

2008/09



Annual Report



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CHAPTER 1

1.1 EXECUTIVE MAYOR'S FOREWORD

As Executive Mayor of the Cape Winelands District Municipality (CWDM), it is my pleasure to present the District's 2008/09 Annual Report. Prepared each year by the Municipal Manager and his staff, the Annual Report is an important mechanism to keep our citizens informed of the accomplishments and activities of the District.

The CWDM is an open, transparent and accountable organisation, providing sound governance, stable financial viability and prudent leadership. We have remained focused on the mayoral priorities and set targets for delivery, to provide the performance and results documented in this report.

In the past year there has been a progressive realisation towards meeting our strategic priorities and achieving our vision of **a safe, prosperous and united Cape Winelands where all the people enjoy a high standard of living.**

This emanated in several highlights:

- A specialised unit, the Department of Rural and Social Development, was established to focus purely on rural and social issues.
- Basic lighting and hot water was provided to farm dweller households.
- Co-financing was issued to crèches to advance early childhood development.
- Water and sanitation systems at schools were upgraded to improve health and hygiene standards.
- Tourism was introduced as a career opportunity for learners in the district.
- With the Green Point Visitor's Centre, the CWDM broadened the horizons and exposed farm-school children to opportunities and the excitement of the build-up to 2010's soccer in Cape Town. Students were also taken to soccer matches.
- Computer literacy training and learner's license opportunities were provided to matriculants.
- Bursaries were awarded to deserving first, second and third-year students, as well as to postgraduate students in the district.
- Seed funding was made available to entrepreneurs and small businesses to boost employment.
- Training opportunities and business support were provided to entrepreneurs to ensure the sustainability of their businesses.

- The CWDM entered into a memorandum of understanding with the Graham and Rhona Beck Centre to provide life-skills training for farm worker women who have fallen through the cracks in the system and are in desperate need of alternative opportunities.
- Buildings were modified to allow disabled and wheelchair access to municipal offices and facilities.

The successes achieved through the 2008/09 financial year have given us the courage and confidence to face the challenges head on.

I would like to take this opportunity to express my gratitude to the Speaker, Deputy Mayor, Mayoral Committee, Councillors, Municipal Manager, Executive Directors, Directors and all CWDM staff for their hard work and diligence. The successful projects and outcomes reflected in the report are a result of the collective efforts of the Municipal Executive, Councillors and Administrative Team.

EXECUTIVE MAYOR
CLLR. B.J. CHAABAN

1.2 MUNICIPAL MANAGER'S STATEMENT

As the Accounting Officer of the Cape Winelands District Municipality (CWDM), I am honoured to present the Annual Report for 2008/09. The report has been compiled in accordance with the Local Government Municipal Systems Act 32 of 2000, the Local Government Municipal Finance Management Act 56 of 2003, as well as National Treasury Circular No. 11. The report addresses the performance of the CWDM for the year ended 30 June 2009, and conforms to the relevant statutory requirements. This report records the progress made by the municipality in fulfilling its objectives as reflected in the Integrated Development Plan (IDP), the budget and the Service Delivery and Budget Implementation Plan.

The CWDM came out tops in the 2007/08 Western Cape performance excellence assessment for local government and received the coveted Vuna Award for being the best district municipality in the Western Cape from Pierre Uys, former MEC of Local Government, Environmental Affairs and Development Planning. The CWDM also received awards for excellence in institutional transformation and institutional development, service delivery and good governance. The Council's excellence was demonstrated by six consecutive unqualified audits. We recognised our capacity constraints and the need to consolidate existing partnerships and build new ones. Our major activities during the year were underpinned by working in partnership with many different role players.

Instilling the values of local government is central to our transformation. Our internal transformation process is proceeding on a number of fronts, such as developing middle managers and operational staff to improve service delivery, and improving our internal communication and co-ordination to respond to the issues that confront us daily. Monitoring and evaluating the impact of our policies and programmes is an integral part of our work. While we are satisfied with our progress over the past year and are clear about our strategic priorities, there is much to do in the year ahead. We are committed to improving the way we work continually in order to deliver quality service to the citizens we serve.

I would like to thank the Speaker, Executive Mayor, Deputy Mayor, Mayoral Committee, Council and staff for their contribution in making 2008/09 a success.

MUNICIPAL MANAGER

M. MGAJO

1.3 VISION, MISSION AND GOALS OF THE CWDM

1.3.1 VISION

Growing, sharing, delivering and innovating together.

1.3.2 MISSION

The mission of the CWDM is to ensure that its 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.

1.3.3 GOALS AND PRIORITIES

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

- Stimulating and growing the CWDM's 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 communities in the CWDM
- Promoting a safe environment
- Developing and maintaining the CWDM landscape and environment through sustainable and efficient land use planning
- Ensuring an institutional framework that fosters co-operative governance and the achievement of all the CWDM's objectives

1.4 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 Plan (IDP) of all B-level (local) municipalities in the CWDM's area
- Municipal roads forming an integral part of a road transport system for the CWDM's area
- Municipal airports serving the whole CWDM
- Monitor solid waste disposal sites
- Fire fighting services serving the whole CWDM
- Municipal health services throughout the CWDM
- Promote local tourism in the CWDM
- Municipal public works relating to any of the above functions assigned to the CWDM
- Impose and collect 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 a roads agency function on behalf of the Provincial Administration of the Western Cape (PAWC). In terms of the service agreement between the CWDM and the PAWC, services are rendered with funding provided by the PAWC.

1.5 SITUATIONAL ANALYSIS

1.5.1 INTRODUCTION

The CWDM consists of the Witzenberg, Drakenstein, Stellenbosch, Breede Valley and Breede River/Winelands local municipalities, in an area previously referred to as the Boland. The region is famous for its spectacular scenery of beautiful mountains, valleys, wine and fruit estates, and attracts local visitors as well as foreign tourists.

1.5.2 CURRENT SITUATION

1.5.2.1 TOPOGRAPHY

The combination of the physical and contextual characteristics of the Cape Winelands, including its topography, climate hydrology, geology, soil and indigenous vegetation, has a direct effect on economic activity (in particular agricultural and related production) and tourism, as well as settlement patterns.

The area has a Mediterranean climate, characterised by hot, dry summers and cold to moderate, wet winters. The different climatological conditions have a direct impact on the various agricultural activities in the sub-regions. Approximately 65% to 80% of the area's rainfall occurs between April and September.

The area's mountain ranges are its most significant aspect. Together with a number of important rivers, they form the spines of the rich valleys that provide much of the wealth of the Cape Winelands economy.

The region is well-endowed with public as well as private nature areas that conserve the fauna and flora. Nevertheless, the Cape Winelands area faces a number of significant threats to its biophysical environment.

These include:

- Parts of rivers are often pumped dry in midsummer, therefore there is an overconsumption of water relative to available resources. Together with the pollution of water sources in some areas, this problem has a detrimental effect on the natural environment.
- The water quality is negatively affected by farming activities, informal settlements, leaching from landfill sites and unsuitable sewage removal systems that lead to river pollution.
- Other problems include erosion, soil pollution and a loss of biodiversity and natural beauty, particularly on the lower mountain slopes through agriculture and infrastructural development.

1.5.2.2 ENVIRONMENT

There is a gradual deterioration in the health of ecosystem services in the Cape Winelands. Without the necessary interventions, this will lead to a crisis in the ability of these ecosystem services to support the sustainable economic development and improved quality of life that the municipality strives for in its area of jurisdiction.

Human activity in the Cape Winelands is imposing pressures on the continued ability of the ecosystem to deliver relevant services into the future.

1.5.2.3 SOCIO-ECONOMIC PROFILE

a) Population Trends

The CWDM has a population that represents approximately 14% of the people in the Western Cape, second only to the City of Cape Town. Between 2001 and 2005 the area's population grew on average by 0,6% per year, 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 year is probable between 2007 and 2012¹. It is expected that the CWDM area will maintain its status as the second largest region in the province in the foreseeable future, despite the envisaged decline in the growth rate of the population over the period 2007 to 2012.

In 2007, the size of the CWDM population was estimated at 652 154, and it is likely to grow to more than 658 000 by 2012². Based on these figures and in contrast with the population growth rate mentioned above, the average growth over the period is estimated at 0,89% per year.

The relatively slow growth rate suggests a trend towards intra-district rather than inter-district migration. The dominance of the agricultural sector in 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.

¹ Government of the Western Cape, Provincial Treasury, Socio-economic profile: Cape Winelands area

² Refer to Footnote 1

b) Economic Performance

The average annual growth rate in the Gross Geographical Product (GGP) for the CWDM was 2,9% between 1994/95 and 2003/04, and 3,5% between 1999/2000 and 2003/04. Over the period 2003/04 to 2004/05, the CWDM economy grew by 4,8%. The district contributes 1,54% to the Gross Domestic Product (GDP) of the country and 10,49% to the GGP of the Western Cape. The latter represents the second largest contribution to the GGP of the Western Cape after the City of Cape Town. Growth estimates of the GGP for the CWDM area in 2007/08 are estimated at 4,35%.

