	-	686,796
Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Carrying values at 30 June 2008	(0)	2,529,189	2,529,189	26,030,085	3,048,575	132,613,933	33,618	164,255,400	164,255,400	164,255,400	164,255,400	164,255,400	164,255,400	164,255,400	164,255,400	164,255,400
Cost	(0)	2,529,189	2,529,189	26,030,086	3,048,575	132,613,933	33,618	164,255,400	164,255,400	164,255,400	164,255,400	164,255,400	164,255,400	164,255,400	164,255,400	164,255,400
Depreciation written back	93,313,056	(1,190,768)	372,500	29,696,009	3,944,419	55,630,757	14,878,934	182,956,741	182,956,741	182,956,741	182,956,741	182,956,741	182,956,741	182,956,741	182,956,741	182,956,741
Adjustment Opening Balances	(91,990,215)	2,260,255	2,260,255	(2,157,718)	(5,418,425)	97,272,486	33,618	9,411,201	9,411,201	9,411,201	9,411,201	9,411,201	9,411,201	9,411,201	9,411,201	9,411,201
Corrections	-	-	-	(2,391,396)	-	686,796	-	-	-	-	-	-	-	-	-	-
Revaluation	3,495,209	-	-	(2,391,396)	-	266,150	-	-	-	-	-	-	-	-	-	8,283,940
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,050,155)
Accumulated depreciation	(3,627,282)	-	-	(270,339)	4,522,581	(779,816)	-	-	-	-	-	-	-	-	-	(33,641,728)
- Cost	(3,627,282)	-	-	(270,339)	4,522,581	(779,816)	-	-	-	-	-	-	-	-	-	(33,641,728)
- Revaluation	-	-	-	5,430,495	-	(35,341,375)	-	-	-	-	-	-	-	-	-	-
- Revaluation	-	-	-	5,430,495	-	(35,341,375)	-	-	-	-	-	-	-	-	-	-

5. PROPERTY, PLANT AND EQUIPMENT (continued)

30 June 2007 Reconciliation of Carrying Value	Land and Buildings		Infra-structure		Community		Heritage		Other		Housing Develop. Fund		Leased Infrastructure		Total	
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Carrying values at 1 July 2006	93,313,056	-	-	18,014,358	8,467,000	17,769,257	-	-	-	-	-	-	-	-	137,563,671	
Cost	36,059,202	-	-	7,691,869	3,944,419	40,076,210	-	-	-	-	-	-	-	-	87,771,700	
Correct Error (note 32)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation written back	23,238,712	-	-	356,804	-	-	-	-	-	-	-	-	-	-	23,595,516	
Revaluation	80,882,976	-	-	12,569,234	4,522,581	-	-	-	-	-	-	-	-	-	97,974,791	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(40,898)	
Accumulated depreciation	(46,867,834)	-	-	(2,603,549)	-	(22,266,055)	-	-	-	(40,898)	-	-	-	-	(71,737,438)	
- Cost	(46,867,834)	-	-	(2,603,549)	-	(22,266,055)	-	-	-	(22,266,055)	-	-	-	-	(71,737,438)	
- Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Acquisitions	-	-	-	7,992,267	-	7,577,531	-	-	-	-	-	-	-	-	15,569,798	
Capital under construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increases/decreases in revaluation	3,495,209	-	-	-	-	-	-	-	-	-	-	-	-	-	3,495,209	
Depreciation written back	-	-	-	1,219,777	-	-	-	-	-	-	-	-	-	-	1,219,777	
Depreciation	(3,640,074)	-	-	(1,776,497)	-	(6,235,887)	-	-	-	(6,235,887)	-	-	-	-	(11,652,458)	
- based on cost	(3,640,074)	-	-	(1,776,497)	-	(6,235,887)	-	-	-	(6,235,887)	-	-	-	-	(11,652,458)	
- based on revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Carrying value of disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cost/revaluation	-	-	-	-	-	(220,615)	-	-	-	(367,725)	-	-	-	-	(220,615)	
Accumulated depreciation	-	-	-	-	-	147,110	-	-	-	147,110	-	-	-	-	(367,725)	
Impairment Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Corrections	(1,177,976)	-	-	(2,356,870)	-	11,106,797	-	-	-	11,106,797	-	-	-	-	7,571,951	
Carrying values at 30 June 2007	91,990,215	-	-	23,093,035	8,467,000	29,997,083	-	-	-	29,997,083	-	-	-	-	153,547,333	
Cost	91,990,215	-	-	23,093,035	8,467,000	29,997,083	-	-	-	29,997,083	-	-	-	-	153,547,333	
Depreciation written back	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Corrections	(1,190,768)	-	-	28,286,977	3,944,419	46,638,164	-	-	-	46,638,164	-	-	-	-	172,182,616	
Revaluation	3,495,209	-	-	(2,391,396)	-	10,061,698	-	-	-	10,061,698	-	-	-	-	6,479,534	
Disposals	-	-	-	-	-	(367,725)	-	-	-	(367,725)	-	-	-	-	8,017,790	
Accumulated depreciation	(3,627,282)	-	-	(2,802,546)	-	(26,335,054)	-	-	-	(26,335,054)	-	-	-	-	(32,764,882)	
- Cost	(3,627,282)	-	-	(2,802,546)	-	(26,335,054)	-	-	-	(26,335,054)	-	-	-	-	(32,764,882)	
- Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Land and buildings are carried at cost in accordance with GRAP on property, plant and equipment. The general valuation of land and buildings will be effected by B-Municipalities in terms of the Local Government: Municipal Property Rates Act (Act 6 of 2004).

A revaluation of Land and Buildings was done June 2006.

Assets to be sold in 2008/2009 Financial Year R 291 366.68

CAPE WINELANDS DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008

APPENDIX B

	Cost				Accumulated Depreciation				Carrying Value	
	Balance	Opening Adjustments		Closing Balance	Disposals	Revaluation	New Balance			Closing Balance
		R	R				R	R		
Other Assets										
Access Control			6,300						6,300	
Agent Services		1,933,950	2,084,421	(22,492)			(9,585)	9,092	2,093,513	
Ambulances		1,788,380	1,202,703	(685,677)			(20,365)	(1,171,833)	30,770	
Audio Equipment		688,229	688,229	(69,991)			(651,891)	(537,806)	95,084	
Bulk containers			35,500				(11,831)	(1,770)	33,730	
Canopy		11,831	20,283				(10,857)	(15,210)	16,904	
Compressors		10,857	24,890					(10,857)	24,890	
Conservancy tanks										
Drill-concrete			313						313	
Electrical Equipment		387,631	303,554	(93,424)			(246,440)	(188,704)	104,849	
Emergency lights		7,456	14,394				(7,456)	(8,052)	13,799	
Equipment/apparatus			7,892					(787)	7,105	
Fencing		71,029	779,567				(9,705)	(22,002)	828,584	
Fire engines	11,219,900	312,146	2,100,611	(64,590)			(998,698)	(1,690,421)	11,877,586	
Fire Equipment		698,871	831,390				(301,569)	(388,506)	1,131,755	
Fire Hoses		36,600	36,600				(6,804)	(19,104)	17,696	
Furniture & Fittings	527,619	4,411,127	4,938,746	(1,051,621)			(4,995,541)	(3,617,130)	631,954	
Generator		806,910	1,231,847	(199)			(182,437)	(326,273)	905,574	
Housing Schemes		19,903,486	19,903,486				(887,289)	(1,688,937)	18,318,410	
Labouratories		274,468	274,468				(238,648)	(239,991)	34,477	
Lawnmowers		2,787	2,787	(2,787)			(2,787)	(0)	-	
Office Building		30,824,925	240,650				522,962	(572,083)	30,483,491	
Office Equipment	18,758,428	(8,769,677)	9,988,751	(640,415)			(7,805,751)	(6,545,850)	2,855,484	
Other land		30,396,295	253,230	(264,308)					30,385,217	
Other Plant	1,900,318	300,928	2,201,246	(234,949)			(1,075,375)	(1,713,134)	302,536	
Pumps		34,488	709				(10,148)	(15,528)	19,669	
Refuse tankers										
Special Plant	692,467	(692,467)								
Special Vehicles										
Tools			26,621						26,621	
Trailers		1,675,570	42,320				(655,847)	(3,687)	24,934	
Trucks/Bakkies		6,947,336	336,236	(658,844)			(5,511,482)	(803,942)	913,947	
Valuation Roll	539,029	539,029						(5,587,749)	1,089,978	
Vehicles	22,694,475	12,027,146	1,059,388	(1,684,443)			(8,191,735)	(539,029)	11,856,014	
Watercraft										
Workshop/Depots		13,690,240	13,690,240				2,314,212	1,846,537	15,536,777	
Correction Depreciation *				266,150				2,727,424	2,993,573	
Work in Progress										
Office Building			8,992,593				(2,186,219)	4,817,238	132,613,932	
Office Machines										
Pumps		(21,200)	(21,200)				10,334	10,334	10,334	
Vehicles		67,795	67,795						(21,200)	
		(23,310)	(23,310)						67,795	
		23,285	23,285				10,334		(23,310)	
Total	186,312,214	0	186,312,214	266,150	191,685,096	266,150	(0)	9,094,201	(27,429,697)	164,255,399

* Detail of this correction can be tied back to the asset register.

APPENDIX C
CAPE WINELANDS DISTRICT MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
30 June 2008

	Cost						Accumulated Depreciation						Carrying Value	
	Opening Balance	Additions	Revaluation	Corrections	Depr. Write Back	Disposals	Closing Balance	Opening Balance	Additions	Depr. Write Back	Corrections	Disposals		Closing Balance
	R	R	R	R	R	R	R	R	R	R	R	R		R
Executive & Council	1,071,000	54,743	-	-	-	(157,827)	967,916	(1,036,915)	(81,072)	-	-	157,827	(960,160)	7,766
Finance & Admin	155,243,100	5,012,744	-	-	-	(3,598,246)	156,657,598	(24,607,108)	(2,002,820)	1,361,135	-	2,989,789	(22,259,004)	134,398,594
Planning & Development	73,606	71,404	-	-	-	(17,833)	127,177	(71,140)	(134,590)	-	-	17,833	(187,897)	(60,720)
Health	2,890,360	13,213	-	-	-	(1,728,248)	1,175,325	29,916	(223,686)	-	-	1,691,171	1,497,401	2,672,726
Community & Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	66,678	1,367,772	-	-	-	(45,118)	1,389,332	(66,375)	(26,497)	-	-	19,519	(73,353)	1,315,979
Public Safety	25,852,089	3,879,018	-	-	-	(60,171)	29,670,936	(6,638,628)	(1,880,787)	-	-	64,550	(8,454,865)	21,216,071
Sport & Recreation	-	116,176	-	-	-	-	116,176	-	(2,057)	-	-	-	(2,057)	114,119
Environmental Protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road Transport	1,097,568	259,055	-	-	-	(59,949)	1,296,674	(356,818)	(85,485)	11,860	686,797	44,274	300,628	1,597,302
Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	17,815	-	-	-	-	-	17,815	(17,814)	-	-	-	-	(17,814)	1
TOTAL	166,312,215	10,774,125	-	-	-	(5,667,392)	191,418,948	(32,764,882)	(4,436,994)	1,372,995	686,797	4,984,963	(30,157,121)	161,261,826

APPENDIX D

**CAPE WINELANDS DISTRICT MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30 June 2008**

2007 Actual Income	2007 Actual Expenditure	2007 Surplus/ (Deficit)		2008 Actual Income	2008 Actual Expenditure	2008 Surplus/ (Deficit)
R	R	R		R	R	R
36,527,004	(56,681,186)	(20,154,182)	Executive & Council	42,314,586	(34,704,696)	7,609,890
177,016,515	(47,515,271)	129,501,244	Finance & Admin	528,671,991	(437,720,486)	90,951,504
1,646,797	(7,978,063)	(6,331,267)	Planning & Development	19,544	(8,174,897)	(8,155,353)
11,044,773	(14,283,944)	(3,239,170)	Health	2,010,523	(4,597,536)	(2,587,013)
		-	Community & Social Services	-	(531,848)	(531,848)
9,667,273	(22,641,807)	(12,974,534)	Housing	10,847,722	(26,590,282)	(15,742,560)
2,207,920	(24,158,589)	(21,950,669)	Public Safety	4,012,248	(28,672,458)	(24,660,210)
		-	Sport & Recreation			-
	(21,641,699)	(21,641,699)	Environmental Protection	6,299,838	(29,665,604)	(23,365,767)
	-	-	Waste Management			-
59,689,475	(65,007,016)	(5,317,541)	Road Transport	65,323,461	(66,597,406)	(1,273,945)
		-	Water			-
		-	Electricity			-
643,700	(6,361,603)	(5,717,903)	Other	80,711	(5,814,357)	(5,733,646)
		-				-
298,443,457	(266,269,178)	32,174,280	Sub Total	659,580,623	(643,069,570)	16,511,053
(14,963,575)	14,963,575	-	Less Inter-Dep Charges	(14,975,700)	14,975,700	-
283,479,882	(251,305,603)	32,174,280	Total	644,604,923	(628,093,870)	16,511,053
		-	Add: Share of Associate			-
		32,174,280				16,511,053

CAPE WINELANDS DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2008

	2008 Actual (R)	2008 Budget (R)	2008 Variance (R)	2008 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Property rates	824,705	874,200	(49,495)	-5.66%	
Property rates - penalties imposed and collection charges	57,631	39,000	18,631	47.77%	It was anticipated that the outstanding Property rates will be much lower.
Service charges	3,973,783	145,500	3,828,283	2631.12%	Due to the use of helicopters fire fighting costs are extremely high. It is difficult to anticipate whether the use of helicopters will be necessary for fire fighting purposes.
Regional Services Levies - remuneration	21,150,119	-	21,150,119	0.00%	
Regional Services Levies - turnover	270,797,616	1,200,000	269,597,616	22466.47%	SARS provided Council with the outstanding RSC Levie figures at year end. It was therefore impossible to make sufficient provision during the adjustment budget process for this income.
Rental of facilities and equipment	73,982	119,700	(45,718)	-38.19%	Property were sold during the financial year.
Interest earned - external investments	38,128,613	25,075,000	13,053,613	52.06%	The increase in investments and interest rates caused the actual interest to be more than the budgeted amount.
Interest earned - outstanding debtors	88,916,714	3,700	88,913,014	2403054.43%	SARS provided Council with the outstanding RSC Levie figures at year end. It was therefore impossible to make sufficient provision during the adjustment budget process for this income.
Dividends received				0.00%	
Fines				0.00%	
Licences and permits				0.00%	
Income for agency services	61,342,967	84,084,900	(22,741,933)	-27.05%	The Provincial Roads Department decreased their original budget during the financial year.
Government grants and subsidies	165,741,535	172,644,000	(6,902,465)	-4.00%	
Other income	7,123,032	3,678,307	3,444,725	93.65%	Council budget conservatively for Other Income, therefore there were more money recovered than the budgeted figure.
Contributions from Surplus				0.00%	
Public contributions, donated/contributed PPE				0.00%	
Gains on disposal of property, plant and equipment	1,330,705	-	1,330,705	0.00%	
Total Revenue	659,461,402	287,864,307	371,597,094	129.09%	
EXPENDITURE					
Employee related costs	69,886,566	67,688,200	2,288,366	3.38%	
Remuneration of Councillors	5,878,941	5,933,000	(54,059)	-0.91%	Provision had to be made for opposed RSC Levie assessments. Pending Court cases.
Bad debts	398,743,629	365,000	398,378,629	109144.83%	
Collection costs				0.00%	
Depreciation	8,060,893	5,364,810	2,696,083	50.25%	The effect of Depreciation of limes under R10 000 could not be calculated at the time the budget was compiled
Repairs and maintenance	63,151,528	67,519,690	(4,368,162)	-6.47%	
Internal interest paid	3,158,369		3,158,369	0.00%	
Medical Aid Liability - Interest Paid	6,849,819	4,000,000	2,849,819	71.25%	An Actuarial valuation is done each year therefore expenditure on this item cannot be accurately anticipated
Medical Aid Liability - Current Service Cost	3,067,000	2,000,000	1,067,000	53.35%	An Actuarial valuation is done each year therefore expenditure on this item cannot be accurately anticipated
Medical Aid Liability - Transitional Liability Recognised	1,857,253	-	1,857,253	0.00%	
Bulk purchases				0.00%	
Contracted services				0.00%	
Grants and subsidies paid				0.00%	
General expenses - other	83,409,408	134,931,207	(51,521,799)	-38.18%	Due to staff shortages, weather and certain partnerships that did not materialise (Disastermanagement Centre)
Contributions to Ex-Gratia Pensionfund	3,728,801		3,728,801	0.00%	
Loss on disposal of property, plant and equipment	51,924	52,400	(476)	-0.91%	
Total Expenditure	647,944,131	287,864,307	360,079,824	125.09%	
NET SURPLUS/(DEFICIT) FOR THE YEAR	11,517,271	-	11,517,270	0.00%	