Economic sectors in the CWDM area exhibiting the highest growth between 2000 and 2004 are indicated in the table below, together with the growth rate achieved over the period. The performing sectors over the period 2003/04 to 2004/05 are also highlighted.

Economic sector	Growth rate (%) (1999/00 to 2003/04)	Economic sector	Growth rate (%) (2003/04 to 2004/05)
Wholesale and retail (including catering and accommodation)	10,12	Construction	9,05
Manufacturing	6,83	Financial and business services	6,37
Financial and business services	5,58	Community, social and other personal services	5,92
Transport and communication	5,25	Transport & communication	5,61

Table 1: Economic sectors in the CWDM (Source: Provincial Treasury, 2007)

Over the period 2000 to 2004, the construction (1,8%) and agriculture, forestry and fishing (1,36%) sectors experienced a slow annual growth. It is also clear that a shift in emphasis occurred in the construction and service-orientated sectors, indicating high levels of growth from 2003/04 to 2004/05.

Although the economy in the CWDM is relatively diversified, it must be noted that wine producers (14%), other fruit producers (4%), or real estate management firms (12%) contribute 30% of the business revenue in the area. The district's top 10 products or services generate 38% of the total business turnover, which could be attributed to 27% of formal companies operating in the CWDM area.

Spatially, there are concentrations of economic activity. The relative contribution of each municipal area to the GGP of the Cape Winelands district indicates that Drakenstein accounts for 36,3%, Stellenbosch for 22,8%, Breede Valley for 18,9%, Breede River Winelands for 12,4% and Witzenberg for 9,0% of the total GGP.

The primary economic sectors in the CWDM's economy for 2004/2005 with comparative figures for 2003/2004 are highlighted below³:

Economic sector	2004/05	2003/04	Rank 2004/05
Manufacturing	21,1%	22,2%	1
Financial, real estate and business services	20,7%	20,3%	2
Agriculture, forestry and fishing	16,0%	15,2%	3
Wholesale and retail trade, catering and accommodation	14,8%	14,7%	4
General government services	10,6%	11,2%	5
Transport, storage and communication	9,0%	8,0%	6

Table 2: Primary economic sectors (Source: Provincial Treasury, 2007)

³ Government of the Western Cape, Provincial Treasury, Socio-economic profile: Cape Winelands area, 2007

The export value of trade and investment has increased by almost 400% in the Cape Winelands or by R4,8 billion over the past decade. The top five product groups in terms of growth are wine, vegetable products, machinery/mechanical appliances, chemical/allied industries and vehicles/associated transport equipment. The performance of selected sectors is discussed in more detail below.

c) Manufacturing

The manufacturing sector of the CWDM area is characterised by its strong backward linkages to the agricultural sector. Food manufacturing enterprises in the CWDM area contribute almost a third to the total number of manufacturing enterprises and generate 56,45% of total manufacturing sales. The main activities are in the food and beverages subsectors, e.g. wine, juice, brandy, juice concentrates, dried and tinned fruit⁴. The proximity of the firms to raw materials, metro markets and ports contributes to their comparative advantage. Only 28% of agricultural exports from South Africa are processed, which provides a further opportunity for downstream processing. Value-adding in the agricultural sector has enormous growth potential, particularly regarding niche products such as essential oils, buchu and olives.

Manufacturing subsectors that contribute substantially to the manufacturing sector are food, beverages and tobacco (48,7%); wood paper; publishing and printing (15,2%) and metals, metal products, machinery and equipment (11,7%)⁵. The textile industry is under pressure due to increased global competition and cheaper imports from China and India. Competition from new products, e.g. wool-based versus polyester-based textiles, is growing. No formal structures exist on the production side of the textile industry in order to compete through lower wages.

South African exports of timber in both log and processed form increase consistently⁶. The Cape Winelands timber industry has benefited from this expansion, but is currently faced with an impending threat of a timber shortage owing to the relatively long periods required to replenish stocks.

Potential for growth is found in the electronics industry, where Stellenbosch has successfully positioned itself as a forerunner in the sector by attracting specialist firms. Future growth is predicted among export-focused transport manufacturers in the region, such as the world-class road tanker firm GRW in Worcester.

⁴ Source: CWDM Manufacturing Sector Study, 2004

⁵ Refer to Footnote 1

⁶ <http://www.sawpa.org.za/Statistics.htm>

d) Agriculture

The agriculture sector has undergone extensive restructuring since 1994, with more exposure for the South African economy in the international environment. Substantial growth occurred over the period 1998 to 2002 in response to more access to export markets, the devaluation of the currency and international goodwill towards the country. However, from 2002 the sector experienced mounting pressure from market competition as well as legislative changes.

Key issues facing the industry include:

- The volatility of the Rand
- Increased international competition and demands, such as quality requirements
- Increased production and input cost
- A decline in the quality of agricultural research and development
- Subsidisation of agricultural exports in developed countries

Approximately 89% of the total land area of the Western Cape is utilised for agriculture, with the sector forming the economic base of most rural towns. Only 19% of the land is high potential arable land, while 70,4% is grazing land, 5,6% is dedicated to nature conservation and 1,5% is utilised for forestry.

The province has the most farm workers, but also the highest farming debt in the country. Agriculture contributes to the production of the province's major exports, namely fresh and canned fruit and fruit juices, as well as wine, beer and spirits, while wine and table grapes achieve high rankings in terms of income activities in the sector⁷.

The agriculture sector contributed 16% of the GGP of the CWDM area in 2004/05 and employs more than 38,3% of the labour force in the district. The main products are deciduous fruits, viticulture and vegetables.

Slightly more than two thirds of South Africa's wine is produced in the CWDM area, while 56% of all wine grapes are grown in the Breede River Valley, Paarl and Stellenbosch. There is also extensive table grape production in the Hex River Valley. The district boasts the largest pear producing region in the country, and extensive apple and apricot production takes place in Ceres, Robertson and Montagu⁸.

⁷ Economic Position of Agriculture in Western Cape: Current position/future actions', Agri WC, compiled by Prof J Willemsse, August 2006

⁸ CWDM Agricultural Sector Study, 2004

It is estimated that the wine industry contributed R16,3 billion to the GDP of South Africa in 2002. This figure rises to R22,5 billion when tourism-related income is included. Employment was substantial, with approximately 260 000 job opportunities throughout the industry, of which 20% could be attributed to wine tourism⁹.

The producer price of wine has declined or remained constant since 2003. Agri Western Cape (Agri WC) indicated that profitability is non-existent, reducing viability and requiring the use of reserves or non-farm income to subsidise the business. Producer prices of red wine, in particular, are declining. Labour constitutes 44% of the production cost of wine and productivity and training support for workers is paramount. Agri WC argues that the main reason for the low profitability levels in the wine and fruit industries is an increase in domestic cost¹⁰. However, indications are that wine export is improving due to lower production in the wine producing areas of France and drought in Australia.

The Koue and Warm Bokkeveld of the Ceres region are the main potato producing areas in the CWDM area. The area planted has decreased over the last few years due to over-exploitation of the land and competition from the Aurora area.

There is a shift in production focus from fresh produce to processing. In addition, some new industries offer great growth potential. These include:

- Olives
- Rooibos, buchu and honeybush tea
- Essential oils
- Fresh and dried flowers
- Cosmetics and medicine
- Aquaculture
- Poultry

A number of wine and deciduous fruit farmers have started to diversify their operations by developing products to cater for conferences and weddings, which relate to agri-tourism, and combining commodities, such as wine, cheese and olives, to offer a differentiated visitor experience. Key interventions are required to enhance competitiveness and deal with the many challenges, such as trade barriers, high debt levels, squeeze on retail profit margins, high barriers to entry, export logistics, and the unacceptable living and working conditions of many farm workers.

⁹ Wine Industry Charter, www.sawit.co.za

¹⁰ Economic Position of Agriculture in Western Cape: Current position/future actions', Agri WC, compiled by Prof J Willemsse, August 2006

e) Wholesale and Retail

The wholesale and retail sector is well-established in the towns of Worcester, Stellenbosch and Paarl. The sector is based primarily on wine, fruit and wheat sales.

The attractiveness of the Cape Winelands and its proximity to Cape Town has resulted in a number of national and multi-national corporations, such as Medi-Clinic, Parmalat, Rembrandt, British American Tobacco SA, Distell and KWV Holdings, selecting to locate their head office here.

Factors influencing location are favourable social and family aspects, low crime levels and proximity to schools, shops, healthcare and other facilities. These competitive advantages place the CWDM area in a unique position to attract further direct investment.

f) Tourism

The tourism sector is well-established and has significant growth potential in the Cape Winelands. The research suggests that 50,4% of all visitors coming to the Western Cape visit a wine route.¹¹

The five key tourism market segments of the CWDM are:

- Food and wine
- Adventure and ecotourism
- Health and wellness
- Conferencing and accommodation
- Agri-tourism
- Heritage tourism

The foreign tourist market is important for the CWDM area with the United Kingdom (23%), Germany (22%), the Netherlands (14%) and other European countries together with the USA (13%), representing the key source markets. Tourists express interest in the scenery, peace and quiet, wine, animals, value for money and service. Indications are that 69% of tourists to the Cape Winelands use self-drive as a means to travel, whereas 27% use tour operators. The length of stay for 48% of tourists is between one and three days. Only 13% stay longer than two weeks.