CAPE WINELANDS DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2007

	2007 Actual (R)	2007 Budget (R)	2007 Variance (R)	2007 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget (Explanations to be recorded)
REVENUE					
Property rates	824,301	824,300	1	0.00%	
Service charges	51,247	37,170	14,077	37.87%	
Regional Services Levies - remuneration	2,362,876	135,980	2,226,896	1637.66%	
Regional Services Levies - turnover	4,986,304	4,509,294	477,010	10.58%	
Rental of facilities and equipment	20,689,659	19,135,109	1,554,550	8.12%	
Interest earned - external investments	68,807	83,000	(14,193)	-17.10%	
Interest earned - outstanding debtors	26,597,817	12,600,000	13,997,817	111.09%	
Dividends received	573,856	281,844	292,012	103.61%	
Fines	-	-	-	0.00%	
Licences and permits	-	-	-	0.00%	
Income for agency services	58,262,646	76,085,998	(17,823,352)	-23.43%	
Government grants and subsidies	155,676,194	167,297,967	(11,621,773)	-6.95%	
Other income	4,029,136	1,840,644	2,188,492	118.90%	
Contributions from Surplus	8,424,177	22,591,490	(14,167,313)	-62.71%	
Public contributions, donated/contributed PPE	-	-	-	0.00%	
Gains on disposal of property, plant and equipment	95,145	-	95,145	0.00%	
Total Revenue	282,642,765	305,422,796	(22,780,032)	-7.46%	
EXPENDITURE					
Employee related costs	67,771,774	75,006,467	(7,234,693)	-9.65%	
Remuneration of Councillors	6,052,258	5,871,180	181,078	3.08%	
Bad debts	2,435,359	332,400	2,102,959	632.66%	
Collection costs	564,806	578,000	(13,194)	-2.28%	
Depreciation	11,652,457	5,305,046	6,347,411	119.65%	
Repairs and maintenance	63,013,531	74,765,029	(11,751,498)	-15.72%	
Interest paid	1,983,312	-	1,983,312	0.00%	
Medical Aid Liability - Interest Paid	6,313,000	-	6,313,000	0.00%	
Medical Aid Liability - Current Service Cost	2,827,000	427,000	2,400,000	17.79%	
Medical Aid Liability - Transitional Liability Recognised	26,292,191	27,000,000	(707,809)	-2.62%	
Bulk purchases	-	-	-	0.00%	
Contracted services	-	-	-	0.00%	
Grants and subsidies paid	-	-	-	0.00%	
General expenses - other	61,562,197	96,631,505	(35,069,308)	-36.29%	
Contributions to Capital Replacement Reserve	-	-	-	0.00%	
Loss on disposal of property, plant and equipment	-	(0)	0	-100.00%	
Total Expenditure	250,467,885	287,889,627	(37,421,742)	-13.00%	
NET SURPLUS(DEFICIT) FOR THE YEAR	32,174,280	17,533,169	14,641,110	83.51%	

CAPE WINELANDS DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2008

	2008 Actual		2008 Under Construction		2008 Total Additions		2008 Budget	2008 Variance	2008 Variance greater than 5% versus Budget	2008 Explanation of Significant Variances
	R		R		R		R	R	%	(Explanations to be recorded)
Land and Buildings										
Land	253,230				253,230		146,139	107,091	73.28%	
Car Parks	-				-		-	-	0.00%	
Fencing	779,567				779,567		893,700	(114,133)	-12.77%	
Office Buildings	240,650				240,650		525,000	(284,350)	-54.16%	
Security System	6,300				6,300		-	6,300	0.00%	
Laboratories	-				-		-	-	0.00%	
Workshop/ Depots	-				-		-	-	0.00%	
	1,279,747				1,279,747		1,564,839	(285,092)	-18.22%	
Infrastructure										
Water Schemes	-				-		-	-	0.00%	
Sewerage Mains & Purif	-				-		-	-	0.00%	
Beach Improvements	-				-		-	-	0.00%	
Sewerage Mains & Purif	-				-		20,000	(20,000)	-100.00%	
Power Stations	-				-		-	-	0.00%	
Electricity Mains	-				-		-	-	0.00%	
Electricity Peak Load Equip	-				-		-	-	0.00%	
Water Mains & Purification	372,500				372,500		650,000	(277,500)	-42.69%	
Reservoirs – Water	-				-		-	-	0.00%	
Water Meters	-				-		-	-	0.00%	
Water Mains	-				-		-	-	0.00%	
	372,500				372,500		670,000	(297,500)	-44.40%	
Community Assets										
Buildings	549,840				549,840		1,244,500	(694,661)	-55.82%	
Care Centres	-				-		-	-	0.00%	
Community Centre	-				-		-	-	0.00%	
Clinics/ Hospitals	-				-		-	-	0.00%	
Hostel Workers	-				-		-	-	0.00%	
Informal Housing	859,192				859,192		1,150,000	(290,808)	-25.29%	
Outdoor Sports	-				-		-	-	0.00%	
Parks	-				-		-	-	0.00%	
Public Convenience	-				-		-	-	0.00%	
Housing Schemes	103,861				103,861		103,861	-	0.00%	
	1,512,893				1,512,893		2,498,361	-	0.00%	
Heritage Assets										
Historical Buildings	-				-		-	-	0.00%	
Painting & Art Galleries	-				-		-	-	0.00%	
	-				-		-	-	0.00%	
Total carried forward	3,165,139				3,165,139		4,733,200	(582,592)		

CAPE WINELANDS DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2008
APPENDIX E(2)

	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008
	Actual	Under Construction	Total Additions	Budget	Variance	Variance	Variance	Explanation of Significant Variances (greater than 5% versus Budget)				
	R	R	R	R	R	R	R	%				
Total brought forward	3,165,139	-	3,165,139	4,733,200	(582,592)							
Housing Rental Stock												
Housing Rental 1	-	-	-	-	-	-	-	0.00%				
	-	-	-	-	-	-	-	0.00%				
Leased Assets (Infrastructure)												
Sewerage Mains & Purify	-	-	-	-	-	-	-	0.00%				
	-	-	-	-	-	-	-	0.00%				
Other Assets												
Agent Services	172,963	-	172,963		172,963			0.00%				
Access Control	-	-	-	6,300	(6,300)			-100.00%				
Air Conditioner	30,244	-	30,244	39,998	(9,754)			-24.39%				
Audio Equipment	34,663	-	34,663	4,710	29,953			635.96%				
Bulk Containers	35,500	-	35,500	60,000	(24,500)			-40.83%				
Cabinets/ Cupboards	36,565	-	36,565	-	36,565			0.00%				
Canopy	20,283	-	20,283	20,282	1			0.00%				
Chairs	89,786	-	89,786	11,358	78,428			690.51%				
Computer Hardware	1,800,193	-	1,800,193	2,555,635	(755,442)			-29.56%				
Drill- Concrete	313	-	313		313			0.00%				
Equipment/ Apparatus	7,892	-	7,892		7,892			0.00%				
Electrical Equipment	9,347	-	9,347	9,343	4			0.04%				
Laboratory Equipment	5,054	-	5,054		5,054			0.00%				
Radio Equipment	8,744	-	8,744		-			0.00%				
Telecommunication	20,704	-	20,704		20,704			0.00%				
Fire Equipment	831,390	-	831,390	1,213,440	(382,050)			-31.48%				
Generator	425,136	-	425,136	810,716	(385,580)			-47.56%				
General Plant	82,667	-	82,667	276,680	(194,013)			-70.12%				
Fire Hoses	-	-	-		-			0.00%				
Emergency Light	14,394	-	14,394	14,393	1			0.01%				
Miscellaneous Furniture	168,919	-	168,919	193,479	(24,560)			-12.69%				
Office Machines	222,560	-	222,560	56,553	166,007			293.54%				
Pumps	(67,086)	-	(67,086)	7,807	(74,893)			-959.31%				
Tables/ Desks	66,689	-	66,689	51,710	14,979			28.97%				
Tools	28,621	-	28,621	26,300	2,321			8.83%				
Trailers	42,320	-	42,320	42,320	-			0.00%				
Valuation Roll	-	-	-		-			0.00%				
Veehicles	1,059,388	-	1,059,388	1,114,606	(55,218)			-4.95%				
Ambulances	-	-	-		-			0.00%				
Compressors	24,890	-	24,890	24,890	-			0.00%				
Fire Engines	2,100,611	-	2,100,611	2,204,378	(103,767)			-4.71%				
Lawnmovers	336,236	-	336,236	386,000	(49,764)			-12.89%				
Trucks/ Bakkies	7,608,986	-	7,608,986	9,139,641	(1,530,655)			-16.75%				
Total	10,774,125	-	10,774,125	13,872,842	(2,113,248)			-15.23%				

APPENDIX F

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grants and Subsidies Received

DESCRIPTION	FUNDS UNSPENT 01/07/2007	INCOME			EXPENDITURE 2007/2008	UNSPENT 31/06/2008 (B+E+F)
		RECEIVED 2007/2008	INTEREST	TOTAL INCOME		
CONSUMER HOUSING	-	-200,000.00	-10,878.03	-210,878.03	190,614.63	-20,263.40
PROVISION OF WATER TO SCHOOLS	-	-572,600.00	-660.10	-573,260.10	555,056.60	-18,203.50
PLANNING	-	-500,000.00	-53,596.44	-553,596.44		-553,596.44
NON MOTORISED TRANSPORT	-	-1,175,000.00	-78,998.94	-1,253,998.94	484,546.97	-769,451.97
ROAD SIGNAGE: TOURISME	-21,706.00	-	-2,326.73	-2,326.73	-	-24,032.73
T.C.T.A CONTRIBUTION: FRANSCHOEK	-83,494.28	-5,524,118.69	-41,528.39	-5,565,647.08	4,464,961.17	-1,184,180.19
MASIBAMBANE: MEETINGS/ WORKSHOPS	-300,163.50	-	-19,328.61	-19,328.61	194,055.17	-125,436.94
MASIBAMBANE: BASE LINE INFO	-976,770.00	-	-60,147.03	-60,147.03	468,027.64	-568,889.39
BASE LINE INFO VERIFICATION	-130,236.00	118,325.25	-7,653.21	110,672.04	-	-19,563.96
PERCEPTION SURVEY	-2,605,748.63	-	-278,499.48	-278,499.48	15,350.00	-2,868,898.11
COMMUNITY DEVELOPMENT WORKERS	-364,804.81	-	-39,104.48	-39,104.48	-	-403,909.29
TRAINING OF HOUSING OFFICIALS	-160,551.80	-	-9,451.35	-9,451.35	145,556.13	-24,447.02
TOURISM DEVELOPMENT FRAMEWORK	-94,028.99	-	-10,079.24	-10,079.24	-	-104,108.23
MULTI PURPOSE CENTRE	-501,487.96	-	-53,755.94	-53,755.94	-	-555,243.90
PEDESTN/ CYCLE PATH MR 191/ 201	-72,738.24	-	-7,797.02	-7,797.02	-	-80,535.26
UPGRADE REST AREAS & BAINS/ KL	-82,066.89	-	-8,796.99	-8,796.99	-	-90,863.88
IMPROVE SIDEWALKS IMP PEDESTN	-37,425.58	-	-4,011.76	-4,011.76	-	-41,437.34
SIDEWALK SLANGHOEK	-1,437,642.33	-	-126,385.63	-126,385.63	520,028.77	-1,043,999.19
PUBLIC TRANSPORT: INFRASTRUCTURE PAWC	-130,537.07	-	-13,992.64	-13,992.64	-	-144,529.71
TOURISM TRAININ G- PAWC	-515,196.50	-	-55,225.39	-55,225.39	-	-570,421.89
PUBLIC WORKS: MEERLUST HOUSING	-65,801.54	-	-7,053.46	-7,053.46	-	-72,855.00
WOLWEKLOOF: CONTRIBUTION PAWC	-1,042,299.45	-	-69,871.50	-69,871.50	431,384.20	-680,786.75
PAWC: ECON. DEV. - MADIBA HOUSE	-206,720.88	-	-22,159.01	-22,159.01	-	-228,879.89
PAWC: ECON DEV UNIT	-392,842.04	-	-42,109.87	-42,109.87	-	-434,951.91
FINANCE MANAGEMENT GRANT	-2,915,624.61	-500,000.00	-309,750.34	-809,750.34	626,623.19	-3,098,751.76
SPATIAL DEVELOPMENT PLAN	-781,728.90	-	-83,795.77	-83,795.77	-	-865,524.67
BREERIVIER STRUKTUURPLAN	-310,980.69	-	-33,334.91	-33,334.91	-	-344,315.60
MANAGEMENT SUPPORT PROGRAMME	-41,711.10	-	-4,471.13	-4,471.13	-	-46,182.23
LED- PROGRAM: RURAL TOURISM	-2,040.85	-	-218.76	-218.76	-	-2,259.61
PIM CENTRE	-69,886.50	-1,000,000.00	-36,221.63	-1,036,221.63	1,000,000.00	-106,108.13
DWAF CONTRIBUTION: FRANSCHOEK	-48,296.43	-939,241.44	-	-939,241.44	987,537.87	-
	-13,392,531.57	-10,292,634.88	-1,491,203.78	-11,783,838.66	10,083,742.34	-15,092,627.89

APPENDIX G

FINANCIAL COMMITMENTS

Non-Capital Projects approved and contracted for

Project name	Contractor/Service Provider	Classification
Security and Access Control Services, Paarl Offices	Uketsha Security Services CC	Institutional
Security and Access Control Services, Stellenbosch Offices	Comwezi Security Services (Pty) Ltd	Institutional
Security and Access Control Services, Worcester Offices	Sondella Security Services	Institutional
Cleaning Services, Worcester Offices	Smith Cleaning Services	Institutional
Cleaning Services, Paarl Offices	Siyakhusela Cleaning Solutions	Institutional
Healthcare Services, Stellenbosch Offices	Total Hygiene	Institutional
Pest Control Services, Stellenbosch Offices	Rentokil Initial (Pty) Ltd	Institutional
Pest Control , Stellenbosch Offices	Pestnet CC	Institutional
Maintenance Agreement: Collaborator Electronic Document Management System	Business Engineering (Pty) Ltd	Institutional
Maintenance Agreement: Franking Machine, Worcester Offices	Pitney Bowes (SA) (Pty) Ltd	Institutional
Maintenance Agreement: Franking Machine, Stellenbosch Offices	TMS Hasler (Pty) Ltd	Institutional
Maintenance Agreements: Office Machines	Minolco (Pty) Ltd	Institutional
Maintenance Agreements: Office Machines	Sharp	Institutional
Maintenance Agreements: Office Machines	Copytype	Institutional
Cellphone Contracts	Vodacom	Institutional
Internet Services	Internet Solutions	Institutional
Satellite TV Services	Multichoice	Institutional
Tracking Devices for Council Vehicles	Afsol Automated Fleet Solutions (Pty) Ltd	Institutional
LANQUEDOC STORMWATER - CWDM 08/06	Requard Construction	Infrastructure
UPGRADING OF INTERSECTION OF MR 168 & MR 177 - CWDM 13/06	RJ Mullins Civils	Infrastructure
UPGRADING OF MINOR ROAD 4234, RAITHBY - CWDM 09/06 B	Martin & East	Infrastructure
ACCESS IMPROVEMENT BONNE ESPERANCE, SIBALWA & RABIE SCHOOLS - MAIN ROAD 303 - DE DOORNS	Worcester WS Civil Construction	Infrastructure
HERMON HOUSING PROJECT	Khula Construction	Infrastructure
UPGRADING OF DR 1152 & DR 1429 ROOSHOK & BO - HERMON	Imvusa Trading279 CC	Infrastructure
SHELTERS & EMBAYMENTS IN DMA AREA & VARIOUS SCHOOLS	AMK Construction	Infrastructure
NIEUWEDRIFT PRIMARY SCHOOL SIDEWALK	CA Holdings	Infrastructure
UPGRADING OF MINOR ROAD 5692, KLIPDRIFT	Baseline Civil Contractors	Infrastructure
GENERATOR INSTALLATION - WORCESTER OFFICE	Greenbro CC	Infrastructure
PEDESTRIAN & CYCLE PATH BETWEEN NEWTON & WELLINGTON	Harold Davies and Engineering Services	Infrastructure
ELEVATOR INSTALLATION - STELLENBOSCH	Vision Elevators	Infrastructure
NETWORK CABLING UPGRADE	Sita (Pty) Ltd	Infrastructure

CHAPTER 5

FUNCTIONAL SERVICE DELIVERY

Local government, as the implementing agent of government is accountable to the people of South Africa for credible service delivery. The implementation of a Performance Management System in a municipality is thus a management tool in order to measure accountability and the effectiveness of service delivery within local communities. In developing a Performance Management System, a municipality must ensure that the system meets the legislative requirements that informs and guides the accountability of municipalities, i.e.:

- White paper on Transforming Public Service Delivery (Batho Pele) (1998)
- Municipal Systems Act (2000)
- Municipal Planning & Performance Management Regulations (2001)
- Municipal Finance Management Act (2003)
- Municipal Performance Management Regulations (2006)
- Regulations on the performance of Municipal Managers and Section 57 Managers

In terms of the Municipal Systems Act, municipalities are required to prepare an Annual Performance Report that forms part of the Annual Report as stipulated in the Municipal Finance Management Act.

The Cape Winelands District Municipality has therefore prepared a performance management report that summarises:

- The Organisational Key Performance Indicators tracked against targets and actual achievement over the financial year in question.
- The overall achievement with regard to projects implemented within the Cape Winelands District.
- Based on the functions and responsibilities of the CWDM, its contribution to the 5 Key Performance Areas of National Government.