Indications are that 37% of the businesses that operate in the tourism sector have existed for more than 15 years. Only 13% of businesses have been operating for a year or less. Transformation remains a challenge for the industry at all levels of management.

¹¹ CWDM Tourism Sector Study, 2005

The visitor profile varies across localities in the CWDM area. The three towns of Paarl, Franschhoek and Stellenbosch receive approximately 50% of all visitors to the Cape Winelands¹². These visitors are predominantly interested in a one-day wine experience. The remaining 50% of visitors frequent the other 13 towns of the district. The well-known Route 62 draws visitors into Worcester, Robertson, Ashton and Montagu. New routes such as the Freedom Route and Arts and Crafts Route attract visitors for longer stays and different experiences. Annual events, such as festivals and concerts, attract visitors inland.

The current perception of the district is that it is an exclusive day-visitor destination for wine tourists. A concerted effort is being made by the CWDM and community to highlight the diversity of the tourism product in the region. The tourism slogan for the Cape Winelands is “*1000 things to do, and then some wine tasting...*” A particular focus is to attract domestic tourists into the region and to encourage intra-district travel among residents of the CWDM area, i.e. to become tourists in their own area.

g) Transport, Storage and Communication

The transport/storage/communication sector is expanding with potential for further SMME participation. It is a stable sector where 50% of the firms have operated for more than 15 years and 86% of businesses have indicated that they have no intention of moving, selling or closing their businesses in the near future.

Slightly more than one in five firms export and 14% import products and services. Among the firms that partook in the study, 38% have their market in the CWDM area, a further 37% in the Western Cape and 25% nationally.¹³

h) Financial, insurance, real estate and business services

The sector for financial, insurance, real estate and business services is a growing one, with only 29% of firms in the CWDM area having operated for longer than 15 years.

The market for the sector is essentially domestic with 36% attributed to the district, 40% to the Western Cape and 24% nationally. Almost half (48%) of firms in the sector are planning to expand. Indications are that nine out of ten firms had no intention of moving, selling or relocating their businesses in the foreseeable future. Challenges cited by this sector were taxation, regulations and cash flow¹⁴.

¹² CWDM Tourism Sector Study, 2005

¹³ CWDM Services Sector Study, 2006

¹⁴ CWDM Services Sector Study, 2006

Tourism real estate activity accounts for 97% of investments in the CWDM area. Wesgro cites that from a total of 30 investments in the Western Cape between 2004 and 2006, only three manufacturing and two agricultural investments could be attributed to the CWDM area. From 2005/06 to 2006/07, direct investment facilitated by Wesgro in the Cape Winelands increased from R2,38 million to R3,33 million – an increase of 39%.

These investment flows are still overshadowed by investments in the City of Cape Town, that receives 95% of all investments into the Western Cape, compared to the 0,8% of the Cape Winelands in 2006/07.

The district hosts internationally competitive educational, training, research and development institutions. Stellenbosch University is regarded as one of South Africa's finest tertiary institutions. Many of the tertiary institutions are focused on support to the agricultural sector, such as Elsenburg and the Agricultural Research Council (ARC). A branch of the CSIR (Council for Scientific and Industrial Research) is also located in Stellenbosch.

i) Construction

The construction sector showed signs of prolific growth over the past four years. The value of construction work in the Western Cape in 2005 was approximately R45 billion and this was expected to grow to R65 billion by 2008.

The turnover of construction firms in the CWDM area registered for the payment of levies increased by 13,78% from 2002/03 to 2003/04, while the increase from 2003/04 to 2004/05 and from 2004/05 to 2005/06 was 38,60% and 75,10% respectively (see Section 2).

The value of the residential buildings completed from 2004 to 2006 grew by over 150%, increasing from R170,6 million to R455 million over the period. Drakenstein Municipality reported a total value of completed residential buildings of R195 million, representing 43% of the total value of residential buildings completed in the CWDM area during 2006. Stellenbosch Municipality reported R179 million as the total value of completed residential buildings in 2006, increasing by approximately 160% from 2004 to 2006¹⁵.

¹⁵ Refer to Footnote 1. The data reported by StatsSA only include data for Stellenbosch, Drakenstein and Breede Valley. These figures therefore under-represent the actual investments in residential and non-residential buildings in the CWDM area.

In 2006, non-residential building activity in the CWDM area amounted to R200 million, an increase of more than 250% from the total value of R55 million recorded in 2004. The Breede Valley Municipality made the largest contribution to the value of completed non-residential buildings with 47,6% followed by the Drakenstein Municipality with 27,6%¹⁶.

The significant growth caused problems with supply, which will need to increase significantly in order to meet demand. Any expansion in the sector also provides opportunities in terms of Small Medium Manufacturing Enterprise (SMME) development, through sub-contracting and Broad-Based Black Economic Empowerment (BBBEE).

Over the last three years, there has been a substantial increase in turnover in the Cape Winelands construction industry. Growth has primarily been in the upper end of the market, such as office blocks, residential units and a large numbers of wine cellars. Franschhoek, Stellenbosch and Wellington are the primary growth areas.

The major investment in the building of the Berg River Dam also had and will continue to have positive spin-offs for the district. Further investment by the government is necessary in order to upgrade bulk infrastructure, meet basic service delivery backlogs and provide housing.

Factors dampening growth include a skills shortage among artisans (e.g. brick layering, plastering, carpentry and plumbing), lengthy approval periods for building plans and EIA processes, the price of land, delays in reticulation of services to sites, interest rate hikes, the deterioration of the road network and upward pressure on wages.

This outline of the nature and performance of the CWDM economy forms a background to the socio-economic perspective in the region. A diversified and growing district economy that has managed to create forward and backward linkages with different sectors, and which has been able to use its location close to the City of Cape Town with its comprehensive infrastructure, is well-placed to provide work and ensure access to basic services that can ensure high standards of living for its people.

j) Employment Trends

The average annual growth in the labour force of the Cape Winelands was estimated at 2,4% over the period 2000 and 2004. Annual employment grew on average by 1,3% and unemployment by 8,2% over the same period. The manufacturing sector achieved the highest growth in employment followed closely by social/personal and financial/business services.

¹⁶ CWDM Services Sector Study, 2006

If these growth rates are extrapolated, it is possible to assess the growth in the employment indicators mentioned above. The total district unemployment grew from 49 804 people in 2001 to 79 915 in 2007, of which approximately 44% are Black African and 53% are Coloured. The absolute unemployment figures represent an increase from 13,36% in 2001 to 23,23% in 2007. Due to the large number of seasonal workers average unemployment increases in the district to approximately 25,18% during off-season periods. Unemployment ranges from about 15,45% in Breede River Winelands to 28,88% in Drakenstein. Witzenberg, Drakenstein and Breede Valley have the highest concentration of low-income earners in the CWDM area.

A large pool of unskilled workers, mostly female, depend on seasonal employment during the pruning and harvesting season in the grape and fruit producing areas of the district. The impact of seasonal employment is worsened as rural communities largely depend on these relatively low and insecure wages. It is anticipated that as a result, the pressure will mount on social services and infrastructure, especially education, healthcare and policing.

The 2005 Labour Force Survey points to a substantial reduction in primary sector employment in the district. Employment in the agriculture, forestry and fishing sector declined by 10,3% between 2000 and 2004. In addition, there is a definite trend towards labour outsourcing and contracting. The socio-economic profile of the Cape Winelands prepared by the Western Cape Provincial Treasury (2007) states that *"There is currently no reliable measure of employment activity in districts, given the small sample size in surveys such as the Labour Force Survey and GHS."* It is therefore not possible to provide a more detailed breakdown of employment in the CWDM district.

Due to the scarcity of formal employment opportunities in the Western Cape, there has been a rise in informal economic activities. The informal trading activities are mainly prevalent in densely populated areas in the Cape Winelands, in particular the low-income settlements in major regional centres. The figure below illustrates the contribution of the informal sector to particular economic sectors on a national and provincial level. There are no figures for the Cape Winelands, but it is anticipated that the informal activities in the district's regional centres will display a similar trend.

The Cape Winelands informal sector needs to be further researched and monitored.

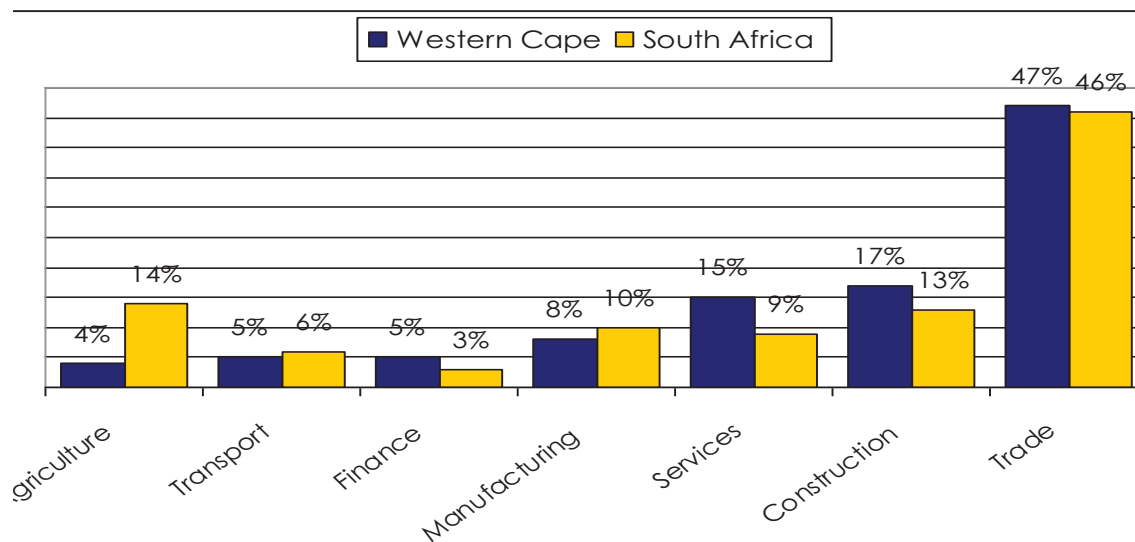


Figure 1: The informal sector has been a major source of employment in the Western Cape

1.5.3 SOCIO-DEMOGRAPHIC INDICATORS

a) Income Levels

The 2001 census indicates that 11,8% of households in the Cape Winelands receive no income. Comparisons between the 1996 and 2001 censuses indicated deepening poverty in the area. For example, there was an increase of 43,4% in the number of people earning less than R9 600 per year between 1996 and 2001. Almost half (47,7%) of the households in the Cape Winelands earned less than R19 200 per year in the 2001 census.

The proportion of households in each local municipality earning less than R19 200 per year ranges from 41,4% in Drakenstein to 56,7% in 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 year. Single women and child-headed households remain the most vulnerable. The low levels and seasonal nature of household income in the district are huge concerns, as the majority of households are dependent on wages.

b) Education

Generally, the total school learner enrolment in the CWDM area increased from 2002 to 2007. The only exception was in 2006, when the number of learners decreased by more than 1 000 (from the 2005 levels) to approximately 138 500 learners. 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 broader Western Cape. In terms of literacy for Grade 6, the district compared favourably with the provincial average. However, numeracy is lower when compared to that of the province¹⁷.

A marginal improvement in the profile of individuals with lower levels of education in 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 population had an honours, masters or doctoral degree in 2006, less than the 2,8% reported in GHS 2005¹⁸.

c) Health indicators

High vacancy rates exist for all categories of employment in 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 Tuberculosis (TB) in the CWDM area decreased slightly over the past year, it remains high. The identification of a new XDR (multidrug-resistant) strain of TB in South Africa presents a significant threat to the region.

The incidence of HIV (Human Immuno-Deficiency Virus) doubled over the past two years. New 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 in the CWDM area have higher infection rates. The findings also do not indicate that women are disproportionately affected by HIV. Dual infection with TB is of great concern.

¹⁷ Refer to Footnote 1

¹⁸ Refer to Footnote 1

A community-based response programme was implemented in the CWDM area during the 2004/2005 financial year to address the HIV and Aids (Acquired Immuno-Deficiency Syndrome) 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.

d) Housing and Access to Basic Services

The housing situation in the Western Cape is characterised by significant (and growing) backlogs and various communities experiencing sub-optimal accommodation. 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 Lawyers for Human Rights (Stellenbosch), there has been an increase in the number of evictions in the Cape Winelands, Grabouw and the West Coast. From January to September 2005, 352 farm workers and/or their families faced eviction. Reasons such as the main worker having been fired or died, the farm having been sold or liquidated, wage disputes, drought and the Extension of Security of Tenure Act (ESTA) were given.¹⁹

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%²⁰. Most 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 by 26,19% from just under 63 000 in 2005 to more than 79 500 in 2006. In addition, free electricity usage increased from 17 425 kWh to nearly 26 000 kWh, representing an increase of 49% from 2005 to 2006. The GHS data reveals that the number of households that report no source of heat increased by 38%, to 10,3% of all households. A household refuse removal service is provided to all formal areas in CWDM.

¹⁹ www.sawit.co.za

²⁰ Note that this figure does not reflect water infrastructure for the whole district (i.e. it does not include the water infrastructure data for each municipality) and only reflects the water infrastructure that is the responsibility of the district municipality.

e) Poverty

The number of indigent households increased by 15,1% from 25 664 in 2005 to 29 545 in 2006. Not all indigent households have access to all the free basic services in all the local municipalities in 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.

f) Crime

There are 23 police offices in the CWDM area, which represent 15,4% of the 149 police offices in the Western Cape.

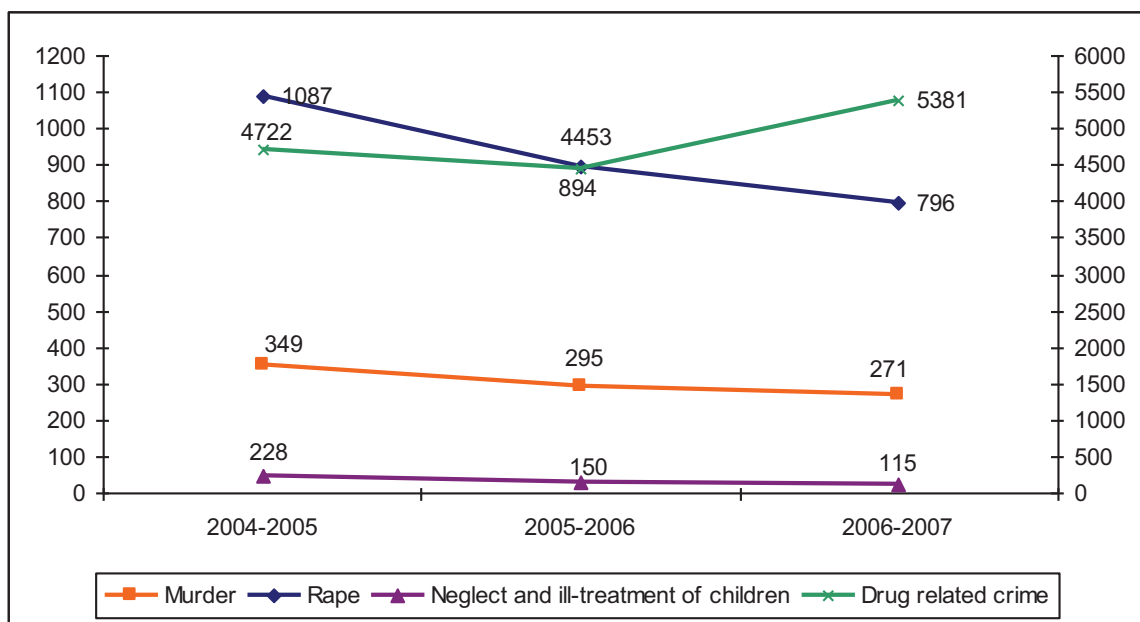


Figure 2: Crime statistics for the period 2004/2005 to 2006/2007 (Source: SAPS, 2007)

In 2006/2007, the rate of reported crime decreased by nearly a quarter (24,85%) when compared to the crime reported in 2004/05. A declining trend is evident in three of the four crimes highlighted in the figure above. Reported murders dropped by 22,3% from 349 reported cases in 2004/05 to 271 reported cases in 2006/07.

Reported cases of rape declined by 10,9% from 1 087 in the period 2004/05 to 796 in 2006/07. It should be noted that rape and sexual molestation are typically underreported, and that these figures may underestimate the extent of sexual crimes in the CWDM region.

Crimes related to the neglect and ill-treatment of children declined by 49,6% from 228 reported cases in the period 2004/05 to 115 in 2006/07. Unfortunately the problem of drug-related crime

remains, as highlighted in SEP-LG 2006. In the 2004/05 financial year, drug-related crimes totalled 4 722, declining by 5,7% to 4 453 reported cases in 2005/06. However, in 2006/07, drug related crime increased by 20,8% from its 2005/06 levels to 5 381 reported cases.

1.6 TOPOGRAPHIC ANALYSIS

The biophysical situation in the district provides tremendous opportunities for the area, but also imposes serious constraints that need to be taken into account in integrated planning. A serious constraint confronting the CWDM is the relatively far distances between the main towns. The settlement system can be clustered into galaxies of settlements due to natural barriers, proximity and linkages, which can facilitate effective development planning and the efficient implementation of strategies.