Purpose of a Performance Management System

The Department of Provincial and Local Government defines a Performance Management System as:

“ a strategic approach to management which equips leaders, managers, employees and stakeholders at different levels, with a set of tools and techniques to regularly plan, continuously monitor and periodically measure and review performance of the organisation (municipality) in terms of indicators and targets for efficiency, effectiveness and impact.”

A Performance Management System is also intended to assist the Council to improve service delivery by channelling its resources to meet performance targets and in doing so, ensure that the municipality achieves its strategic objectives as contained in its Integrated Development Plan and Budget.

A Performance Management System should therefore fulfil the following objectives:

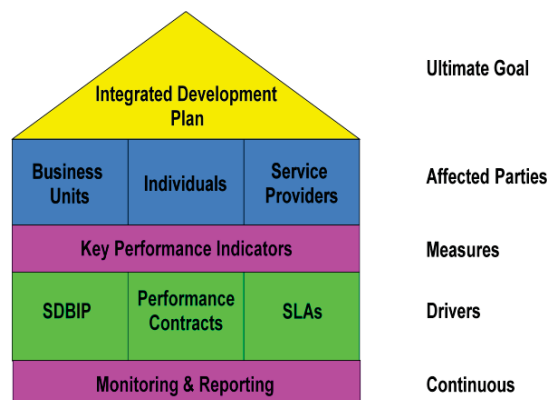
- Facilitate increased accountability
- Facilitate learning and improvement
- Provide early warning signs
- Facilitate decision making

Cape Winelands District Municipality’s Approach to Performance Management

The Cape Winelands District Municipal adopted a Performance Management System Framework Policy in 2004 that outlined the principles which informed its design. These principles are:

- compliance with legislative requirements
- demonstration of how it is to operate and be managed from the planning stage up to the stages of performance review and reporting
- clarification of the roles and responsibilities of all role players in the functioning of the system
- steps of implementation and linkages within the framework of the Integrated Development Plan and Budgetary processes
- frequency of reporting and the lines of accountability
- relation to the municipality’s employee performance management processes

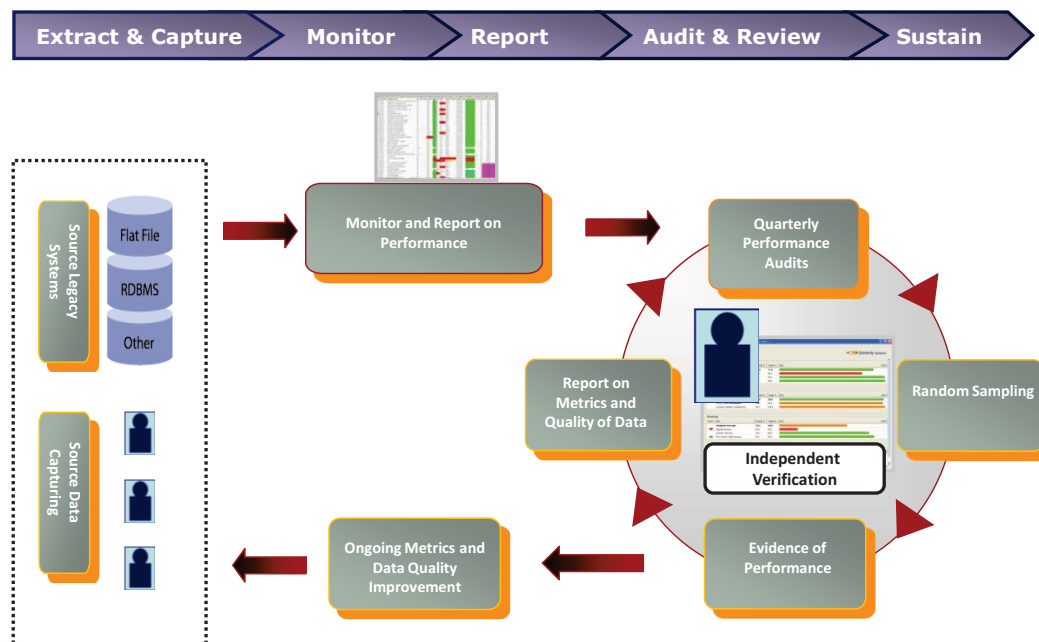
The figure below highlights the relationship between the various entities of monitoring performance to achieve the objectives of the Integrated Development Plan.



Validation and Verification of Performance Reporting

The Cape Winelands District Municipality has introduced a system of verifying reports and portfolios of evidence that are submitted by managers that are used to report on the performance of the municipality with regard to its key performance indicators and project progress. Quarterly performance audits are conducted on organizational key performance indicators and projects. These performance audits are conducted by internal audit and an external service provider (KPMG) to ensure the credibility and independence of the performance management system.

The diagram below summarises the processes involved.



All auditing complies with Section 14 of the Municipal Planning and Performance Management Regulations (2001). Auditing of performance reports are conducted by internal audit structure and the external service provider (KPMG) prior to submission to the municipality's external audit committee and auditor-general.

The municipality's audit function continuously audits the performance reports received for organisational key performance indicators and project progress. As required by the regulations, internal audit produces an audit report on a quarterly basis, which is submitted to the Municipal Manager and Audit Committee.

Auditing is necessary to prevent:

- Inconsistencies in performance management definition or methodology of data collection
- Incorrect processing and poor documentation of performance management
- Biased information collection and reporting by those whose image is at stake in the performance management process

The Regulations specify that any auditing must include assessment of:

- The functionality of the municipality's performance management system
- The compliance of the system with the legislation
- The extent to which performance measurements are reliable in measuring performance of the municipality

Organisational Key Performance Indicators

The Organisational Key Performance Indicators provide an overall picture of performance for the municipality as a whole, reflecting on performance against the strategic priorities set within the Integrated Development Plan and Budget.

2007/08 Organisation Key Performance Indicators			
Key Performance Indicator	Definition	Target	Actual Achievement
Construction / Upgrading of sidewalks/streets	Kilometers of pedestrian and cycle paths constructed	3.0 Km	9.0 Km
Electricity provision in DMA	Number households/schools that have been supplied with electricity on premises	70 households	72 households
Preventative maintenance - Bitumen roads	90% of preventative maintenance on 1218 Km bitumen roads	1096 Km	1096 Km
Preventative maintenance - Gravel roads	90% of preventative maintenance on 3500 Km gravel roads	3150 Km	3150 Km
Regravelling of roads	Kilometers of roads graveled	6 Km	9.5 Km

Resealing of roads	Kilometers of roads resealed	25 km road resealed	Reseal preparation completed on 23.7 km of roads. Reseal completed = 19 Km.
Upgrading of streets and storm water (housing)	Kilometers of streets and stormwater upgraded in housing projects.	2.5 Km	6.4 Km
Rural housing units(new/upgraded)	Number of housing units completed and handed over to residents in rural area	80 houses	18 houses
Special adhoc projects (Road Maintenance)	Number of individuals employed in special adhoc job creation projects (Road maintenance)	40 Individuals	80 individuals
Provision of water and sanitation to rural schools	Number of rural schools provided with water and sanitation	3 schools	6 schools
Upgrading of lower order gravel roads	Kilometers of lower order gravel roads upgraded	3.3 Km	3.5 Km
Integrated Development Planning meetings	Number of IDP forum/sector/programme/ department meetings	20	32
Integrated Development Planning stakeholders (organisations)	Number of stakeholders (organisations) who attended IDP forum/sector/programme/ department meetings	40	250
Local Labour Forum meetings	Number of Local Labour Forum meetings convened	12	6
Employees attending formal courses/training programmes	Percentage of employees who attended formal courses/training programmes	30%	32%
Formal training courses	Number of formal training courses	20	35
Personnel attendance rate	Attendance rate of CWDM personnel.	80%	85%
Disaster Management Training	Number of training courses completed	5	5
CW Biosphere Reserve	Launch of CW Biosphere Reserve	31 December 2007	Partially achievement. Launch dependant on letter from the MEC of Department Environmental

			Affairs and Tourism
Compilation of SDP for Biosphere Reserve	Workshops/ with relevant stakeholders	3	5
Compilation of Regional SDF	Workshops/ with relevant stakeholders	1	0
Fire protection in rural areas	Establishment of FPA's	1 meeting	2 meeting
Scholar Road Safety	Reflective bands issued to scholars	15000	15000
Non-motorised transport facilities	New infrastructure created : embayments	3	3
Non-motorised transport facilities	Upgraded infrastructure at rural school : entrance and sidewalk	3 schools	3
School Road Safety	Distribution of educational material (i.e. pamphlets)	2 distribution drives	2 distribution drives
Community Policing Forums	Item submitted to Council for approval	30 November 2007	Date : 22 November 2007
Disaster Management Planning	# Workshop/s with B Municipalities	7	7
Disaster Management Framework	Appointment of consultant	31 December 2007	date
Mountain/Veld fires	Response time to mountain/veld fires	35 minutes for 70% of calls	91% of calls
Mountain/Veld fires	Dispatchment of resources	Two fire fighting vehicles with a combined manpower of a minimum of 4 fire fighters for 70% of calls	84% of calls
Strategic Environmental Assessment	Terms of reference completed	31 August 2007	19 October 2007
Capital projects	Percentage of Executive Directorates capital budget actually spent on capital projects identified for a particular financial year	80%	78%
Cash Investments and Monthly Income (CIMI) to Monthly Current Expenditure (MCE) ratio	Sufficient monthly cash flow to cover current monthly expenses	1	14.8

Cash Investments and Monthly Income (CIMI) to Monthly Fixed Operating Expenditure (MFOE) ratio	Sufficient monthly cash flow to cover monthly operating expenses	1	40.7
Cash Investments and Monthly Income (CIMI) to Monthly Wage Bill (MWB) ratio	Sufficient monthly cash flow to cover monthly wage bill	1	53.9
Contracts (Non-Tenders) awarded - BEEs	Number of contracts awarded to BEEs	90	204
Contracts (Non-Tenders) awarded - Non SMMEs and BEEs	Number of contracts awarded to non SMMEs and BEEs	900	2330
Contracts (Non-Tenders) awarded - Previously Disadvantaged Individuals (PDIs)	Number of contracts awarded to Previously Disadvantaged Individuals (PDIs)	90	204
Contracts (Non-Tenders) awarded - SMMEs	Number of contracts awarded to SMMEs	280	601
Contract (Non-Tenders) Value - BEEs	Value of contracts awarded to BEEs	4 000 000	R 7 152 694
Contract (Non-Tenders) Value - Previously Disadvantaged Individuals (PDIs)	Value of contracts awarded Previously Disadvantaged Individuals (PDIs)	4 000 000	R 7 152 694
Contract (Non-Tenders) Value - SMMEs	Value of contracts awarded to SMMEs	6 500 000	R 11 843 121
Contract Value (Non-Tenders) - Non SMMEs and BEEs	Value of contracts awarded to non SMMEs and BEEs	15 000 000	R 31 164 430
Tenders awarded - BEEs	Number of tenders awarded to BEEs	15	34
Tenders awarded - Non SMMEs and BEEs	Number of tenders awarded to non SMMEs and BEEs	30	61
Tenders awarded - Previously Disadvantaged Individuals (PDIs)	Number of tenders awarded to Previously Disadvantaged Individuals (PDIs)	15	34
Tenders awarded - SMMEs	Number of tenders awarded to SMMEs	15	31
Tender Value - BEEs	Rand value of tenders awarded to BEEs	R25 000 000	R 32 103 328
Tender Value - Non SMMEs and BEEs	Rand value of tenders awarded to non SMMEs and BEEs	R 60 000 000	R 45 994 464
Tender Value - Previously Disadvantaged Individuals (PDIs)	Rand value of tenders awarded to Previously Disadvantaged Individuals (PDIs)	R35 000 000	R 32 103 328

Tender Value - SMMEs	Rand value of tenders awarded to SMMEs	R35 000 000	R 18 563 605
Creditor payment days	Average number of days to pay a creditor after receipt of required statements	30 days	30 days
Current ratio	Liquidity - Ensure that current assets exceed current liabilities	1	4.0
DMA rates collection	Percentage of DMA rates collected	80%	80%
Gearing ratio	Sufficient funds and reserves to cover long term debt	60%	N/A
Interest coverage ratio	Sufficient income to service interest payments	1	16.2
Operating cost for general government (excluding governance and political support)	Operating cost for general government as a percentage of total municipal operating costs (based on general government support)	18%	19.6%
Operating cost for general government (including governance and political support)	Operating cost for general government as a percentage of total municipal operating costs (based on governance, political and general support)	20%	24.0%
Outstanding accounts - Invoices not paid within 30 days of statement	Percentage of accounts that have not been paid at the end of each month	1%	0.1%
Outstanding accounts - Rand value	Rand value of accounts that have not been paid at the end of each month	R 150 000	R 150 000
Personnel costs	Percentage personnel cost a total of the budget	28%	25.0%
Stores turnover	Inventory turnover per month	1,06% per month	1.06%
Tariff increase %	Percentage rate increases within a given year	± 6%	5.0%

Total municipal operating costs	Total operating costs equal the relevant object categories of expenditure less revenues from other municipalities. The object categories of expenditure used in the calculation are salaries, wages and employee expenses benefits; materials; contracted services and rents and financial.	R287 000 000	R 244 206 720
Workplace skills plan	Percentage of municipality salary budget actually spent on implementing its workplace skills plan	2%	1.3%

Project Implementation

The overall achievement, with regard to the 105 projects implemented within the Cape Winelands District, reflected as the weighted percentage of:

- Quantities delivered
- Budget spent
- Employment created
- Individuals trained
- Activities accomplished

represents an overall achievement of 75% for the municipality as a whole.

The table below provides a breakdown of this achievement for the following Executive Directorates.

Directorate	Overall Project Achievement
Community and Development	80%
Corporate and Strategic	66%
Engineering and Infrastructure	78%
Public Safety & Planning	67%
Cape Winelands District	75%

The table below reflects the grading these 105 projects with 68 projects (65%) achieving a performance level of 75% and greater.

Directorate	No. of Projects	0 – 74 %	75 – 89 %	90 – 100 %
Community and Development	47	14	9	24
Corporate and Strategic	17	9	3	5
Engineering and Infrastructure	21	7	2	12
Public Safety & Planning	20	7	3	10
Cape Winelands District	105	37	17	51

The Annexure A lists each of these projects with the comments for the achieving of targets as expressed in the business plans provided.

The Annexure B lists each of these projects with the target and actual information.

Key Performance Areas of National Government

The Cape Winelands District Municipality has taken cognizance with regard to Five Year Local Government Strategic Agenda in reviewing its Integrated Development Plan.

The Cape Winelands District Municipality contribution to the 5 Key Performance Areas for Local Government, i.e:

- Municipal Transformation & Organisational Development
- Infrastructure development and Service Delivery
- Local Economic Development
- Municipal Financial Viability & Management
- Good Governance & Public Participation

can be summarised in the following tables below.

NB! It should be noted that this is restricted to the powers and functions of the Cape Winelands District Municipality performs.