A number of these clusters can be identified:

- Worcester-Rawsonville-De Doorns-Touwsrivier
- Robertson-Bonnievale-Montagu-Ashton-McGregor
- Ceres-Prince Alfred Hamlet-Tulbagh-Wolseley
- Stellenbosch-Franschhoek-Pniel-Kylemore
- Paarl-Wellington-Hermon-Gouda-Saron

A number of the topographical constraints are dealt with in relation to the section below, dealing with the environment.

1.7 ENVIRONMENTAL CONSTRAINTS

The CWDM developed a comprehensive environmental strategy for the district. This strategy was based on a thorough and rigorous study of the state of the local environment and ecosystems in the district, which highlighted a number of significant trends and pressures. A brief overview of these pressures follows, in relation to each component of the ecosystem.

Source of ecosystem service	Trends and pressures
Biodiversity	<p>The integrity of the two biomes (Cape Floristic Kingdom and Succulent Karoo) in the CWDM area is significantly threatened by intense fragmentation. This means that the ecological viability of the biodiversity is compromised. The situation is exacerbated by the fact that the most severely transformed and fragmented areas of high value biodiversity lie outside formally protected areas.</p> <p>Current activities adding to this increasing fragmentation include:</p> <ul style="list-style-type: none"> • Development on marginal or vulnerable land, e.g. vineyards on steep slopes (foothills) by investors in the Stellenbosch area • Expansion of vegetable and fruit production onto virgin land (into fynbos areas) • Rapid spread of urban development • Increasing infestation by alien vegetation <p>The increasing incidence of uncontrolled fires and the inappropriate use of fire as a management tool is causing a potential permanent loss of species and damage to the soil, e.g. lower infiltration capacity and higher risk of erosion.</p>
Water	<p>There is a rapid expansion of inappropriate agricultural development despite the problems associated with manifesting climate change (e.g. crops with high water needs such as fruit). Such development is that which has a high water demand in an area that could experience significant water stress in the future.</p> <p>There is an increased demand for water supply (from within and outside the Cape Town Metropole). This could increase the demand for inter-catchment water transfers, with ecological effects. It could place pressure on ground water resources, particularly without water demand management practices in place.</p> <p>There is a general increase in the pollution of rivers (e.g. the Breede River) and the associated deterioration of water quality. Increasing abstraction, infestation by alien vegetation that consumes high volumes of water, and the effects of climate change are reducing river flow. This has a significant ecological effect.</p>

Source of ecosystem service	Trends and pressures
Air quality	<p>The air quality in the CWDM area is gradually deteriorating and regulation and monitoring of air quality is fragmented and inconsistent.</p> <p>There is a general trend towards increased industrial emissions (including those from brickworks), an increase in the application of pesticides (including occasional aerial spraying due to the rapid expansion of agricultural development) and increased greenhouse gas and particulate emissions from the increasing incidence of veld fires in the region.</p> <p>Low priority is given to increasing the use of renewable energy, which avoids the atmospheric emissions associated with dominant forms of energy production in South Africa, such as burning carbon-based fuels, e.g. coal.</p>
Land and soil	<p>The soil in the CWDM area is generally of a low agricultural potential, therefore further damage to the land could significantly threaten agricultural production.</p> <p>Soil and land degradation is evident in the CWDM area. In particular, salinisation of soil occurred in some areas, such as the lower Breede River Valley, as a result of poor agricultural practices. In many other areas, soil and surface and ground water are being contaminated by untreated winery and industrial effluent (wine and other industries), by substandard releases from waste water treatment works, leachate from poorly designed and operated landfill sites, and poorly designed and maintained on-site domestic sanitation.</p> <p>High potential agricultural land is being lost to changes in land use, i.e. rezoned for inappropriate land use, such as housing, golf course development, high income residential estates and certain types of tourism development. The productive capacity of the land is also negatively affected by poor rehabilitation after mining.</p> <p>Climate change (a hotter and drier climate) will cause a further reduction in land capability and crop suitability.</p>

1.8 BASIS OF CWDM STRATEGY

In order to identify the critical areas for intervention over the next few years, it is of critical importance to soberly analyse the strengths, weaknesses, opportunities and threats faced by the district in all its dimensions. The analysis below lays the basis for the CWDM strategy for accelerating sustainable shared growth and development so that all its people can enjoy a prosperous and meaningful life.

1.8.1 STRENGTHS IN THE CAPE WINELANDS

Natural capital
<ul style="list-style-type: none">• High quality and pristine natural environment that attracts skilled labour• Wide diversity of scenic landscapes• Soil and climate offer comparative advantages for production of world-class grapes (wine) and deciduous fruit
Financial / Economic
<ul style="list-style-type: none">• Well-maintained regional road transport infrastructure• Strong domestic tourism destination brand aligned to wine sector• Well-organised and globally competitive wine and deciduous fruit sectors• Strong food processing cluster• Well-developed linkages to Cape Town's economy• Well-established global brand names, e.g. companies, towns and products• Competitive commercial farmers• AgriBEE support by organised agriculture• Well-developed Research and Development (R&D) capacities with regards to agriculture
Social / Cultural
<ul style="list-style-type: none">• Rich global networks through slave as well as settler history• Diversity of local and international cultures with good international networks and economic linkages• English-speaking schools• World-class Stellenbosch University• Further education and training institutions

<ul style="list-style-type: none"> • Wolwekloof Learning Academy • National centres of research excellence, including the Centre for Scientific and Industrial Research (e.g. expertise in transport logistics) and iThemba Labs (particle accelerator)
Human
<ul style="list-style-type: none"> • Pool of skilled individuals linked to university and/or business • Ability to attract highly skilled labour

1.8.2 WEAKNESSES IN THE CAPE WINELANDS

Natural capital
<ul style="list-style-type: none"> • Property developments affect the environment negatively • Slow pace of land reform • Failure to make the best strategic use of municipally owned land • Looming water shortages • Poor river water quality
Financial / Economic / Infrastructure
<ul style="list-style-type: none"> • Lack of progress with BBBEE • Vulnerability of economy to exogenous factors, e.g. exchange rate fluctuations • Seasonality of the economy and employment • Skills gap in basic business techniques • Poor support to emerging entrepreneurs • Few businesses making effective use of the SETAs • Lack of vertical alignment in government • Lack of horizontal alignment of strategies among municipalities • High entry barriers to HDI-owned (owned by historically disadvantaged individuals) businesses in agriculture • Poor asset management by municipalities • Lack of detailed district Spatial Development Framework (SDF) • Uneven or missing local government (LG) development policies • Inefficient government internal business processes • Sub-optimal domestic and international marketing of district • Limited tourism information

- Fragmentation of tourism industry
- Poor access to health facilities by farm workers
- General lack of sport and extramural facilities available on farms
- Poor quality of education and conditions in some farm schools
- Mixed success of land reform programmes
- High cost of land
- Concentration of fruit processing industry
- High debt level of farmers
- Poor public transport network
- Poor communication network

Social / Cultural / Institutional

- Poor resourcing of Local Economic Development (LED) strategies by municipalities
- Lack of alignment in government
- Lack of understanding by senior management and line functions of economic development objectives
- Outdated by-laws
- Poor statistics and lack of availability of data
- Increasing levels of drug-related crime and crime-induced poverty
- Increasing incidence of HIV, Foetal Alcohol Syndrome (FAS) and TB
- Highest rate of farm evictions in South Africa
- High levels of alcohol abuse among farm workers, in some cases still due to the “dop” system
- Dependence on social grants and wage income by the poor

Human

- Low levels of labour force education
- Youth problems, e.g. increase in teenage pregnancies, high drop-out rate in schools and increase in drug and alcohol use
- Decrease in the demand for low-schooled labour on farms

1.8.3 OPPORTUNITIES IN THE CAPE WINELANDS

Natural capital
<ul style="list-style-type: none"> • Growth in domestic as well as international tourism markets • Growth in demand for quality wine and deciduous fruit
Financial / Economic
<ul style="list-style-type: none"> • National and provincial BBBEE support programmes and institutions • Can motivate for support to meet provincial target of 8% growth • Proximity and linkages to Cape Town's economy and logistics • Procurement by government and business • Expansion in social grant utilisation • Provincial asset management software for local government • Expand and co-ordinate SMME support services • Expanded Public Works Programmes (EPWP) • Addressing inefficiencies in local government business processes • Public private partnerships • Link to provincial strategies and institutions • New product development and differentiation • Aggressive brand development • Link to sector specific plans, e.g. SA Wine Industry Plan, Bio-diversity and Wine Initiative and Wine Industry Ethical Trade Association
Social / Cultural
<ul style="list-style-type: none"> • Commitment to strengthening local government sphere • Implementation of provincial farm worker strategy and rural housing policy
Human
<ul style="list-style-type: none"> • Expanded Public Works Programme (EPWP) • SETAs and learnerships • Wolwekloof Learning Academy

1.8.4 THREATS FROM INSIDE THE CAPE WINELANDS

Natural capital
<ul style="list-style-type: none">• Climate change impacting on existing agricultural production• Water supply• Water quality
Financial / Economic
<ul style="list-style-type: none">• Political dynamics• Lack of unity in business• International subsidies for agriculture• Steep increase in land value• Volatile exchange rate• Narrowing agriculture profit margins• Fluctuations in the tourism industry• Agricultural property tax