KPA 1 - Service Delivery & Infrastructure Development			
ROADS		Unit	
Kilometres of road responsible for	km		4716
Kilometres of roads maintained and rehabilitated	km		4716
Total amount of Operating Budget allocated to road maintenance	Rand		80934450
Total amount of Operating Budget spent on road maintenance	Rand		74743519

KPA 2 - LOCAL ECONOMIC DEVELOPMENT

ECONOMIC GROWTH

	Unit	
Total rand value of contracts awarded awarded	Rand	114142553.00
Total rand value of contracts awarded to SMMEs	Rand	30406728.00
Total rand value of contracts awarded to BEE suppliers	Rand	27084592.00
Total rand value of contracts awarded to women	Rand	4491383.00
Total rand value of contracts awarded to people with disabilities	Rand	100660.00

JOB CREATION

Number of jobs (jobs are defined as employment for an individual earning minimum wage or above, for at least three months) created by municipal LED activities ?	Number	677
Number of these jobs that have benefitted women?	Number	172
Number of these jobs that have benefitted youth?	Number	228
Number of these jobs that have benefitted those with disabilities?	Number	14

KPA 3 - MUNICIPAL FINANCIAL VIABILITY

FINANCIAL VIABILITY

	Unit	
Cash collected from customers	Rand	5904401.00
Billings to customers	Rand	10155482.00
Total operating transfers (Grant + Subsidy income)	Rand	227084502.00
Total operating expenditure	Rand	642950349.00
Capital budget spent in year	Rand	10774125.00
Council approved capital budget in year	Rand	13647817.00
Invoices Outstanding	Rand	2094727.00
Invoices Charged	Rand	114142553.00
Total outstanding customer debt as at 30 June 2008	Rand	441466742.00
Billed revenue	Rand	392917582.00
Current assets as at 30 June 2008	Rand	366352897.00
Current liabilities as at 30 June 2008	Rand	91818676.00
Total revenue	Rand	659461401.00
Revenue from grants	Rand	165741535.00
Debt service payments	Rand	0.00
Salaries budget (including benefits)	Rand	73631200.00
Total operating budget	Rand	287864307.00
Municipal Systems Improvement Grant (MSIG) allocation	Rand	1000000.00
Amount of this allocation utilised	Rand	1000000.00

Municipal Infrastructure Grant allocation	Rand	343766.00
Amount of this allocation utilised	Rand	343766.00

KPA 4 - MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT		
ORGANISATIONAL DESIGN AND CAPACITY		Unit
Number of posts in the organogram as at 30 June 2008.	Number	801
Number of posts in the organogram that were filled as at 30 June 2008	Number	529
Total number of staff employed in the municipality as at 30 June 2008.	Number	543
Total number of Section 57 staff employed as at 30 June 2008.	Number	6
Number of posts vacant for more than three months during the financial year ending at 30 June 2008	Number	252
Number of Section 57 posts vacant for more than three months during the financial year ending at 30 June 2008	Number	1
EMPLOYMENT EQUITY		Unit
Number of Section 57 staff that were classified as Black(inclusive of African, Asian and Coloured) as at 30 June 2008.	Number	4
Number of Section 57 staff that were women as at 30 June 2008.	Number	2
Number of staff (out of the total number of staff) in the municipality that were women as at 30 June 2008.	Number	165
Number of staff (out of the total number of staff) in the municipality that were classified as disabled as at 30 June 2008.	Number	4
SKILLS DEVELOPMENT		Unit
Amount which the municipality paid in skills levy	Rand	689133.00
Amount of skills levy received in rebate from SETA	Rand	256756.00

KPA 5 - GOOD GOVERNANCE		
PUBLIC PARTICIPATION, ACCOUNTABILITY AND TRANSPARENCY		
	Units	
Number of individual participants in public participation forums for FY 2007/08?	Number	1118
Number of recognised stakeholder organisations in FY 2007/08?	Number	4000
Number of recognised stakeholder organisations that were involved in participation structures in FY 2007/08?	Number	250
COUNCIL MEETINGS		
How many council meetings were held in FY 2007/08?	Number	8
How many open council meetings were held in FY 2007/08?	Number	8
CORPORATE GOVERNANCE		
	Unit	
Number of Section 57 staff that were dismissed	Number	0
Number of Section 57 staff that were suspended	Number	0

PERFORMANCE REVIEW – 2006/07 VERSUS 2007/08

In comparing the 2006/07 and 2007/08 project performance results, it can be noted that the overall project performance has remained constant at 75%, with projects above 75% completion moving from 67% to 65%. However, significant progress was made in job creation with the numbers of jobs created increasing by 100%, i.e. 336 (2006/07) to 677 (2007/08), women benefitting with an increase of 56%, i.e. 110 (2006/07) to 172 (2007/08), youth benefitting with an increase of 3 500%, i.e. 8 (2006/07) to 288 (2007/08) and disabled individuals benefitting by 600%, i.e. 2 (2006/07) to 14 (2007/08).

Annexure I reflects the 2006/07 performance achievements for comparison purposes with the 2007/08 targets and achievements.

In relation to other municipalities, the Cape Winelands District Municipality once again received 2nd position in the 2007 Provincial Vuna Awards. This was the second time the CWDM received this award.

PERFORMANCE IMPROVEMENT MEASURES

A multi-faceted approach was adopted to address areas of performance improvement:

- 2 Political and administrative strategic sessions were held to review and realign the strategic direction of the municipality based on its current performance and context of service delivery.
- Progress reports are standing agenda items at Executive Mayoral Committee and Management meetings.
- Online performance reports are available for identified stakeholders.
- Training initiatives are aligned to the powers and functions of the district. 32% of Personnel attending formal attending training programmes.
- Implementation of management systems/tools, e.g. vehicle tracking, to improve the effective and efficient use of municipal resources.
- A review of project proposal, service delivery budget implementation plan and project implementation processes was undertaken. The recommendations were incorporated in the budget adjustment process.
- Random sampling of key performance indicators and projects by external auditors to verify the quality of data and evidence of performance. Audit reports are submitted to management for response and actioning to address any identified shortcomings. These reports also serve before the Audit Committee for further review.

PERFORMANCE INDICATORS AND TARGETS FOR 2008 2009

The performance indicators and targets for 2007 2008 were reviewed after consultations with the political and administrative leadership of CWDM. The result of this process was a KPI scorecard for each Directorate at CWDM, as per the new organisational structure of the municipality:

- Corporate Services
- Finance
- Engineering and Infrastructure
- Community Services
- Development Planning

The Municipal Scorecard, which is also the scorecard or performance plan for the Municipal Manager, was also developed. The Scorecards were designed to comply with the Municipal Performance Management Regulations (2006) and form part of the Performance Plan for Section 57 Managers and the Municipal Manager.

The performance indicators and targets for the 2008 2009 financial year are summarised in the attached annexures:

















- Annexure C: Municipal Scorecard
- Annexure D: Corporate Services
- Annexure E: Finance
- Annexure F: Engineering and Infrastructure
- Annexure G: Community Services
- Annexure H: Development Planning

Annexure A

Community and Developmental Services			
No.	Projects	Achievement	Comments
1	Arts and Craft Marketing Agency	● 91%	
2	Baseline Information Program re Analysis of Data	● 100%	
3	Baseline Information Program re Data Collection	● 100%	
4	Baseline Information Program re Verification of Data	● 100%	
5	Breedekloof Bursary Fund	● 100%	
6	Business support co-ordination programme	● 55%	Due to internal restructuring LBC they informed that they could not deliver business support programme in libraries and project deliverable had to be cancelled
7	Cape Town Market Outlet	● 100%	
8	Cape Winelands Clean-up Campaign	● 62%	Training: 1014/1138 ; Employment: 145/157 ; Budget: 95% expenditure ; Quantities: 92% ; Activities: 100%
9	Cape Winelands Economic Development Council	● 66%	Due to the lengthy delay in launching the Council all deliverables could not be met
10	Development Committees	● 99%	
11	Early Childhood Development	● 77%	Project deliverables met
12	Entrepreneurial Seed Fund Programme	● 93%	
13	Environmental Health Education Program	● 100%	
14	Families and Children	● 72%	Supported 3 proposals from Institutions that were approved.
15	Glass Blowing Project with Nybro	● 0%	Project cancelled due to the fact that the budgeted amount was insufficient to complete project
16	Glass House Project	● 0%	Project cancelled due to the fact that the budgeted amount was insufficient to complete project
17	Greening Cape Winelands	● 95%	
18	Guidance - Health and Hygiene	● 91%	
19	Health and hygiene improvement project in the informal slaughtering and meat sale industry	● 88%	Budget: 66% - We budgeted more than what the actual project costed
20	HIV / AIDS	● 86%	Project deliverables met
21	Human Security Projects	● 100%	
22	Implement Internships and Placement	● 100%	
23	Information Management	● 92%	
24	Internships and Placements	● 94%	
25	LED Expo	● 83%	Saving on the expenditure because did attend international show but rather had a domestic show
26	Marketing Branding	● 86%	delays by procurement in appointing a service provider by one month later
27	Marketing Events	● 90%	
28	Marketing Exhibitions	● 100%	
29	Marketing LTA Meetings	● 92%	
30	Marketing Material	● 100%	
31	Marketing Road Signage	● 38%	Due to the changing of office between the Provincial roads department the meetings were not held as scheduled in the business plan








32	Marketing Tourism Month	74%	One Fun bus trip as per business plan was cancelled due to the resignation of one of the co-ordinators for tourism month. It was too late to make new arrangements in terms of the procurement requirements and we had to cancel the bus.
33	Marketing Website	94%	
34	MHS Needs assessment for the rendering of an air quality monitoring function.	81%	Project continues to 2008/2009 Financial year
35	Purchase of Conference chairs	93%	
36	Research Studies	65%	The re-advertising of quotations led to 3 studies not being able to be completed at the end of financial year
37	River improvement project	100%	
38	RTLK Meetings	63%	The CWDM Engineering Department did not use the money for the removal of the roads signs as agreed upon
39	SAFA Boland 2010	83%	EURO 2008 attendance was not approved by Council due to short notice and the money could not be spent to attend event
40	Schools Tourism Awareness Program	99%	
41	Small Farmer Support Programme	69%	The study for agricultural market outlet cancelled due to DoA also busy with work in this area and did not want to duplicate
42	Soccer 2010	89%	EURO 2008 attendance was not approved by Council due to short notice and the money could not be spent to attend event
43	Subsidies for upgrading of water and sanitation in the rural	100%	
44	Substance Abuse	84%	
45	Sustainable Livelihoods	42%	No reports received from some previous year beneficiaries and therefore could not fund projects where reports were outstanding
46	THD Community Training	53%	One THD resigned and the total amount budgeted for could not be spent
47	Wine Incubator	3%	First went on written price quotation but then had to go out on tender - and tender could not be awarded before end of financial year

Corporate and Strategic Services			
No.	Projects	Achievement	Comments
1	Development and review of Strategic Objectives, KPAs and KPIs of three B municipalities	0%	The purpose of this project was to align national, provincial and local KPA's and KPI's with the district. Breede Valley with financial support from CWDM developed a set of indicators which will be used in this project. Unfortunately Breede Valley only finished their project in the last quarter of 07/08. See attached project report.

2	Development of a database for the monitoring of the 5 National KPA's	 67%	Municipal Snapshot from DLG&H were also developed throughout the year to monitor the 5 KPA's. This information is quarterly updated by all local municipalities, as well as district.
3	Development of Performance Management System	 84%	Internal Customer Satisfaction Surveys to be developed and completed in 2008/09 financial year.
4	Disability Strategy	 50%	Consultation with stakeholders and Council approval outstanding. Spending as targeted.
5	Gender Equality Project	 97%	Project Completed
6	Household Perception and Basic services survey	 25%	Tender process delayed. Service Provider appointment being finalised. Implementation to take place within 2008/09 financial.
7	IDP Training - Establishment and Training of Ward Committees	 75%	All Ward Committees in Breede Valley and Witzenberg not operational.
8	Implementation of PMS in the district	 83%	Project being implemented within Breede Valley Municipality. Delay in finalisation of KPIs. Expected to be completed in September 2008.
9	Implementation of Vehicle Tracking within the CWDM	 47%	Commitment only received from Breede Valley to support them. Waiting upon commitment from Witzenberg and Breede River Winelands - Did meet with them on 27 August 2008.
10	Network improvement	 67%	Worcester office has been completed. Robertson, Montagu, Paarl and Stellenbosch offices have been recabled but still need to be transferred to new infrastructure. Transfer will be completed before the end of 2008. Awaiting quotations for remaining offices. Awaiting quotations for new network equipment (Cisco Routers and Switches). Project likely to be completed during 2008/9 financial year.
11	Procurement of Laptop for Shared Service Centre	 100%	Project Completed
12	Procurement of Vehicles	 99%	Project Completed
13	Replace Laptops	 2%	Manufacturer discontinued model specified in tender specification. Replaced with latest model specification. Delivery expected in August 2008.
14	Replace Main UPS	 97%	Project Completed
15	Strategy for the elderly	 66%	Consultation with stakeholders and Council approval outstanding. Spending as targeted.
16	The development of sector plans	 90%	Project Completed
17	Youth Empowerment	 75%	Consultation with stakeholders and Council approval outstanding. Spending as targeted.

Engineering and Infrastructural Services			
No.	Projects	Achievement	Comments
1	Agter Witzeberg TV Antennae	● 0%	Antenna to be installed by SABC
2	Contracts EPWP: Cleaning of road reserves	● 99%	Project completed
3	Fencing Drukkerslaan Stellenbosch	● 100%	Project completed
4	Fencing Nieuwedrift Fire Station	● 100%	Project completed
5	Fencing of Eerste Begin Fire Station	● 95%	Project completed
6	Fire Station Stellenbosch: Planning	● 95%	Project completed
7	Hermon Housing: Top Structures	● 71%	Contract experience financial problems, resulting in termination of contract as result of lack of performance by contractor.
8	Infrastructure DMA	● 94%	Project completed
9	Installation of backup generator for the Worcester Office	● 25%	Generator has to be imported and will only be delivered in 2008/9 financial year
10	Installation of lift in Du Tiot Street Offices	● 49%	Lift has to be imported and will only be delivered in 2008/9 financial year
11	Lanquedoc Streets and Stormwater	● 100%	Project Completed
12	Planning: Nieuwedrift Housing Project	● 88%	Additional specialist reports needed for EIA delayed process.
13	Planning: Various projects	● 73%	Appointment of Heritage Consultants and additional information needed by Heritage Western Cape resulted in the delay of EIA of Meerlust housing project. Electricity will be compiled in 2008/2009 financial year
14	Provision of water and sanitation to schools and clinics	● 85%	All schools applied for assistants have been dealt with. Project completed.
15	Rural water scheme: Wellington/Hermon	● 12%	Appointment of Consultants delay process
16	Subsidy water and sewerage urban areas	● 100%	Project completed
17	Upgrade road shoulders	● 99%	Project completed
18	Upgrading of Eerste Begin	● 70%	Project completed
19	Upgrading of Intersection of Main Roads 168 and 177	● 100%	Project completed
20	Upgrading of praking area	● 93%	Planning completed
21	Upgrading of rural roads	● 98%	Project completed

Public Safety and Planning Services			
No.	Projects	Achievement	Comments
1	Busroute 30/31 - Slanghoek footpath	● 6%	Material supply agreement with adjacent property owners concluded prior to construction.
2	Community police forums	● 94%	Project Completed
3	Control Centre Console	● 71%	Project Completed
4	Development and provision of fire fighting training and education in the CWDM-area	● 97%	Project Completed
5	Disaster Management Mobile Equipment	● 89%	Project Completed
6	Disaster Management Planning: Community Based Risk Assessment	● 93%	Project Completed
7	Disaster Management Storage Equipment	● 100%	Project Completed
8	Disaster Management Training	● 91%	Project Completed
9	Equipment	● 97%	Project Completed
10	Establishment of FPA's in Cape Winelands District	● 78%	Project Completed
11	Fire Fighting Trailers	● 92%	Project Completed
12	Implementation of SEA	● 100%	Project Completed
13	Investigate operating licence conditions for over-traded routes in Breede River Winelands	● 9%	The project delayed due to the late gazette publication by DoT ie 31Nov 2007.

14	Investigate operating licence conditions for over-traded routes in Breede River Winelands, Witzenberg and Stellenbosch	 1%	The project delayed due to the late gazette publication by DoT ie 31Nov 2007. Appeal submitted against the tender award. Matter resolved in June 08
15	Non-motorised transport master plan	 19%	Master planning held up due to lack of nmt planning at local municipal level.
16	Purchase of Inter Write White Board	 95%	Project Completed
17	Repeater Equipment	 78%	Project Completed
18	Spatial Development Plan - Cape Winelands Biosphere Reserve	 100%	Project Completed
19	Upgrading infrastructure at various rural schools	 7%	Delays experienced in obtaining design approvals from the Department of Transport and Public Works.
20	Vehicles	 99%	Project Completed

Annexure B

No.	Community and Developmental Services	Quantities		Expenditure		Employment		Training		Activities		Overall	Grading
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
1	Arts and Craft Marketing Agency	10	10	R 300 000	R 215 631.51					100	100	91%	
2	Baseline Information Programme re Analysis of Data	1	1	R 118 750	R 118 750.00					100	100	100%	
3	Baseline Information Programme re Data Collection	1 500	1 500	R 363 861	R 363 860.97	40	40	40	40	100	100	100%	
4	Baseline Information Programme re Verification of Data	1	1	R 118 328	R 118 328.25					100	100	100%	
5	Breedekloof Bursary Fund	4	4	R 33 275	R 33 275.00		4	4	4	100	100	100%	
6	Business support co-ordination programme	2	1	R 475 000	R 305 000.00					100	50	55%	
7	Cape Town Market Outlet	1	1	R 181 000	R 180 675.00					100	100	100%	
8	Cape Winelands Clean-up Campaign	157	145	R 2 079 400	R 1 980 524.57	11 038	1 711	11 038	1 014	100	100	62%	
9	Cape Winelands Economic Development Council	5	3	R 340 000	R 160 606.20					100	90	66%	
10	Development Committees	12	274	R 170 000	R 165 673.00					100	100	99%	
11	Early Childhood Development	51	51	R 250 000	R 222 325.84			50	10	100	100	77%	
12	Entrepreneurial Seed Fund Programme	30	25	R 450 000	R 392 465.78	30	72			100	100	93%	
13	Environmental Health Education Program	113	66 095	R 249 000	R 250 624.28				14 272	100	100	100%	
14	Families and Children	5	3	R 250 000	R 143 600.00					100	100	72%	
15	Glass Blowing Project with Nybro	1		R 100 000						100		0%	
16	Glass House Project			R 600 000						100		0%	
17	Greening Cape Winelands	7 500	8 783	R 200 000	R 203 120.55	140	106	140	186	100	100	95%	
18	Guidance - Health and Hygiene	64	89	R 230 000	R 152 853.10	27	27	3 895	9 060	100	90	91%	
19	Health and hygiene improvement project in the informal slaughtering and meat sale industry	6	6	R 55 598	R 45 828.00				100	70	100	88%	
20	HIV / AIDS	105	104	R 150 000	R 89 233.46					100	100	86%	
21	Human Security Projects	100	142	R 180 000	R 215 881.66		7	100	100	100	100	100%	
22	Implement Internships and Placement	2	4	R 80 000	R 150 000.00					100	100	100%	
23	Information Management	3	5	R 421 000	R 320 201.84					100	100	92%	
24	Internships and Placements	4	4	R 150 000	R 102 946.77	4	4	4	4	100	100	94%	
25	LED Expo	1	3	R 170 000	R 85 535.09					100	100	83%	
26	Marketing Branding	16	10	R 270 000	R 255 249.13					100	100	86%	
27	Marketing Events	20	16		R 768 863.78					100	100	90%	
28	Marketing Exhibitions	7	9	R 700 000	R 781 605.13					100	100	100%	
29	Marketing LTA Meetings	12	10	R 30 000	R 27 792.94					100	100	92%	
30	Marketing Material	40 010	41 560	R 500 000	R 524 406.62					100	100	100%	
31	Marketing Road Signage	16	8	R 1 350 000	R 50 000.00					100	60	38%	
32	Marketing Tourism Month	2	1	R 100 000	R 71 775.74					100	100	74%	
33	Marketing Website	1	1	R 80 000	R 65 000.00					100	100	94%	
34	MHS Needs assessment for the rendering of an air quality monitoring function.	1	1	R 540 000	R 228 285.00					100	100	81%	
35	Purchase of Conference chairs	14	14	R 14 533	R 14 533.26					100	80	93%	

36	Research Studies	10	8	R 1 113 500	R 600 556.53					100	60	65%
37	River improvement project	185	391		R 263 440.25					100	100	100%
38	RTLCL Meetings	3	2	R 30 000	R 7 045.00					100	100	63%
39	SAFA Boland 2010	2	2	R 300 000	R 150 000.00					100	100	83%
40	Schools Tourism Awareness Program	40	40	R 250 000	R 244 027.41					100	100	99%
41	Small Farmer Support Programme	5	4	R 600 000	R 468 090.62	30	11			100	80	69%
42	Soccer 2010	3	2	R 490 000	R 618 337.02					100	100	89%
43	Subsidies for upgrading of water and sanitation in the rural area	45	58	R 1 000 000	R 1 032 200.00					100	100	100%
44	Substance Abuse	15	8	R 314 000	R 373 893.74					100	100	84%
45	Sustainable Livelihoods	45	3	R 435 000	R 80 000.00					90	90	42%
46	THD Community Training	30	4	R 200 000	R 196 362.13		60			100	100	53%
47	Wine Incubator	1		R 161 200						100	10	3%
		50 161	119 406	16 193 445	12 838 405	11 309	1 978	15 431	24 760	4 690	4 210	

No.	Corporate and Strategic Services	Quantities		Expenditure		Employment		Training		Activities		Overall	Grading
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
1	Development and review of Strategic Objectives, KPAs and KPIs of three B municipalities	3		R 250 000					30		100	0%	
2	Development of a database for the monitoring of the 5 National KPA's	1		R 100 000	R 100 000.00						100	67%	
3	Development of Performance Management System	2	2	R 500 000	R 260 430.42						100	84%	
4	Disability Strategy	2	2	R 300 000	R 260 580.00	2		2		100	65	50%	
5	Gender Equality Project	2	6	R 58 500	R 205 883.45			200	179	100	100	97%	
6	Household Perception and Basic services survey			R 2 500 000	R 14 258.00	50			50		100	25%	
7	IDP Training - Establishment and Training of Ward Committees	57	18	R 450 000	R 363 924.70				105	90	100	75%	
8	Implementation of PMS in the district	3	1	R 500 000	R 500 000.00				30	167	100	83%	
9	Implementation of Vehicle Tracking within the CWDM	3		R 400 000	R 350 000.00				3		100	47%	
10	Network improvement	1		R 1 700 000	R 1 700 000.00						100	67%	
11	Procurement of Laptop for Shared Service Centre	1	1	R 9 999	R 9 999.00						100	100%	
12	Procurement of Vehicles	10	13	R 1 500 000	R 1 470 000.00						100	99%	
13	Replace Laptops	30		R 300 000							100	2%	
14	Replace Main UPS	1	1	R 71 951	R 64 487.00						100	97%	
15	Strategy for the elderly	2	2	R 90 373	R 258 780.00	2					100	66%	
16	The development of sector plans	2	2	R 58 500	R 41 086.52						100	90%	
17	Youth Empowerment	5	14	R 357 200	R 360 239.41	50	39	175	39	100	75	75%	
		125	62	9 146 523	5 959 669	104	39	595	475	1 700	1 410		

No.	Engineering and Infrastructural Services	Quantities		Expenditure		Employment		Training		Activities		Overall	Grading
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
1	Agter Witzeberg TV Antennae	1		R 60 000						100		0%	
2	Contracts EPWP: Cleaning of road reserves	455	1 524	R 3 000 000	R 3 102 271.13	269	825	30	28	100	100	99%	
3	Fencing Drukkerslaan Stellenbosch	80	80	R 105 000	R 127 200.00					100	100	100%	
4	Fencing Nieuwedrift Fire Station	185	185	R 170 000	R 177 422.00					100	100	100%	
5	Fencing of Eerste Begin Fire Station	267	267	R 200 000	R 172 500.00					100	100	95%	
6	Fire Station Stellenbosch: Planning	1	1	R 300 000	R 252 600.00					100	100	95%	
7	Hermon Housing: Top Structures	34	18	R 1 550 000	R 1 143 961.46	15	54			100	58	71%	
8	Infrastructure DMA	70	72	R 750 000	R 621 891.60					100	100	94%	
9	Installation of backup generator for the Worcester Office	1		R 700 000	R 393 800.00					100	20	25%	
10	Installation of lift in Du Tiot Street Offices	1		R 520 000	R 240 650.00					100	100	49%	
11	Lanquedoc Streets and Stormwater	6 400	6 400	R 7 690 000	R 7 880 913.30	20	225	4	6	100	100	100%	
12	Planning: Nieuwedrift Housing Project	1	2	R 400 000	R 254 976.00					100	100	88%	
13	Planning: Various projects	3	2	R 3 100 000	R 1 645 939.00					100	100	73%	
14	Provision of water and sanitation to schools and clinics	9	8	R 818 000	R 546 633.81	14	12			100	100	85%	
15	Rural water scheme: Wellington/Hermon	1		R 300 000	R 31 147.95					100	25	12%	
16	Subsidy water and sewerage urban areas	3	3	R 1 000 000	R 1 000 000.00					100	100	100%	
17	Upgrade road shoulders	7 100	9 000	R 1 250 000	R 1 220 531.65	10	20			100	100	99%	
18	Upgrading of Eerste Begin	1	1	R 150 000	R 13 700.00					100	100	70%	
19	Upgrading of Intersection of Main Roads 168 and 177	1	1	R 2 629 000	R 3 318 112.17	5	20			100	100	100%	
20	Upgrading of praking area	1	1	R 300 000	R 255 141.85					100	95	93%	
21	Upgrading of rural roads	4 000	3 500	R 8 800 000	R 8 831 902.21	30	34	2	4	100	100	98%	
		18 615	21 065	33 792 000	31 231 294	363	1 190	36	38	2 100	1 798		

No.	Public Safety and Planning Services	Quantities		Expenditure		Employment		Training		Activities		Overall	Grading
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
1	Busroute 30/31 - Slanghoek footpath			R 1 000 000		100		100		100	25	6%	
2	Community police forums	25	23	R 400 000	R 398 000.00	120	100			100	100	94%	
3	Control Centre Console	1	1	R 350 000	R 43 040.70					100	100	71%	
4	Development and provision of fire fighting training and education in the CWDM-area	20	18	R 500 000	R 490 648.44			259	278	100	100	97%	
5	Disaster Management Mobile Equipment	3	2	R 510 000	R 624 650.00					100	100	89%	
6	Disaster Management Planning: Community Based Risk Assessment	19	19	R 370 000	R 298 000.00			20	18	100	100	93%	
7	Disaster Management Storage Equipment	5	5	R 60 000	R 66 391.00					100	100	100%	
8	Disaster Management Training	6	5	R 300 000	R 242 820.00			120	287	100	100	91%	
9	Equipment	11	16	R 655 000	R 602 386.91					100	100	97%	
10	Establishment of FPA's in Cape Winelands District	3	1	R 72 000	R 73 633.00					100	100	78%	
11	Fire Fighting Trailers	7	7	R 350 000	R 269 325.00					100	100	92%	

Annexure C

Performance Area	Objective	Key Performance Indicator	Unit of Measure	CWDM Annual Target	Weight	National Key Performance Area
Municipal Health Services	Revised and updated municipal policies and by laws	Have the municipal policies and by-laws been updated and adopted by Council?	Yes/No	Yes	1%	Local Economic Development
Human Resources	Promote employment equity in CWDM	Percentage of new appointments (all staff) that are women	%	51%	1%	Municipal Institutional Development and Transformation
Human Resources	Promote employment equity in CWDM	Percentage of staff (out of the total number of staff) in the municipality that are classified as disabled.	%	2%	2%	Municipal Institutional Development and Transformation
Innovations	To ensure new innovations in CWDM	Number and nature of new innovations entered into by CWDM	Number	10	3%	Municipal Financial Viability and Management
Budget	To ensure that CWDM secures additional funding from external/independent sources	Funds secured from independent funding sources	%	8 Times Annual Salary of MM	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Projects Budget	Projects Expenditure as % of Projects Budget for this period	%	94%, 40% by end of December	3%	Municipal Financial Viability and Management
Expenditure	Ability to spend capital budget	Ability to spend capital budget: Capex as % of Capital Budget	%	94%, 40% by end December	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Salaries Budget	Salaries as % of total opex	%	34%	2%	Municipal Financial Viability and Management
Infrastructure Planning & Project Implementation	Monitor the provision of basic services to households	Is there a monitoring system in place for electricity delivery to households	Yes/No	Yes	3%	Basic Service Delivery
Infrastructure Planning & Project Implementation	Monitor the provision of basic services to households	Is there a monitoring system in place for water delivery to households	Yes/No	Yes	3%	Basic Service Delivery
Infrastructure Planning & Project Implementation	Monitor the provision of basic services to households	Is there a monitoring system in place for solid waste to households	Yes/No	Yes	3%	Basic Service Delivery
Infrastructure Planning & Project Implementation	Monitor the provision of basic services to households	Is there a monitoring system in place for housing delivery	Yes/No	Yes	3%	Basic Service Delivery
Infrastructure Planning & Project Implementation	Monitor the provision of basic services to households	Is there a monitoring system in place for roads delivery in CW	Yes/No	Yes	3%	Basic Service Delivery
Infrastructure Planning & Project Implementation	Monitor the provision of basic services to households	Is there a monitoring system in place for sanitation delivery to households	Yes/No	Yes	3%	Basic Service Delivery

Infrastructure Planning & Project Implementation	Develop a district wide housing strategy	Has the district-wide human settlement strategy been reviewed, updated and adopted by Council?	Yes/No	Yes	2%	Basic Service Delivery
Budget	To ensure that an Activity based costing system is established and implemented at CWDM	Has the Activities Based Costing system been implemented?	Yes/No	Yes	3%	Municipal Financial Viability and Management
Supply Chain Management	Promote preferential procurement through the simplification of the tender process and providing support to SMMEs	% of Rand value of total procurement (contracts and tenders) awarded to SMMEs.	%	40%	2%	Municipal Financial Viability and Management
Supply Chain Management	Promote preferential procurement through the simplification of the tender process and providing support to BEEs	% of Rand Value of total procurement (contracts and tenders) awarded to BEEs.	%	70%	2%	Municipal Financial Viability and Management
Supply Chain Management	Promote preferential procurement through the simplification of the tender process and providing support to women	% of Rand Value of total procurement (contracts and tenders) awarded to women.	%	25%	2%	Municipal Financial Viability and Management
Supply Chain Management	Promote preferential procurement through the simplification of the tender process and providing support to youth	% of Rand Value of total procurement (contracts and tenders) awarded to youth.	%	10%	1%	Municipal Financial Viability and Management
Supply Chain Management	Promote preferential procurement through the simplification of the tender process and providing support to people with disabilities	% of Rand Value of total procurement (contracts and tenders) awarded to people with disabilities.	%	2%	1%	Municipal Financial Viability and Management
Audit	To promote effective Corporate Governance in CWDM	What has been the outcome of the audit for FY?	Audit Outcome	Unqualified	3%	Good Governance and Public Participation
Communication	To have a functional complaints management system in place	Did the municipality have a functional complaint management system?	Yes/No	Yes	2%	Good Governance and Public Participation
Human Resources	To develop and implement a Anti-corruption policy for CWDM	Does the municipality have an implemented Anti Corruption Policy?(Y/N)	Yes/No	Yes	2%	Good Governance and Public Participation
Administrative and Councillor Support	To have regular Council Meetings	Total number of Council Meetings held in FY	Number	4	3%	Good Governance and Public Participation
Regional Economic Development	Provide support to businesses in CWDM	Number of business partnerships facilitated by CWDM	Number	9	3%	Local Economic Development
Regional Economic Development	Establish business incubators & mentorships	Number of emerging and small businesses supported by CWDM	Number	44	3%	Local Economic Development
Regional Economic Development	To conduct a needs analysis for informal businesses	Has the needs analysis for informal businesses been conducted and presented to Council?	Yes/No	Yes	2%	Local Economic Development
Regional Economic Development	Adoption of Cape Winelands brand.	% CWDM households able to identify CW Brand?	%	60%	1%	Local Economic Development
Regional Economic Development	Adoption of Cape Winelands brand.	% respondents aware of the Cape Winelands Brand, as tested in a brand awareness survey (incl outside CWDM)	%	20%	1%	Local Economic Development
	To ensure that a Spatially aligned and linked IDP - Budget - PMS is established and implemented at CWDM	Has the 2009/10 IDP - Budget - PMS been spatially aligned and linked?	Yes/No	Yes	3%	Municipal Financial Viability and Management
Spatial Planning	To ensure expenditure on SDF priorities	What percentage of your targetted capital & projects spending will be spent in the priority areas identified in the Spatial Development Framework for the 2009/10 FY?	%	75%	3%	Municipal Institutional Development and Transformation

Municipal Capacity	Develop and implement a Shared Services Model	Has the Shared Services Model been developed?	Yes/No	Yes	1%	Municipal Institutional Development and Transformation
Municipal Capacity	Develop and implement a Shared Services Model	Is the Shared Services model being implemented?	Yes/No	Yes	1%	Municipal Institutional Development and Transformation
IDP	To ensure that IDP is updated and reviewed annually	Did your municipality have an up-to-date reviewed IDP in FY?	Yes/No	Yes	3%	Municipal Institutional Development and Transformation
Communication	To conduct a citizen and business satisfaction survey	Did the municipality conduct a citizen and business satisfaction survey?	Yes/No	Yes	3%	Good Governance and Public Participation
Communication	To provide ID documents to poor individuals	Number of individuals provided with ID documents	Number	5000	2%	Good Governance and Public Participation
Communication	To implement a Gender Equality Strategy for CWDM	Number of individuals trained on project	Number	200	2%	Good Governance and Public Participation
Emergency Services	The provision of efficient and effective fire services	Average response time to 70% mountain/veld fire calls	Min	35 minutes	3%	Basic Service Delivery
Emergency Services	The provision of efficient and effective fire services	Percentage of mountain/veld fires responded to with a minimum of two fire fighting vehicles with a combined manpower of a minimum of 4 fire fighters	%	70%	3%	Basic Service Delivery
Emergency Services	To ensure that there is an updated and approved disaster management plan	Does the municipality have a disaster management plan that has been updated and adopted by Council in the last year?	Yes/No	Yes	2%	Basic Service Delivery
Municipal Health Services	To ensure effective monitoring of AQ in CWDM	Is there a monitoring system in place for air quality?	Yes/No	Yes	2%	Basic Service Delivery
Municipal Health Services	To ensure effective monitoring of effluent discharge in CWDM	Has the municipality instituted a programme of effluent discharge quality sampling in accordance with nationally defined minimum standards	Yes/No	Yes, Fully	2%	Basic Service Delivery