1.9 COMMON ISSUES AND CONSTRAINTS AMONG ALL MUNICIPALITIES

a) Settlement Pattern

The legacy of apartheid still imposes serious challenges in the provision of housing, none more serious than that most subsidised housing is still done on the outskirts of towns in the Cape Winelands. Fifteen years after the end of racially-based settlements, separate neighbourhoods are still very much visible, with little or no integration. This has serious consequences for building a unified Cape Winelands district.

b) Capacity Constraints

All municipalities experience a lack of capacity to plan and deliver on sustainable human settlements. The nature thereof varies between municipalities, e.g. skills and know-how to deal with housing delivery challenges in the Breede River Winelands, the lack of ability to retain knowledge and experience (also in the Breede River Winelands), limited specialised skills (staff are mostly experienced in administration), and limited capacity to monitor illegal structures (Witzenberg).

c) Inefficient Planning

As an example, the Breede Valley Municipality expressed an inability to focus on forward thinking or strategic issues due to the demand of managing the operational needs or aspects of housing.

d) Availability of Funding and Financial Resources

The lack of funding is always linked to a specific project (e.g. Zwelethemba Phase 2), a specific issue (e.g. the provision of bulk infrastructure as reported at Witzenberg), or land acquisition (as reported in Drakenstein and Breede Valley) and/or the Division of Revenue Allocations (DORA).

e) Suitable Land

All municipalities identify a lack of suitable land and the cost as constraints to delivery.

f) Bulk Infrastructure

Many municipalities in the CWDM struggle to provide new bulk infrastructure and maintain an aging infrastructure.

g) Environmental and Heritage Constraints

Processes such as heritage constraints usually prolong approvals, which impacts on delivery, e.g. special guidelines to develop low-cost housing imposed by authorities.. In addition to these common constraints, the housing demand and backlogs place severe pressure on municipalities to deliver.

1.9.1 HOUSING BACKLOG/DEMAND

It is difficult to pin down exactly what the housing backlog in the CWDM is. Reasons include fluctuating demand, the inclusion of households living in backyards or in overcrowded conditions. In this regard, the municipal estimates (waiting list) reflect the backlog to be in the region of 75 764, the 2001 census estimates it to be at 20 910 and the sanitation backlog study reveals a figure in the region of 38 522.

Currently the Department of Local Government and Housing (DPLGH) considers the sanitation backlog study as the benchmark toward which should be worked. Therefore, for all practical purposes, the housing backlog is estimated to be between 38 000 and 45000 for the district as a whole.

Local municipality	Municipal estimates	2001 census	Sanitation backlog study
Breede River Winelands	2 694	1 638	5 263
Breede Valley	28 587	4 380	7 691
Drakenstein	22 748	7 711	13 501
Stellenbosch	16 643	5 090	7 870
Witzenberg	5 092	2 080	3 827
Rural farmland	-		370
DMA	-		
CWDM (Total)	75 ,764	20 910	38 522

Table 3: Housing backlog / demand

In addition to the above, the analysis reveals that most households on the waiting list at municipalities will require government assistance, in other words have an income of between R0 and R3 500, while 15% of the total demand falls into the GAP market (not serviced by the subsidy or private market, in other words earn between R3 500 and R7 500).

This gap leaves room to consider social housing or other rental options as potential areas for intervention. It is also estimated that 13 957 households currently live in informal settlements across the district, while approximately 8 000 live in backyards.

1.9.2 HOUSING OPPORTUNITIES

Between 2004 and 2008 approximately 4 323 houses were built, and 2 650 sites in the district were serviced. Over the following five years it is anticipated that the delivery of housing units will increase substantially, with 13 090 sites to be serviced and 15 981 new low-cost houses to be constructed. This is a considerable improvement in terms of delivery over the previous period. This will yield approximately 3 196 houses per year and the backlog could be reduced substantially in six and a half years.

The potential increase in delivery can also be linked to the improved funding flow allocated in terms of DORA to municipalities for the period 2008/09 up until 2011/12 in the district. The total allocation combined to all municipalities in the CWDM for 2008/09 is approximately R176 million, in 2009/10 R239 million, in 2010/11 R324 million, in 2011/12 R231 million and in 2012/13 R223 million. Therefore, over R1 billion is allocated to municipalities in terms of DORA for the delivery of human settlements over the next five years.

The development of appropriate response strategies to the challenges identified in the situational analysis has already commenced. It is anticipated that the plans will be completed toward the middle of 2009, with implementation to follow.

1.10 SERVICE PROVISION AND INFRASTRUCTURE ANALYSIS

A vital aspect of the function of the CWDM is the provision of high-level basic services and the infrastructure that can underpin economic and social development in the region. The situation is analysed below, with regards to water and sanitation, roads and storm water, waste management and electricity.

1.10.1 WATER AND SANITATION

The government of South Africa has committed itself to the eradication of the water and sanitation backlog by 2010. The responsibility to achieve the target lies with the water service authorities supported by the DWAF and the national water and sanitation task team. In the case of the CWDM, the water services authorities are the B-municipalities.

It is the responsibility of the CWDM to do proper planning, co-ordinate and oversee the processes and ensure capacity in the B-municipalities to execute effective delivery. Consultants were appointed to perform a water and sanitation backlog study for the entire CWDM.

The objective was firstly to determine the extent of the water and sanitation backlog in each local municipality and compile a total backlog for the district as a whole. Secondly, the aim was to identify technical solutions to supply a basic level of service in areas affected by backlogs. Thirdly, the cost of future infrastructure required to supply this basic service for all households was estimated.

Local authority	Number of households					Growth as percentage of existing backlog
	Informal housing with no access to basic sanitation (excl. BD)	Informal housing with access to shared services (excl. BD)	Backyard dwellers (BD) with access to shared services	Total existing backlog	Estimated future backlog due to growth	
Breede River Winelands	0	628	4 635	5 263	4 510	3,1
Breede Valley	470	2 041	5 180	7 691	6 320	3,0
Drakenstein	1 189	2 112	10 200	13 501	7 845	2,3
Stellenbosch	10	100	7 760	7 870	7 718	3,5
Witzenberg	0	2 227	1 600	3 827	2 280	2,4
Farmland	370	0	0	370	0	0
Total	2 039	7 108	29 375	38 522	28 673	2,8

Table 4: Water and sanitation backlogs for the CWDM

The backlog as indicated above is the number of households in each B-municipality in the following categories:

- Informal housing with no access to basic water and sanitation
- Informal housing with access to shared basic water and sanitation
- Backyard dwellers, including overcrowding

The sum of the three categories gives the total existing backlog for each area.

Local authority	Total cost (in Rand, excluding VAT)			
	For bulk water infrastructure	For bulk sewer infrastructure	For internal water and sewer infrastructure	To eradicate sanitation backlog
Breede River Winelands	76 195 000	94 301 000	36 864 000	207 360 000
Breede Valley	67989 000	60 978 000	53 120 000	182 087 000
Drakenstein	135 372 000	125 995 250	108 008 000	369 375 250
Stellenbosch	65 678 000	106 040 000	62 960 000	234 678 000
Witzenberg	60 975 520	31 998 520	30 856 000	123 830 040
Farmland				1 480 000
Total	406 209 520	419 312 770	291 808 000	1 118 810 290

Table 5: The estimated cost to eradicate the total water and sanitation backlog

1.10.2 GROWTH IN SANITATION BACKLOG

As part of the survey performed, an estimated growth rate in the backlog was determined. This growth rate is also indicated in the table on the previous page.

The average growth rate of 2,8% is substantially higher than the projected average growth rate of 0,8% in the population between 2005 and 2015, as indicated in the Strategic Infrastructure Plan (SIP) for the Western Cape, dated May 2006. The higher growth rate is taken into account for the identification of the technical solutions.

The municipalities have indicated that the expected growth is mainly due to population growth, as well as the relocation of households from the Eastern Cape to the Western Cape.

1.10.3 ROADS AND STORMWATER

The Provincial Administration of the Western Cape (PAWC) and the Department of Transport and Public Works are the roads authorities for all rural provincial public roads in the Western Cape.

At present they use the district municipalities to act as their agents in respect of road maintenance activities, as well as specific delegated management duties:

- Prepare technical reports regarding road rehabilitation, road upgrading, visual inspections
- Prepare technical reports regarding land use application received from local B- municipalities
- Various administration duties, including dealing with the general public (road user) regarding all road matters, e.g. road safety and road maintenance

The planning, funding and provision of new road infrastructure or major upgrading and rehabilitation contracts are still the function of the roads authority. It is well-known that funds for the country's roads infrastructure are limited. Therefore it is of critical importance that the existing roads infrastructure should be protected (implying preventative maintenance) and not be allowed to deteriorate.

At present the focus is on the country's main roads which carry the heaviest volume of traffic. This network is also an extremely important link in the country's economy.