Annexure D

Performance Area	Objective	Key Performance Indicator	Unit of Measure	CWDM Annual Target	Weight	National Key Performance Area
Communication	To have a functional complaints management system in place	Did the municipality have a functional complaint management system?	Yes/No	Yes	2%	Good Governance and Public Participation
Human Resources	To develop and implement a Anti-corruption policy for CWDM	Does the municipality have an implemented Anti Corruption Policy?(Y/N)	Yes/No	Yes	2%	Good Governance and Public Participation
Administrative and Councillor Support	To have regular Council Meetings	Total number of Council Meetings held in FY	Number	4	1%	Good Governance and Public Participation
Human Resources	To report on all Employment Equity statistics in CWDM	Number of months where the EE reports has been submitted to the LLF	Number	12	1%	Municipal Institutional Development and Transformation
Human Resources	To submit the workplace skills report on time	Was the workplace skills development report submitted by 30 June?	Yes/No	Yes	1%	Municipal Institutional Development and Transformation
Human Resources	To ensure skills development of staff in CWDM	% CWDM Salaries and wages budget that was spent on staff training and development.	%	1%	1%	Municipal Institutional Development and Transformation
Human Resources	To ensure skills development of staff in CWDM	Percentage of skills levy received in rebate from SETA for the FY.	%	65%	1%	Municipal Institutional Development and Transformation
Human Resources	To promote skills development in CWDM	Did the municipality implement a workplace skills development plan in FY?	Yes/No	Yes	1%	Municipal Institutional Development and Transformation
ICT	To provide efficient desktop support	Average response time to IT faults/calls logged	Minutes	Baseline to be established within first 6 months	1%	Municipal Institutional Development and Transformation
ICT	To minimise system downtime (finance, HR, vehicle tracking, document management systems, emails, internet access)	System downtime for HR	Minutes	Baseline to be established within first 6 months	1%	Municipal Institutional Development and Transformation
ICT	To minimise system downtime (finance, HR, vehicle tracking, document management systems, emails, internet access)	System downtime for Vehicle tracking	Minutes	Baseline to be established within first 6 months	1%	Municipal Institutional Development and Transformation
ICT	To minimise system downtime (finance, HR, vehicle tracking, document management systems, emails, internet access)	System downtime for Finance	Minutes	Baseline to be established within first 6 months	1%	Municipal Institutional Development and Transformation
ICT	To minimise system downtime (finance, HR, vehicle tracking, document management systems, emails, internet access)	System downtime for document management	Minutes	Baseline to be established within first 6 months	1%	Municipal Institutional Development and Transformation
ICT	To minimise system downtime (finance, HR, vehicle tracking, document management systems, emails, internet access)	System downtime for emails	Minutes	Baseline to be established within first 6 months	1%	Municipal Institutional Development and Transformation
ICT	To minimise system downtime (finance, HR, vehicle tracking, document management systems, emails, internet access)	System downtime for internet access	Minutes	Baseline to be established within first 6 months	1%	Municipal Institutional Development and Transformation
IGR & International Relations	To develop an International Relations Policy	Has the International Relations Policy been developed?	Yes/No	Yes	1%	Good Governance and Public Participation

IGR & International Relations	To develop an Intergovernmental Relations Policy	Has the Intergovernmental Relations Policy been developed?	Yes/No	Yes	1%	Good Governance and Public Participation
OH&S	To ensure monthly reporting in terms of the plan	Number of months where the OHS reports has been submitted to the LLF	Number	12	1%	Municipal Institutional Development and Transformation
Human Resources	Promote employment equity in CWDM	Percentage of new appointments in department that are women	%	51%	1%	Municipal Institutional Development and Transformation
Human Resources	Promote employment equity in CWDM	Percentage of staff in the department that are classified as disabled.	%	2%	2%	Municipal Institutional Development and Transformation
Innovations	To ensure new innovations in CWDM	Number and nature of new innovations entered into by CWDM	Number	3	3%	Municipal Financial Viability and Management
Budget	To ensure that CWDM secures additional funding from external/independent sources	Funds secured from independent funding sources	%	R 2 million	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Projects Budget	Project Expenditure as % of Project Budget for this period	%	94%, 40% by end of December	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Capital Budget	Capital Expenditure as % of Capital Budget for this period	%	94%, 40% by end of December	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Salaries Budget	Salaries as % of Total Operating Expenditure	%	34%	2%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of General Expenditure Budget	General Expenditure as % of Total General Expenditure	%	80%	2%	Municipal Financial Viability and Management
Audit	To promote effective Corporate Governance in CWDM	Compliance with all legislation and policies to ensure that an Unqualified Audit is achieved.	Audit Outcome	Unqualified	3%	Good Governance and Public Participation
Human Resources	To ensure skills development of staff in CWDM	% Salaries and wages budget that was spent on staff training and development.	%	1%	1%	Municipal Institutional Development and Transformation
Human Resources	To ensure skills development of staff in CWDM	% of individuals sent on staff training and development.	%	30%	3%	Municipal Institutional Development and Transformation
Human Resources	To retain and promote organisational capacity	% funded posts in organogram that are filled	%	80%	1%	Municipal Institutional Development and Transformation
Human Resources	To retain and promote organisational capacity	% person days lost due to unplanned leave (sick leave, AWL, compassionate leave etc)	%	5%	3%	Municipal Institutional Development and Transformation
Projects	Achievement of agreed upon approved project quantities	% of quantities achieved as reflected in business plans of approved projects	%	90%	10%	Municipal Institutional Development and Transformation
Projects	Achievement of agreed upon approved project training opportunities	% of individuals trained as reflected in business plans of approved projects	%	90%	10%	Local Economic Development
Projects	Achievement of agreed upon approved project employment opportunities	% of individuals employed as reflected in business plans of approved projects	%	90%	10%	Local Economic Development

Projects	To implement projects effectively and efficiently	% of activities completed as setout in business plans of approved projects	%	90%	5%	Municipal Institutional Development and Transformation
Projects	To implement projects effectively and efficiently	% of activities completed within specified timeframes as setout in business plans of approved projects	%	90%	5%	Municipal Institutional Development and Transformation
IGR & International Relations	To ensure regular Mayco and Portofolio Committee Engagement	Number of meeting held with respective Portofolio Councillor.	Number	12	1%	Good Governance and Public Participation
IGR & International Relations	To ensure effective IGR	Number of district technical forums for local municipalities organised by the department	Number	4	1%	Good Governance and Public Participation
Human Resources	Promote individual performance management (non Section 57)	% of individuals who have entered into individual performance agreements	%	80%	2%	Municipal Institutional Development and Transformation
Human Resources	Promote individual performance management (non Section 57)	% of individuals who have had at least one performance assessment	%	70%	2%	Municipal Institutional Development and Transformation
PMS	To resolve all internal and external audit queries	The percentage of internal and external audit queries resolved by the department	%	100%	2%	Municipal Institutional Development and Transformation
Supply Chain Management	To ensure timeous reporting into Supply Chain System	% completed assessments of suppliers, contractors and service providers, where applicable, submitted to Supply Chain Management (value > R 30 000)	%	80%	2%	Municipal Financial Viability and Management

Annexure E

Performance Area	Objective	Key Performance Indicator	Unit of Measure	CWDM Annual Target	Weight	National Key Performance Area
Budget	To ensure that an Activity based costing system is established and implemented at CWDM	Has the Activities Based Costing system been implemented?	%	80%	5%	Municipal Financial Viability and Management
Supply Chain Management	Promote preferential procurement through the simplification of the tender process and providing support to SMMEs	% of Rand value of total procurement (contracts and tenders) awarded to SMMEs.	%	40%	5%	Municipal Financial Viability and Management
Supply Chain Management	Promote preferential procurement through the simplification of the tender process and providing support to BFFs	% of Rand Value of total procurement (contracts and tenders) awarded to BEEs.	%	70%	5%	Municipal Financial Viability and Management
Supply Chain Management	Promote preferential procurement through the simplification of the tender process and providing support to women	% of Rand Value of total procurement (contracts and tenders) awarded to women.	%	25%	5%	Municipal Financial Viability and Management
Supply Chain Management	Promote preferential procurement through the simplification of the tender process and providing support to youth	% of Rand Value of total procurement (contracts and tenders) awarded to youth.	%	10%	1%	Municipal Financial Viability and Management
Supply Chain Management	Promote preferential procurement through the simplification of the tender process and providing support to people with disabilities	% of Rand Value of total procurement (contracts and tenders) awarded to people with disabilities.	%	2%	1%	Municipal Financial Viability and Management
Supply Chain Management	Promote preferential procurement through the simplification of the tender process and providing support to SMMEs	No. of contracts and tenders (Procurement) awarded to SMMEs.	#	Supporting Information	2%	Municipal Financial Viability and Management
Supply Chain Management	Promote preferential procurement through the simplification of the tender process and providing support to BFFs	No. of contracts and tenders (Procurement) awarded to BEEs.	#	Supporting Information	2%	Municipal Financial Viability and Management
Supply Chain Management	Promote preferential procurement through the simplification of the tender process and providing support to women	No. of contracts and tenders (Procurement) awarded to women.	#	Supporting Information	2%	Municipal Financial Viability and Management
Supply Chain Management	Promote preferential procurement through the simplification of the tender process and providing support to youth	No. of contracts and tenders (Procurement) awarded to youth.	#	Supporting Information	2%	Municipal Financial Viability and Management
Supply Chain Management	Promote preferential procurement through the simplification of the tender process and providing support to people with disabilities	% of Rand Value of total procurement (contracts and tenders) awarded to people with disabilities.	#	Supporting Information	2%	Municipal Financial Viability and Management
Audit	To promote effective Corporate Governance in CWDM	What has been the outcome of the audit for FY?	Audit Outcome	Unqualified	3%	Good Governance and Public Participation
Budget	Verification of assets fixed	% fixed Asset value that has been verified?	%	100%	3%	Municipal Financial Viability and Management
Budget	To develop a specified process plan for the SDBIPs	Has the process plan for SDBIPs been established	Yes/No	Yes	2%	Municipal Financial Viability and Management
Expenditure	Average number of days to pay a creditor after receipt of required statements	Average number of days to pay a creditor after receipt of required statements	Days	30	1%	Municipal Financial Viability and Management
Expenditure	Inventory turnover per month	Rand value of inventory turnover per month	Rand	500000	1%	Municipal Financial Viability and Management
Supply Chain Management	Has a monitoring system for contract management and Service Level Agreements been established	To develop a monitoring and co-ordination system for contract management and Service Level Agreements	Yes/No	Yes	3%	Municipal Financial Viability and Management
Supply Chain Management	To ensure timeous reporting into Supply Chain System	Supply Chain Management assessment questionnaire developed for contractors and SLAs of CWDM	Yes/No	yes	3%	Municipal Financial Viability and Management
Human Resources	Promote employment equity in CWDM	Percentage of new appointments in department that are women	%	51%	1%	Municipal Institutional Development and Transformation

Human Resources	Promote employment equity in CWDM	Percentage of staff in the department that are classified as disabled.	%	2%	2%	Municipal Institutional Development and Transformation
Innovations	To ensure new innovations in CWDM	Number and nature of new innovations entered into by CWDM	Number	3	3%	Municipal Financial Viability and Management
Budget	To ensure that CWDM secures additional funding from external/independent sources	Funds secured from independent funding sources	%	R 2 million	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Projects Budget	Project Expenditure as % of Project Budget for this period	%	94%, 40% by end of December	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Capital Budget	Capital Expenditure as % of Capital Budget for this period	%	94%, 40% by end of December	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Salaries Budget	Salaries as % of Total Operating Expenditure	%	34%	2%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of General Expenditure Budget	General Expenditure as % of Total General Expenditure	%	80%	2%	Municipal Financial Viability and Management
Audit	To promote effective Corporate Governance in CWDM	Compliance with all legislation and policies to ensure that an Unqualified Audit is achieved.	Audit Outcome	Unqualified	3%	Good Governance and Public Participation
Human Resources	To ensure skills development of staff in CWDM	% Salaries and wages budget that was spent on staff training and development.	%	1%	1%	Municipal Institutional Development and Transformation
Human Resources	To ensure skills development of staff in CWDM	% of individuals sent on staff training and development.	%	30%	3%	Municipal Institutional Development and Transformation
Human Resources	To retain and promote organisational capacity	% funded posts in organogram that are filled	%	80%	1%	Municipal Institutional Development and Transformation
Human Resources	To retain and promote organisational capacity	% person days lost due to unplanned leave (sick leave, AWL, compassionate leave etc)	%	5%	3%	Municipal Institutional Development and Transformation
IGR & International Relations	To ensure regular Mayco and Portfolio Committee Engagement	Number of meeting held with respective Portfolio Councillor.	Number	12	1%	Good Governance and Public Participation
IGR & International Relations	To ensure effective IGR	Number of district technical forums for local municipalities organised by the department	Number	4	1%	Good Governance and Public Participation
Human Resources	Promote individual performance management (non Section 57)	% of individuals who have entered into individual performance agreements	%	80%	2%	Municipal Institutional Development and Transformation
Human Resources	Promote individual performance management (non Section 57)	% of individuals who have had at least one performance assessment	%	70%	2%	Municipal Institutional Development and Transformation
PMS	To resolve all internal and external audit queries	The percentage of internal and external audit queries resolved by the department	%	100%	2%	Municipal Institutional Development and Transformation
Supply Chain Management	To ensure timeous reporting into Supply Chain System	% completed assessments of suppliers, contractors and service providers, where applicable, submitted to Supply Chain Management (value > R 30 000)	%	80%	2%	Municipal Financial Viability and Management

Expenditure	Financial Reporting	Monthly submission of financial reports to Executive Mayor	Number	12	4%	Municipal Financial Viability and Management
Expenditure	Financial Reporting	Quarterly submission of financial reports to Council, Provincial and National Treasury	Number	4	4%	Municipal Financial Viability and Management
Expenditure	Submission of financial statements	Timeous compilation and submission of financial statements to Auditor General	Date	31 August 2008	4%	Municipal Financial Viability and Management

Annexure F

Performance Area	Objective	Key Performance Indicator	Unit of Measure	CWDM Annual Target	Weight	National Key Performance Area
Infrastructure Planning & Project Implementation	Develop a district wide housing strategy	Has the district-wide human settlement strategy been reviewed, updated and adopted by Council?	Yes/No	Yes	5%	Basic Service Delivery
Infrastructure Planning & Project Implementation	Monitor the provision of basic services to households	Is there a monitoring system in place for electricity delivery to households	Yes/No	Yes	4%	Basic Service Delivery
Infrastructure Planning & Project Implementation	Monitor the provision of basic services to households	Is there a monitoring system in place for water delivery to households	Yes/No	Yes	4%	Basic Service Delivery
Infrastructure Planning & Project Implementation	Monitor the provision of basic services to households	Is there a monitoring system in place for housing delivery	Yes/No	Yes	4%	Basic Service Delivery
Infrastructure Planning & Project Implementation	Monitor the provision of basic services to households	Is there a monitoring system in place for the maintenance of streets	Yes/No	Yes	3%	Basic Service Delivery
Human Resources	Promote employment equity in CWDM	Percentage of new appointments in department that are women	%	51%	1%	Municipal Institutional Development and Transformation
Human Resources	Promote employment equity in CWDM	Percentage of staff in the department that are classified as disabled.	%	2%	2%	Municipal Institutional Development and Transformation
Innovations	To ensure new innovations in CWDM	Number and nature of new innovations entered into by CWDM	Number	3	3%	Municipal Financial Viability and Management
Budget	To ensure that CWDM secures additional funding from external/independent sources	Funds secured from independent funding sources	%	R 2 million	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Projects Budget	Project Expenditure as % of Project Budget for this period	%	94%, 40% by end of December	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Capital Budget	Capital Expenditure as % of Capital Budget for this period	%	94%, 40% by end December	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Salaries Budget	Salaries as % of Total Operating Expenditure	%	34%	2%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of General Expenditure Budget	General Expenditure as % of Total General Expenditure	%	80%	2%	Municipal Financial Viability and Management
Audit	To promote effective Corporate Governance in CWDM	Compliance with all legislation and policies to ensure that an Unqualified Audit is achieved.	Audit Outcome	Unqualified	3%	Good Governance and Public Participation
Human Resources	To ensure skills development of staff in CWDM	% Salaries and wages budget that was spent on staff training and development.	%	1%	1%	Municipal Institutional Development and Transformation
Human Resources	To ensure skills development of staff in CWDM	% of individuals sent on staff training and development.	%	30%	3%	Municipal Institutional Development and Transformation
Human Resources	To retain and promote organisational capacity	% funded posts in organogram that are filled	%	80%	1%	Municipal Institutional Development and Transformation

Human Resources	To retain and promote organisational capacity	% person days lost due to unplanned leave (sick leave, AWL, compassionate leave etc)	%	Baseline to be established within first 6 months	3%	Municipal Institutional Development and Transformation
Projects	Achievement of agreed upon approved project quantities	% of quantities achieved as reflected in business plans of approved projects	%	90%	10%	Basic Service Delivery
Projects	Achievement of agreed upon approved project training opportunities	% of individuals trained as reflected in business plans of approved projects	%	90%	10%	Local Economic Development
Projects	Achievement of agreed upon approved project employment opportunities	% of individuals employed as reflected in business plans of approved projects	%	90%	10%	Local Economic Development
Projects	To implement projects effectively and efficiently	% of activities completed as setout in business plans of approved projects	%	90%	5%	Basic Service Delivery
Projects	To implement projects effectively and efficiently	% of activities completed within specified timeframes as setout in business plans of approved projects	%	90%	5%	Basic Service Delivery
IGR & International Relations	To ensure regular Mayco and Portofolio Committee Engagement	Number of meeting held with respective Portofolio Councillor.	Number	12	1%	Good Governance and Public Participation
IGR & International Relations	To ensure effective IGR	Number of district technical forums for local municipalities organised by the department	Number	4	1%	Good Governance and Public Participation
Human Resources	Promote individual performance management (non Section 57)	% of individuals who have entered into individual performance agreements - Office Based	%	80%	1%	Municipal Institutional Development and Transformation
Human Resources	Promote individual performance management (non Section 57)	% of individuals who have entered into individual performance agreements - not Office Based	%	Baseline to be established within first 6 months	1%	Municipal Institutional Development and Transformation
Human Resources	Promote individual performance management (non Section 57)	% of individuals who has had at least one performance assessment - Office Based	%	70%	2%	Municipal Institutional Development and Transformation
PMS	To resolve all internal and external audit queries	The percentage of internal and external audit queries resolved by the department	%	100%	2%	Municipal Institutional Development and Transformation
Supply Chain Management	To ensure timeous reporting into Supply Chain System	% completed assessments of suppliers, contractors and service providers, where applicable, submitted to Supply Chain Management (value > R 30 000)	%	80%	2%	Municipal Financial Viability and Management

Annexure G

Performance Area	Objective	Key Performance Indicator	Unit of Measure	CWDM Annual Target	Weight	National Key Performance Area
Regional Economic Development	To ensure positive growth rates in CWD	Determine percentage growth in Gross Geographic Product (GGP) in CWDM	%	To be determined	1%	Local Economic Development
Regional Economic Development	To ensure positive growth rates in CWD	Determine the percentage growth in Gross Value Add (GVA) in CWDM	%	To be determined	1%	Local Economic Development
Regional Economic Development	To ensure that growth is shared and income inequality is reduced in CWD	Determine the Gini co-efficient of CWDM	Range between 0 and 1	To be determined	1%	Local Economic Development
Regional Economic Development	Provide support to businesses in CWDM	Number of business partnerships facilitated by CWDM	Number	9	1%	Local Economic Development
Regional Economic Development	Establish business incubators & mentorships	Number of emerging and small businesses supported by CWDM	Number	44	1%	Local Economic Development
Regional Economic Development	To conduct a needs analysis for informal businesses	Has the needs analysis for informal businesses been conducted and presented to Council?	Yes/No	Yes	1%	Local Economic Development
Regional Economic Development	Adoption of Cape Winelands brand.	% CWDM households able to identify CW Brand?	%	60%	1%	Local Economic Development
Regional Economic Development	Adoption of Cape Winelands brand.	% respondents aware of the Cape Winelands Brand, as tested in a brand awareness survey (incl outside CWDM)	%	20%	1%	Local Economic Development
Regional Economic Development	To ensure that a Spatially aligned and linked IDP - Budget - PMS is established and implemented at CWDM	Has the 2009/10 IDP - Budget - PMS been spatially aligned and linked?	Yes/No	Yes	2%	Municipal Financial Viability and Management
Spatial Planning	To ensure expenditure on SDF priorities	What percentage of your targetted capital & projects spending will be spent in the priority areas identified in the Spatial Development Framework for the 2009/10 FY?	%	75%	1%	Municipal Institutional Development and Transformation
Environmental Planning and Management	To implement the CWDM Strategic Environmental Assessment	Has the SEA been implemented in CWDM?	Yes/No	Yes	1%	Basic Service Delivery
Spatial Planning	To ensure that the EMP is approved for CWDM	Did your municipality have an approved Environmental Management Plan?	Yes/No	Yes	1%	Local Economic Development
Spatial Planning	To develop the Biosphere Reserve and Land-use management Plan for CWDM?	Has the Biosphere Reserve Spatial Development Plan been developed for CWDM?	Yes/No	Yes	2%	Basic Service Delivery
Spatial Planning	To develop the Biosphere Reserve and Land-use management Plan for CWDM?	Has the interim governance structure for the Biosphere Reserve been put in place?	Yes/No	Yes	1%	Basic Service Delivery
Spatial Planning	To develop the CWDM Regional Spatial Development Framework	Has the District SDF been reviewed?	Yes/No	Yes	2%	Basic Service Delivery
Regional Economic Development	To review the Growth and Development Strategy	Has the GDS been reviewed?	Yes/No	Yes	2%	Local Economic Development
Human Resources	Promote employment equity in CWDM	Percentage of new appointments in department that are women	%	51%	1%	Municipal Institutional Development and Transformation
Human Resources	Promote employment equity in CWDM	Percentage of staff in the department that are classified as disabled.	%	2%	2%	Municipal Institutional Development and Transformation
Innovations	To ensure new innovations in CWDM	Number and nature of new innovations entered into by CWDM	Number	3	3%	Municipal Financial Viability and Management
Budget	To ensure that CWDM secures additional funding from external/independent sources	Funds secured from independent funding sources	%	R 2 million	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Projects Budget	Project Expenditure as % of Project Budget for this period	%	94%, 40% by end of December	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Capital Budget	Capital Expenditure as % of Capital Budget for this period	%	94%, 40% by end December	3%	Municipal Financial Viability and Management

Expenditure	To ensure efficient expenditure of Salaries Budget	Salaries as % of Total Operating Expenditure	%	34%	2%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of General Expenditure Budget	General Expenditure as % of Total General Expenditure	%	80%	2%	Municipal Financial Viability and Management
Audit	To promote effective Corporate Governance in CWDM	Compliance with all legislation and policies to ensure that an Unqualified Audit is achieved.	Audit Outcome	Unqualified	3%	Good Governance and Public Participation
Human Resources	To ensure skills development of staff in CWDM	% Salaries and wages budget that was spent on staff training and development.	%	1%	1%	Municipal Institutional Development and Transformation
Human Resources	To ensure skills development of staff in CWDM	% of individuals sent on staff training and development.	%	30%	3%	Municipal Institutional Development and Transformation
Human Resources	To retain and promote organisational capacity	% funded posts in organogram that are filled	%	80%	1%	Municipal Institutional Development and Transformation
Human Resources	To retain and promote organisational capacity	% person days lost due to unplanned leave (sick leave, AWL, compassionate leave etc)	%	5%	3%	Municipal Institutional Development and Transformation
Projects	Achievement of agreed upon approved project quantities	% of quantities achieved as reflected in business plans of approved projects	%	90%	10%	Local Economic Development
Projects	Achievement of agreed upon approved project training opportunities	% of individuals trained as reflected in business plans of approved projects	%	90%	10%	Local Economic Development
Projects	Achievement of agreed upon approved project employment opportunities	% of individuals employed as reflected in business plans of approved projects	%	90%	10%	Local Economic Development
Projects	To implement projects effectively and efficiently	% of activities completed as setout in business plans of approved projects	%	90%	5%	Local Economic Development
Projects	To implement projects effectively and efficiently	% of activities completed within specified timeframes as setout in business plans of approved projects	%	90%	5%	Local Economic Development
IGR & International Relations	To ensure regular Mayco and Portofolio Committee Engagement	Number of meeting held with respective Portofolio Councillor.	Number	12	1%	Good Governance and Public Participation
IGR & International Relations	To ensure effective IGR	Number of district technical forums for local municipalities organised by the department	Number	4	1%	Good Governance and Public Participation
Human Resources	Promote individual performance management (non Section 57)	% of individuals who have entered into individual performance agreements	%	80%	2%	Municipal Institutional Development and Transformation
Human Resources	Promote individual performance management (non Section 57)	% of individuals who have had at least one performance assessment	%	70%	2%	Municipal Institutional Development and Transformation
PMS	To resolve all internal and external audit queries	The percentage of internal and external audit queries resolved by the department	%	100%	2%	Municipal Institutional Development and Transformation
Supply Chain Management	To ensure timeous reporting into Supply Chain System	% completed assessments of suppliers, contractors and service providers, where applicable, submitted to Supply Chain Management (value > R 30 000)	%	80%	2%	Municipal Financial Viability and Management

Annexure H

Performance Area	Objective	Key Performance Indicator	Unit of Measure	CWDM Annual Target	Weight	National Key Performance Area
Emergency Services	The provision of efficient and effective fire services	Average response time to 70% mountain/veld fire calls	Min	35 minutes	2%	Basic Service Delivery
Emergency Services	The provision of efficient and effective fire services	Percentage of mountain/veld fires responded to with a minimum of two fire fighting vehicles with a combined manpower of a minimum of 4 fire fighters	%	70%	2%	Basic Service Delivery
Emergency Services	To ensure that there is an updated and approved disaster management plan	Does the municipality have a disaster management plan that has been updated and adopted by Council in the last year?	Yes/No	Yes	2%	Basic Service Delivery
Municipal Health Services	To ensure effective monitoring of AQ in CWDM	Is there a monitoring system in place for air quality?	Yes/No	Yes	2%	Basic Service Delivery
Municipal Health Services	To ensure effective monitoring of effluent discharge in CWDM	Has the municipality instituted a programme of effluent discharge quality sampling in accordance with nationally defined minimum standards	Yes/No	Yes	2%	Basic Service Delivery
Municipal Health Services	To ensure effective monitoring of Water Quality in CWDM	Has the municipality instituted a programme of drinking water quality sampling in accordance with DWQF and SANS241 requirements	Fully, Partially, Not at all	Yes	2%	Basic Service Delivery
Municipal Health Services	To ensure effective monitoring of WQ in CWDM	% water quality samples failing the E-coli test	%	0%	2%	Basic Service Delivery
Municipal Health Services	To ensure effective monitoring of effluent discharge in CWDM	% of waste water treatment facilities that are licenced	%	100%	1%	Basic Service Delivery
Municipal Health Services	To ensure effective monitoring of effluent discharge in CWDM	% of waste water treatment facilities which meet the required effluent standard at least 97% of the time	%	100%	2%	Basic Service Delivery
Municipal Health Services	Monitor the provision of basic services	Is there a monitoring system in place for solid waste	Yes/No	Yes	2%	Basic Service Delivery
Municipal Health Services	To ensure effective monitoring of AQ in CWDM	% air quality samples which comply with provincial and national AQ standards	%	Baseline to be established within 08/09	1%	Basic Service Delivery
Human Resources	Promote employment equity in CWDM	Percentage of new appointments in department that are women	%	51%	1%	Municipal Institutional Development and Transformation
Human Resources	Promote employment equity in CWDM	Percentage of staff in the department that are classified as disabled.	%	2%	2%	Municipal Institutional Development and Transformation
Innovations	To ensure new innovations in CWDM	Number and nature of new innovations entered into by CWDM	Number	3	3%	Municipal Financial Viability and Management
Budget	To ensure that CWDM secures additional funding from external/independent sources	Funds secured from independent funding sources	%	R 2 million	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Projects Budget	Project Expenditure as % of Project Budget for this period	%	94%, 40% by end of December	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Capital Budget	Capital Expenditure as % of Capital Budget for this period	%	94%, 40% by end December	3%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of Salaries Budget	Salaries as % of Total Operating Expenditure	%	34%	2%	Municipal Financial Viability and Management
Expenditure	To ensure efficient expenditure of General Expenditure Budget	General Expenditure as % of Total General Expenditure	%	80%	2%	Municipal Financial Viability and Management
Audit	To promote effective Corporate Governance in CWDM	Compliance with all legislation and policies to ensure that an Unqualified Audit is achieved.	Audit Outcome	Unqualified	3%	Good Governance and Public Participation

Human Resources	To ensure skills development of staff in CWDM	% Salaries and wages budget that was spent on staff training and development.	%	1%	1%	Municipal Institutional Development and Transformation
Human Resources	To ensure skills development of staff in CWDM	% of individuals sent on staff training and development.	%	30%	3%	Municipal Institutional Development and Transformation
Human Resources	To retain and promote organisational capacity	% funded posts in organogram that are filled	%	80%	1%	Municipal Institutional Development and Transformation
Human Resources	To retain and promote organisational capacity	% person days lost due to unplanned leave (sick leave, AWL, compassionate leave etc)	%	5%	3%	Municipal Institutional Development and Transformation
Projects	Achievement of agreed upon approved project quantities	% of quantities achieved as reflected in business plans of approved projects	%	90%	10%	Basic Service Delivery
Projects	Achievement of agreed upon approved project training opportunities	% of individuals trained as reflected in business plans of approved projects	%	90%	10%	Local Economic Development
Projects	Achievement of agreed upon approved project employment opportunities	% of individuals employed as reflected in business plans of approved projects	%	90%	10%	Local Economic Development
Projects	To implement projects effectively and efficiently	% of activities completed as setout in business plans of approved projects	%	90%	5%	Basic Service Delivery
Projects	To implement projects effectively and efficiently	% of activities completed within specified timeframes as setout in business plans of approved projects	%	90%	5%	Basic Service Delivery
IGR & International Relations	To ensure regular Mayco and Portofolio Committee Engagement	Number of meeting held with respective Portofolio Councillor.	Number	12	1%	Good Governance and Public Participation
IGR & International Relations	To ensure effective IGR	Number of district technical forums for local municipalities organised by the department	Number	4	1%	Good Governance and Public Participation
Human Resources	Promote individual performance management (non Section 57)	% of individuals who have entered into individual performance agreements	%	80%	2%	Municipal Institutional Development and Transformation
Human Resources	Promote individual performance management (non Section 57)	% of individuals who have had at least one performance assessment	%	70%	2%	Municipal Institutional Development and Transformation
PMS	To resolve all internal and external audit queries	The percentage of internal and external audit queries resolved by the department	%	100%	2%	Municipal Institutional Development and Transformation
Supply Chain Management	To ensure timeous reporting into Supply Chain System	% completed assessments of suppliers, contractors and service providers, where applicable, submitted to Supply Chain Management (value > R 30 000)	%	80%	2%	Municipal Financial Viability and Management

Annexure I

2006 - 2007 ORGANISATIONAL KEY PERFORMANCE INDICATORS

Key Performance Indicator	Definition	2006/07 Target	Actual Achievement
Capital projects	Percentage of Executive Directorates capital budget actually spent on capital projects identified for a particular financial year	80%	77%
Cash Investments and Monthly Income (CIMI) to Monthly Current Expenditure (MCE) ratio	Sufficient monthly cash flow to cover current monthly expenses	1	13.2
Cash Investments and Monthly Income (CIMI) to Monthly Fixed Operating Expenditure (MFOE) ratio	Sufficient monthly cash flow to cover monthly operating expenses	1	24.1
Cash Investments and Monthly Income (CIMI) to Monthly Wage Bill (MWB) ratio	Sufficient monthly cash flow to cover monthly wage bill	1	39.5
Contracts (Non-Tenders) awarded – BEEs	Number of contracts awarded to BEEs	Baseline Info to be established, new KPI	
Contracts (Non-Tenders) awarded – non-SMMEs and BEEs	Number of contracts awarded to non-SMMEs and BEEs	Baseline Info to be established, new KPI	
Contracts (Non-Tenders) awarded – Previously Disadvantaged Individuals (PDIs)	Number of contracts awarded to PDIs	Baseline Info to be established, new KPI	
Contracts (Non-Tenders) awarded– SMMEs	Number of contracts awarded to SMMEs	Baseline Info to be established, new KPI	
Contract (Non-Tenders) Value– BEEs	Value of contracts awarded to BEEs	Baseline Info to be established, new KPI	
Contract (Non-Tenders) Value – PDIs	Value of contracts awarded to PDIs	Baseline Info to be established, new KPI	
Contract (Non-Tenders) Value – SMMEs	Value of contracts awarded to SMMEs	Baseline Info to be established, new KPI	
Contract Value (Non-Tenders) – non-SMMEs and BEEs	Value of contracts awarded to non-SMMEs and BEEs	Baseline Info to be established, new KPI	
Tenders awarded – BEEs	Number of tenders awarded to BEEs	12	47
Tenders awarded – on-SMMEs and BEEs	Number of tenders awarded to non-SMMEs and BEEs	30	29
Tenders awarded – PDIs	Number of tenders awarded to PDIs	35%	22%
Tenders awarded - SMMEs	Number of tenders awarded to SMMEs	40%	32%
Tender Value – BEEs	Rand value of tenders awarded to BEEs	R25 000 000	R42 468 187

Key Performance Indicator	Definition	2006/07 Target	Actual Achievement
Tender Value – non-SMMEs and BEEs	Rand value of tenders awarded to non SMMEs and BEEs	R 60 000000	R20 364 359
Tender Value – PDIs	Rand value of tenders awarded to PDIs	25%	25.54%
Tender Value – SMMEs	Rand value of tenders awarded to SMMEs	R10 000 000	R47 796 738
Creditor payment days	Average number of days to pay a creditor after receipt of required statements	30 days	30 days
Current ratio	Liquidity – Ensure that current assets exceed current liabilities	1	7
DMA rates collection	Percentage of DMA rates collected	80%	60%
Gearing ratio	Sufficient funds and reserves to cover long-term debt	60%	NO long term Debt
Interest coverage ratio	Sufficient income to service interest payments	1	34
Operating cost for general government (excluding governance and political support)	Operating cost for general government as a percentage of total municipal operating costs (based on general government support)	18%	11%
Operating cost for general government (including governance and political support)	Operating cost for general government as a percentage of total municipal operating costs (based on governance, political and general support)	20%	20%
Outstanding accounts – Invoices not paid within 30 days of statement	Percentage of accounts that have not been paid at the end of each month	1%	0.06%
Outstanding accounts – Rand value	Rand value of accounts that have not been paid at the end of each month	R150 000	R150 000
Outstanding service debtors to revenue ratio	Sufficient income to cover outstanding service debtors	N/A	N/A
Personnel costs	Percentage personnel cost a total of the budget	28%	28%
Stores turnover	Inventory turnover per month	1.06% per month	1.06%
Tariff increase %	Percentage rate increases within a given year	± 6%	± 6%
Total municipal operating costs	Total operating costs equal the relevant object categories of expenditure less revenues from other municipalities. The object categories of expenditure used in the calculation are salaries; wages and employee expenses benefits; materials; contracted services and rents and financial.	R247 597 183	R267 195 179