The existing limited resources (financial and human) are used to do daily maintenance activities, such as:

- Drainage maintenance (clearing the many pipes and box culverts under roads, clearing soil trenches on the sides of roads to prevent storm water from penetrating and weakening road layers)
- Sealing the open cracks that occur on older bitumen surface roads (better known as tarred roads) to prevent water penetration
- Maintaining guard rails and road signs damaged daily through accidents or vandalism
- Removing undesirable vegetation and collecting litter
- Safeguarding the numerous kilometres of worn gravel verges along bitumen surfaced (tarred) roads.

Attention is also given to special road infrastructure projects, which include all road maintenance activities that are grouped into projects such as:

- Resealing roads
- Regravelling gravel roads
- Upgrading lower order roads
- Betterment projects
- Job creation projects

There is concern regarding the current condition of municipal infrastructure in South Africa, specifically related to the maintenance of this infrastructure. The CWDM approached V&V Consulting Engineers to conduct a study of the status of the municipal roads infrastructure in the CWDM and to provide a report on the results.

1.10.3.1 CONDITION OF ROADS

The brief explanations on the conditions of roads are as follows:

- **Very Good and Good:** Roads still in serviceable condition with only routine maintenance to be done, which could include minor patching or crack sealing.
- **Fair:** Half of the network is approaching an unacceptable condition.
- **Poor and Very Poor:** Roads need to be rehabilitated. This figure also indicates the backlog which developed due to the absence of maintenance on these roads.

Condition of roads			
Extrapolated values			
Condition	Length	%	%
Very good	496 km	35	} 67
Good	465 km	32	
Fair	337 km	23	} 31
Poor	122 km	8	
Very poor	17 km	1	
Total	1437 km		

Table 6: A summary of the condition of the surfaced roads in the CWDM

Although these figures indicate that only 32% of roads are in a *Fair to Poor* and *Very poor* condition, the total length of roads which have to be rehabilitated needs to be discussed in more detail. The total length of roads in a *Poor or Very poor* condition is 139 km, which represents 9,7% of the total network in the CWDM. The implication is that, mainly due to the lack of maintenance, these roads cannot be resurfaced and need to be reconstructed.

1.10.3.2 RESULTS OF THE STUDY

The replacement value of any roads network is determined by the fixed parameters of the network, such as length and width and also by the road classification, i.e. primary, secondary, main tertiary and tertiary, determined by the number of vehicles using the specific road.

The replacement value for all municipal roads in the CWDM is calculated at R1,65 billion.

Backlogs on municipal streets in the CWDM		
Local authority	Budget	Time frame
Stellenbosch	R21 372 739	2014
Drakenstein	R70 730 998	
Witzenberg	R24 907 020	
Breede Valley	R47 694 497	
Breede River/Winelands	R25 397 742	
Total in CWDM	R190 102 996	

Table7: The replacement values per local authority

1.10.4 WASTE MANAGEMENT

The council is developing a strategic Waste Management Plan (WMP) for the district as a whole. Most of the local municipalities have completed or are in the process of completing their own WMP. In combining these plans into one strategic document, a holistic view of waste management in the district can be obtained. Through this, management issues of a district nature can be identified, investigated and implemented.

This integrated waste management plan has been formulated on behalf of the CWDM, to address the challenge of waste management in the district, home to some 723 000 people. The plan is born out of the requirements of the National Waste Management Strategy and forms the first action plan in terms of this strategy.

This document underlines the following principles of the National Waste Management Strategy:

- The prevention of waste generation
- The recovery of waste of which the generation cannot be prevented
- The safe disposal of waste that cannot be recovered

The plan will address all areas of waste management – from waste prevention and minimisation (waste avoidance), to collection, treatment, recovery and final disposal. It will not only address the practicalities of waste management, but also the issues of public education and changing concepts, as these are vital to a successful management system. The cost and data of waste management will also be explored.

The plan is guided by national and provincial legislation and new municipal by-laws will be drafted to enforce the recommendations of the plan.

Waste management in the local municipalities is generally done well, insofar as the collection of domestic municipal waste provides for the vast majority of urban residents. However, the management of waste disposal is generally poor, with the exception of the Stellenbosch, Wellington and Wolseley landfills. The operation of the De Doorns site in particular is terrible.

Waste avoidance is not significantly practised anywhere in the district, except at certain private enterprises. Reference must be made to the blue bag system in Stellenbosch that promotes separation at source. Waste avoidance will only be achieved through the implementation of a public awareness campaign.

Waste recovery of any significance is only done at the Materials Recovery Facilities (MRFs) at Paarl and Touws River. Scavenging takes place at a number of the waste disposal sites in the area, contributing to operational difficulties. These types of facilities must be constructed in all larger towns with populations larger than 50 000.

Composting is done successfully near Stellenbosch, Klipmuts and Robertson and should be extended to all larger towns in the district. Mobile builder's rubble crushing plants should be established and rotated among the larger towns.

The Stellenbosch area, and to a lesser extent the Witzenberg area, are in critical need of landfill space. At Witzenberg the existing Wolseley “interim” landfill should be extended to a permanent facility and at Stellenbosch a transfer station needs to be constructed for the transport of waste to Cape Town’s landfill. The establishment of a new regional landfill near Stellenbosch or Paarl is not an option due to previous public participation exercises.

The recommendation of this Integrated Waste Management Plan is that action plans for the strategy be developed and that the implementation thereof be provided for in the budget.

1.11 INSTITUTIONAL CAPABILITY AND BARRIERS

Human resource management in the CWDM is aimed at establishing a representative, competent and well-managed workforce, committed to delivering high quality services to the people of the Cape Winelands, through provision of the following services: human resource administration; recruitment and selection; training and development; industrial relations; organisation and work study; individual performance management and health and safety in order to ensure that CWDM meets its goals as enshrined in the IDP. To date there is tremendous progress in advancing institutional transformation in a variety of areas, including but not limited to:

a) Employment Equity

The implementation of the Employment Equity Plan has resulted in improving representation by all population groups in the personnel establishment, and access to all occupational categories and levels. In October 2009 the CWDM comprehensively evaluated the implementation of the plan, as it is its fifth year of implementation.

b) Training and Development

The CWDM annually submits the Workplace Skills Plans (WSP), as in the case of the 2008/2009 WSP that was submitted on 30 June 2008, bi-annual implementation reports and quarterly reports to the Local Government SETA. Up to date the municipality has received R395 738 from LG-SETA for training in various fields and in compliance with Skills Development Act. In 2007/2008 more than 331 employees and councillors participated in various training and skills development programmes including but not limited to administration, computer literacy, corporate, legal and support, financial, information technology, life skills, management/leadership, occupational health and safety, policy development, and project management at a total cost of R870 000.

c) IDP Learnership

The LG-SETA embarked on the IDP learnership in March 2009, starting with 35 IDP practitioners in the Western Cape, most of them IDP managers.

d) Road Construction Learnership

The CWDM participated in this learnership, which commenced in September 2008, at NQF level 2, having targeted employees at elementary level. There are 21 employees participating. In completion of the learnership, employees will receive the National Certificate in Construction: Road Works.

e) Youth Programme

As part of the CWDM's shared vision of "*Growing, sharing, delivering and innovating together*", it acknowledges that youth development is integral to the social, political and economic life of every young person in the district, as well as society in general. To respond to this, the CWDM gives young people an opportunity to undertake workplace experience in areas such as finance, communication, engineering, planning, human resource management, environmental health and local economic development through its Student Assistance Policy (SAP).

Secondly, to respond to the CWDM's shared vision, the municipality offered bursaries to 246 deserving students who are residents of the district through the Mayoral Bursary Fund Policy (MBFP). Done in the year ending 30 June 2008, these applied to areas such as accounting, agriculture, tourism, engineering, business management, farming management, public management, human resource management and law, to an amount of R870 000. This is an important contribution to our youth and the economy of the district and will be continued in the next financial year and beyond.

f) Occupational Health and Safety

The implementation of the Occupational Health and Safety Act ensures that the CWDM brings about and maintains, as far as reasonably practicable, a work environment that is safe and without risk to the health and safety of the workers, through various initiatives. These include, but are not limited to, establishing health and safety committees, ensuring that safety representatives are appointed in terms of the Act and related regulations in workplaces, etc. The local labour forums receive and debate reports on occupational health and safety on a monthly basis.

g) Industrial Relations

The CWDM promotes a sound and dynamic labour relations environment by continuously facilitating an atmosphere of collective bargaining in the workplace and employer-employee participation through local labour forums, which meet on a monthly basis, and other relevant structures, which foster sound workplace relations.

h) Individual Performance Management

Individual scorecards have continued since their inception to facilitate an interactive atmosphere between the supervisor and supervisee. 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.

i) HIV and Aids

The HIV and Aids Workplace Programme includes, but is not limited to, the establishment of HIV and Aids workplace committees, the development of HIV and Aids workplace programmes and reviewing the current HIV and Aids policy in compliance with relevant legislative arrangements and best practices. Part of the programme implementation was an awareness programme, which was held in November 2007 in all workplaces, and the Voluntary Counselling and Testing (VCT) that was held on 7 December 2007. This programme is implemented with the assistance of Talent Emporium and AGATHOS Consultancies as part of the DPLG's HIV and Aids Workplace Programme. The second VCT session on 9 October 2008 indicated that 100% of employees and councillors who tested were HIV negative (the testing in 2007 had the same results). The challenge is to ensure that the Cape Winelands continues in implementing the HIV and Aids Workplace Programme.