Key Performance Indicator	Definition	2006/07 Target	Actual Achievement
Workplace skills plan	Percentage of municipality salary budget actually spent on implementing its workplace skills plan	2%	2
No. of income opportunities facilitated by the CWDM – short term and long term	No. of EPWP and jobs created through community-based projects	200	479
No. of beneficiaries targeted through health prevention campaigns	No. of people attending HIV/AIDS, alcohol abuse, TB, diseases of life-style prevention campaigns	6 000	
No. of small entrepreneurs supported through entrepreneurial support programme	No. of beneficiaries of the Entrepreneurial Seed Fund, the Arts and Crafts programme and the Small Farmer Support programme	55	63
No. of small entrepreneurs receiving mentorship and training	No. of small entrepreneurs receiving accredited training and/or placed on mentorship programmes	120	143
No. of BEE deals facilitated by the CWDM	No. of BEE deals that have been advised or facilitated by the CWDM.	20	63
No. of lay health-workers receiving accredited training	No. of lay health-workers that participate in learnerships or receive accredited training	250	607
No. of food quality samples taken by CWDM	Regular and proactive food quality monitoring in the Cape Winelands	600 samples	956 samples were analysed of which 536 conformed to standard
To increase the average overnight stay of tourists in the Cape Winelands by one night	To ensure that the marketing of the district promotes the district as a destination and encourages tourists to stay longer	1 night increase	
To provide water and sanitation subsidies to 90 farms within the Cape Winelands	To encourage farmers within the district to upgrade water and sanitation conditions on farms through offering subsidies	75% implementation	72 Farms implemented 80%
To ensure weekly visits of EHPs to informal settlements within the CWDM	To increase monitoring of service delivery within the Cape Winelands	Weekly visits	Target was reached
10 small contractors operating within informal settlements	Community-based operators to be identified to assist in refuse removal, basic maintenance of block toilets and reporting of service delivery failures	10 contractors	39 projects, at least 80% through small contractors
Proactive marketing of the Cape Winelands through attendance at exhibitions	Attendance at 3 international and 7 national exhibitions	10	10

Key Performance Indicator	Definition	2006/07 Target	Actual Achievement
LED Strategy launched for the Cape Winelands	LED Strategy completed	1	1 LED strategy completed, 1 GDS completed
Regular and proactive housing inspections	To ensure compliance with basic housing standards within the district	16 000	Housing inspections: farm housing 5785, formal housing 14 354, informal housing 8166, informal housing back yards, 1361
To implement water quality pilots within the Cape Winelands	To proactively address the water quality for farm workers within the Cape Winelands	2 pilots	2 projects implemented
To complete a baseline survey of water and sanitation services on farms within two local municipalities	To gather accurate data on rural service delivery backlogs	2 Bs	This survey was conducted in all five B-Municipal areas as well as the DMA, and all data has been captured on the electronic database.
Launch of Wolwekloof Learning Academy with first course offered	Opening of the Wolwekloof Learning Academy and enrollment of first learners	Construction Complete	Construction complete April 2007
Launch of the Cape Winelands brand	Consultation with stakeholders and development of brand concept complete	1 brand	1 brand
Partner with and brand local tourism events	Enter into SLAs and brand events with partners	15 events	13 events
Partner with schools around tourism development and promotion	Maintain partnership with department of education, schools and LTAs	60 schools	85 schools
Disaster Management Training	Training of personnel/role players	120	161
Strategic Environmental Assessment (SEA)	Finalisation of Strategic Environmental Assessment	June 2007	Completed June 2007
DMA – Spatial development Framework	Finalisation of DMA-SDF	June 2007	Completed June 2007
Cape Winelands Biosphere Reserve	Application submitted to UNESCO for registration	June 2007	Completed May 2007
Fire protection in rural areas	Trailers placed at FAAs and at rural high risk areas	8	Completed May 2007
Scholar Road Safety	Reflective bands issued to scholars	June 2007	3500: Distribution/launch of educational material cancelled due to Public sector strikes
Non-motorised transport facilities	Existing pathways upgraded	3	0 km
Non-motorised transport facilities	New pathways constructed	300 m	0 km
Public transport facilities	Embayments constructed	5	0 km
Community Policing Forums	Value assistance to Community Policing Forum	R300 000	R355 375

Key Performance Indicator	Definition	2006/07 Target	Actual Achievement
Community Policing Forums beneficiaries	Reservists/beneficiaries who benefited through assisting of the Community Policing Forum	200	201
By-laws Fire Services	By-laws adopted by Council	June 2007	Completed
Joint fire fighting services	Joint fire fighting services committee meetings	5	5
Mountain/Veld fires	Response time to mountain/veld fires	35 minutes for 70% of calls	35 minutes for 91 % based on 858 calls (mountain/veld fires)
Mountain/veld fires	Dispatchment of resources	Two fire-fighting vehicles with a combined manpower of a minimum of four fire fighters for 70% of calls	Two fire fighting vehicles with a combined manpower of a minimum of four fire fighters for 77,5% based on 965 calls (all calls)
Integrated Development Planning meetings	Number of IDP forum/sector/programme/department meetings	12	12 meetings due to combined sector meetings
Integrated Development Planning stakeholders (organisations)	Number of stakeholders (organisations) who attended IDP forum/sector/programme/department meetings	40	Number of stakeholder organisations 336. In total 1670 individuals participated in these meetings
Audit committee meetings	Number of Audit committee meetings convened	4	5 Audit Committee meetings were held
Local Labour Forum meetings	Number of Local Labour Forum meetings convened	10	10 meetings set and 2 could not be held due to termination of the Organisational Rights Agreement, however labour was interacted with on informal basis
Employees attending formal courses/training programmes	Percentage of employees who attended formal courses/training programmes	30%	47% employees attended training sessions.
Formal training courses	Number of formal training courses	20	59 training courses
Inter-governmental meetings	Number of intergovernmental meetings	10	10 IGR meetings.
Personnel attendance rate	Attendance rate of CWDM personnel	80%	Average of above 85% based random sampling period
Attendance rate of councillors	Attendance rate of councillors to official council and mayoral committee meetings	80%	Council meetings 90% and Mayoral Committee meetings 84%
External stakeholder meetings attended by full-time councillors	Monthly average number of external stakeholder meetings attended by full-time councillors	60 meetings per month	Average of 52 meetings per month, this excludes engagements by the Executive Mayor with other stakeholders

Key Performance Indicator	Definition	2006/07 Target	Actual Achievement
Construction/Upgrading of sidewalks/streets	Kilometres of pedestrian and cycle paths constructed	2,0 km	8 km
Electricity provision in DMA	Number households/schools that have been supplied with electricity on premises	70 households	85 households
Preventative maintenance – bitumen roads	90% of preventative maintenance on 1 218 km bitumen roads	1 096 km	1 218 km
Preventative maintenance – gravel roads	90% of preventative maintenance on 3 500 km gravel roads	3 150 km	3 150 km
Regravelling of roads	Kilometres of roads regravelled	4 km	5 km
Resealing of roads	Kilometres of roads resealed	50 Km	69 km
Upgrading of streets and storm-water (housing)	Kilometres of streets and storm-water upgraded in housing projects.	2,5 km	3.5 km
Rural housing units (new/upgraded)	Number of housing units completed and handed over to residents in rural area	30 houses	0 houses
Special ad hoc projects (The wording 'EPWP' should be removed – they are only ad hoc projects)	Number of individuals employed in special ad hoc job creation projects (Road maintenance)	40 Individuals Employed	52 Individuals Employed
Special ad hoc projects	Number of person hours employed in special ad hoc job creation projects (Road maintenance)	70 000 Person hours	70 707 Person hours
Provision of water and sanitation to rural schools	Number of rural schools provided with water and sanitation	3 schools	6 schools
Upgrading of lower order gravel roads/streets	Kilometres of lower order gravel roads/streets upgraded	1. 8 Km	2.82 km

2006 - 2007 PROJECT IMPLEMENTATION

Projects	2006/07 Target	2006/07 % Achievement	Comment
ACSA STAND	100%	0%	New proposal submitted to ACSA not accepted. Project cancelled.
Great Wine Capitals Global Network	100%	16%	Programme was completed, with 16% of budget. All deliverables met – increase in efficiency and partnership with SANEC.
Guidance – - Health and Hygiene	75%	22%	This project is closely linked to the water and sanitation subsidy scheme and is impacted by the harvest season.
Funding for the provision of basic services within the Cape Winelands District Municipality	100%	30%	The programme is still in progress and expected to be completed by August 2007. This programme was through additional funding leveraged from DWAF.
EKHURHULENI	100%	40%	Project cancelled.
NHTV CO-OP Agreement	100%	40%	Project cancelled.
Promotion of safe water in rural areas	100%	40%	The expenditure of 2005/06 was processed in 2006/07, thus affecting the expenditure and the deliverable for the financial year.
SANEC COOPERATION AGREEMENT	100%	50%	Project Completed
Small farmer support programme	50%	51%	Four Projects could not be implemented due to beneficiaries not having access to the land or water. Target revised.
Soccer 2010 partnership programme with SAFA Boland	100%	100%	Contract was signed.
CWDM Entrepreneurial Partnership Programme	60%	62%	The additional list of beneficiaries was not approved before end of financial year by MAYCO owing to concerns by Finance Department as to the legality of the programme.
Subsidies for upgrading of water and sanitation in the rural area	100%	62%	The implementation of the service is not within the control of Council. Farm owners are responsible for the take up and implementation of the subsidy. The Department attempted to interact with farm owners.
Food Security Project	60%	63%	The reason for delays in implementation was late submission of reports from some Health Development Committees.

Projects	2006/07 Target	2006/07 % Achievement	Comment
Subsistence facilities on farms baseline information program.	100%	140%	The baseline information project in the Breede River/Winelands was completed as per business plan. During the same period donor funds were received from the DWAF for the project to be rolled out in the entire District. This project is still in progress and expected to be completed in December 2007.
Stakeholder Coordination: TAC, LTA and Establishment of a CWDM Business	60%	66%	TAC was disestablished and CWDM business council could not be established by end of financial year. The establishment was linked to the GDS.
Gateway Educational Programme	75%	75%	The number of educational programmes are determined by our partners.
Rural Development Programme	60%	76%	All targets as per business plan were met.
Domestic And International Exhibitions	75%	76%	All exhibitions were attended. Those that were not attended had been cancelled by organisers.
Early Childhood Development	100%	100%	Project completed successfully
HIV/AIDS	100%	100%	Very extensive awareness campaigns took place during the year.
Development of the De Poort Heritage Village	100%	100%	Project completed
Organic food farming	100%	80%	
Small business support programme	100%	80%	The programme could not deliver on one of its deliverables – mentoring.
Alcohol Related	100%	81%	
Arts & Craft Route Development	100%	82%	Some of the crafters decided not to continue on the programme – - CWDM is being used as a model in the Western Cape for the Cape Craft design Institute.
Cape Winelands Clean and Green Awareness Program	100%	82%	The programme started later than the actual plan. The reason for the delays in implementation was indecision on the side of policy makers. The programme took an extensive amount of effort to keep on track.
LED Information Project	100%	83%	Business information portal was postponed and investment strategy only completed in August 2007.
Tourism Events Project	100%	87%	Whoosh festival cancelled by organisers and Breedekloof festival was not supported. All other events took place as per the business plan.

Projects	2006/07 Target	2006/07 % Achievement	Comment
Cape Winelands Freedom Route	100%	87%	List of additional aunties could not be finalised by MAYCO. Department did everything they could to get the project underway.
Marketing Campaign	100%	89%	Ambassador project and Mayoral tourism awards cancelled. All other project outputs were met.
Cape Winelands Home Stays	100%	89%	SMMEs could not exhibit because other SMMEs chosen and stands were full. Otherwise all project outputs were met.
Breedekloof bursary	100%	90%	Successfully implemented.
Environmental health education programme	100%	91%	
Wolwekloof Youth Academy	100%	93%	Multi – stakeholder engagement was required during the period under review.
Schools Tourism Awareness Project	100%	93%	Successfully implemented.
Internships and placements	100%	94%	Successfully implemented.
THD Community Training	100%	95%	Successfully implemented.
Marketing Collateral	100%	97%	Successfully implemented.
Growth and Development Summit	100%	100%	Successfully implemented.
Local Tourism Association Projects	100%	100%	Successfully implemented.
Newton/Wellington Sidewalk	100%	6%	Adjudication Committee decided not to award tender and instructed that the project be implemented as a labour intensive construction project. The LIC project to be advertised in August 2007
Embayments, sidewalks and shelters at various rural schools	100%	7%	Competitive bidding process culminated in a delay with the appointment of the contractor
DMA Shelters and Embayments	100%	8%	Competitive bidding process culminated in a delay with the appointment of the contractor
OLS Pilot Project – Stellenbosch	100%	26%	Competitive bidding process culminated in a delay with the appointment of the consortium.
Development of pedestrian safety awareness material for rural learners and community	100%	36%	The awareness material could not be distributed at the various schools due to the public services strike. Roll-out re-scheduled for August/September 2007.
Disaster Management Centre	100%	41%	Expenditure was dependent on Provincial Government erecting building.
Planning of Fire Station and Training Centre	100%	49%	Project Completed. Treasury Dept. allocated expenditure to another vote.

Projects	2006/07 Target	2006/07 % Achievement	Comment
Disaster Management Restructuring	80%	80%	Project Completed.
Community Police Forums	80%	87%	All funds allocated.
District Management Area SDF	100%	90%	Project is 100% completed. Adopted by Council on 29 June 2007. There are problems with the capturing of financial data onto the system.
Development and provision of fire fighting training and education in the CWDM area	100%	97%	Project completed.
Strategic Environmental Assessment: Phase 2	100%	97%	Project completed.
Disaster Management Training	100%	100%	Project completed.
Disaster Management Awareness	100%	100%	Project completed.
Disaster Management Planning	100%	100%	Project completed.
Human Rights Education	50%	10%	The project was undertaken together with Women on Farms. No funds were forthcoming from the Premiers Office as initially indicated. 50% budget raised and target revised.
Gender equality Project	50%	5%	Project implemented widely with extensive public comments. Project received 50% of budget. The remaining 50% planned for the next year, target revised. No expenditure for staff consultation.
Strategic information system (collaborator)	100%	5%	Training and support was still being undertaken.
The development of sectoral plans	80%	5%	Programme revised due to inter governmental duplication.
Youth Empowerment	100%	10%	Due to delays the conference was held from 20– 22 July 2007; therefore expenditure was split between two financial years. 100% of original budget was spent, and an additional R100 000 was transferred to this vote shortly before the end of June 2007.
Community Support Programme	100%	10%	Project roll-out was done in conjunction with other stakeholders.
Municipal Support Unit (Shared Service Centre)	100%	15%	No further engagement from DPLG on the establishment of Shared Services. Waiting for further engagements during 2007/08 financial year.
Programme changes	100%	5%	Necessary changes were completed.
IDP training	100%	10%	All work was completed within budget.
Training of personnel	100%	10%	All courses planned were completed within budget.

Projects	2006/07 Target	2006/07 % Achievement	Comment
Development of Performance Management System	100%	15%	All deliverables were met. Assisted other municipalities.
Meerlust Housing: EIA/Planning	100%	94%	Receive ROD from Heritage Western Cape. Requested more detailed studies.
Lanquedoc: Streets and Storm water	100%	100%	Project scheduled over two financial years. Ahead of programme.
Upgrading of Rural roads and road shoulders	100%	96%	Appointment of consultants delay project – on track again.
General Improvements: Workshop	100%	60%	Appointment of architects delayed project – dispute on ownership of buildings.
Development of parking area – Stellenbosch	100%	82%	Appointment of architects delayed project – on track again.
Installation of self-help TV antennae in Agter-Witzenberg Valley	100%	60%	EIA delay project. Busy with EIA.
Upgrading of intersection MR 168/177	100%	98%	Appointment of consultants delayed project – on programme again.
Infrastructure in the DMA	100%	100%	Projects completed in time and budget.
Hermon Housing: Internal Services and Top Structures	100%	100%	Enrollment with NHBRC delayed project by six months – project on track again.
General Improvements: Buildings	100%	98%	Projects completed in time and budget.
Expanded public works programme: Roads	100%	99%	Projects completed in time and budget.
Reseal proclaimed roads	100%	100%	Projects completed in time and budget.
Hermon Housing: Purchase of Land	100%	97%	Projects completed in time and budget.
Zwelentemba: Old Age Home	100%	90%	Projects completed in time and budget.
La Motte: Transfer of erven	100%	100%	Projects completed in time and budget.
Wemmershoek – upgrading of existing houses	100%	100%	Projects completed in time and budget.
Provision of water and sanitation to schools	100%	100%	Projects completed in time and budget

2006 - 2007 JOB CREATION SUMMARY

Key Performance Indicator	Actual Achievement
Number of jobs (jobs are defined as employment for an individual earning minimum wage or above, for at least three months)	88
Number of these jobs that have benefited women	43
Number of these jobs that have benefited youth	8
Number of these jobs that have benefited those with disabilities	2
Number of jobs (jobs are defined as employment above minimum wage, for at least three months) created by municipal capital projects	248
Number of these jobs that have benefited women	67