"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 president and Nobel laureate Nelson Mandela, 17 February 2002

j) Steering Committee on Minimum Competency Levels

Section 83, 107 and 119 of the Local Government Municipal Finance Management Act (No. 56 of 2003) requires the accounting officer, senior managers, chief financial officer and other officials of the municipality to meet the prescribed financial management competency levels, in the required unit standard for each competency area on or before 1 January 2013. For the implementation of this regulation, it is required, among other things, to establish the steering committee. This committee has been established and has held several meetings.

The National Treasury has listed a number of accredited service providers by the LG-SETA, also validated by the National Treasury. The CWDM is finalising terms of reference to invite service providers to conduct the assessment and training of designated employees. It is hoped that the first phase of this process (assessing employees) will be completed in the course of 2009.

k) Macro and Micro Structure

Section 66(1)(d) of the Municipal Systems Act (No. 32 of 2000), requires the municipal manager to establish a process or mechanism to regularly evaluate the staff establishment and, if necessary, review the staff establishment and the remuneration and conditions of service. This exercise is undertaken to maximise the efficiency and effectiveness of the municipality.

In order to fulfil the above objective, the CWDM engaged in the process of conducting a strategic organisational assessment of departmental performance and productivity for the CWDM, through a service provider. This was done with the view of developing a cost-effective and implementable organisational structure informed by IDP objectives.

The structure was approved on 6 December 2007, among others with the following departments: corporate services, financial management services, engineering and infrastructure development services, community and developmental services and regional development planning services. On 29 May 2008 the Department of Rural and Social Development was approved. An internally managed process to amend the micro structure in accordance followed and the new micro structure was approved on 1 September 2008.

1.12 STATE OF THE DISTRICT

The five-year strategic agenda for local government was finalised in a technical MINMEC meeting on 31 May 2006. The provincial planned interventions were endorsed at the PAF meeting on 24 April 2006.

Five decisions were taken in respect of improving planning for growth and development:

- Planning capacity at all three levels of government must be improved significantly
- Municipal councils should include in their plans concrete and realistic localised service delivery and development targets that will inform performance contracts of senior municipal officials
- Certainty in the development planning system is required in relation to the location of national responsibility for spatial and land-use planning
- Regulations and/or legislative amendments must be introduced to transform district and metro IDPs into local expressions of government-wide commitments
- The NSDP must gradually evolve into a stronger and more directional national development planning instrument

Three strategic priorities were identified.

Priority one receives the most attention in the DPLG's strategic plan. It is divided into several key performance areas:

- Institutional capacity and municipal transformation
- Basic service delivery and infrastructure
- Local economic development
- Financial viability and management
- Good governance

Priority two relates mainly to improving relationships between the three spheres of government (national, provincial and local), and improving the ability of provinces to support and monitor local government.

Priority three relates mainly to reviewing policy and legislation, such as the two-tier municipal system (district and local municipalities), and changing the law to make it compulsory for all municipalities to adopt the ward committee system (currently it is optional).

An important area relates to development planning – with the aim of ensuring that municipal IDPs fit into planning at provincial and national level. This should give more weight to the IDPs, as it is presently very difficult for municipalities to achieve the goals outlined in IDPs if they are contradicted by provincial and national priorities.

One of the interesting aspects of the strategic plan is the development of specific performance indicators for municipalities and municipal managers.

Emanating from the five KPAs mentioned in priority one, the CWDM developed a range of templates strategically planned to address these issues. District Sectoral Technical Task Teams (DSTTT) were established to populate these templates and report to the District Co-ordinating Forum (DCF).

Government revised the National Capacity-Building Framework (NCBF), which was first published in 2004 in order to present an implementation strategy and clarify role definition in capacity building. The NCBF is closely aligned to the Five-year Local Government Strategic Agenda (FYLGA). Through the NCBF, the CWDM is able to identify key strategies on building the capacity of municipalities so that they are able to achieve the FYLGA objectives.

The Municipal Structures Act determines that district municipalities have the obligation to build the capacity of local municipalities in their area to perform their functions and exercise their powers where such capacity is lacking.

1.13 FINANCIAL POSITION

During the 2008/09 financial year the CWDM maintained a sound financial position.

1.13.1 REVENUE

Revenue	2005/06 actual R'000	2006/07 actual R'000	2007/08 actual R'000	2008/09 budget R'000	2008/09 actual R'000
Government grants and subsidies	21 561	155 676	222 286	187 225	250 159
Income: Agency services	70 232	58 263	4 496	68 361	5 427
Own revenue:					
- Sundry	36 908	42 454	50 484	61 664	71 973
- RSC levy income	127 903	25 676	291 948	-	-
- Interest on outstanding debtors	951	574	88 917	4	5
Total revenue	257 555	282 643	658 131	317 254	327 564

Table 8: Budgeted revenue and actual revenue collected (R'000)

1.13.2 REGIONAL SERVICES COUNCIL LEVIES (RSC LEVIES)

Legal action against RSC levy debtors is in progress. Most of these debtors are opposing liability, resulting in a significant contingent asset being raised for two consecutive years. Various RSC levy debtors objected to the assessments performed by the South African Revenue Services (SARS) and by 30 June 2009 no response had been received. The municipality's appointed attorneys addressed a letter in this respect to the commissioner of SARS in Pretoria, requesting their urgent response to enable them to collect the outstanding RSC levy debt on behalf of the CWDM.

1.13.3 EXPENDITURE

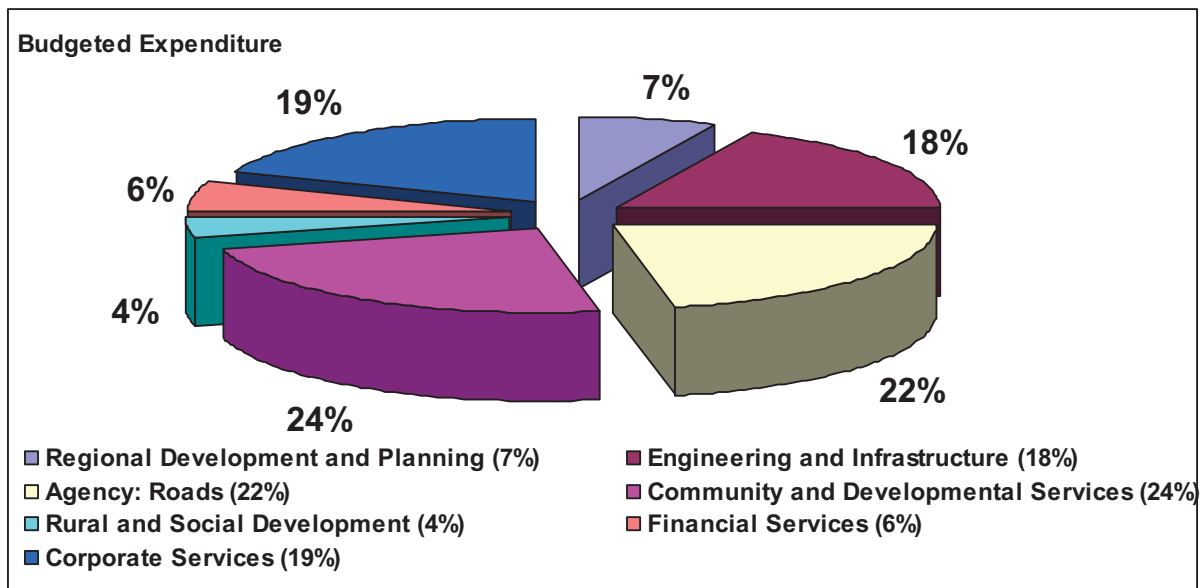


Figure 3 : Budgeted expenditure 2008/2009 per strategic objective

1.13.4 AGENCY FUNCTIONS

a) Roads

The CWDM acts as an agent for the Provincial Government of the Western Cape in respect of the maintenance of all proclaimed roads. The net cost for the financial year amounts to R68 360 625 and is fully funded by the PGWC.

b) Working for Water

This function focuses on eradicating alien vegetation in the CWDM district. The municipality acts as an agent for the Department of Water Affairs and Forestry and is therefore fully funded by the latter to the amount of R13 065 200.

1.13.5 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:

TOTAL R193 638 509

(Refer to note 24 of the 2008/2009 annual financial statements for more details of the above.)

Strategic objective	Budgeted 2008/09 R'000	Actual expenditure R'000	Over / underspending R'000
Regional development and planning	19 394	17 774	1 620
Engineering and infrastructure	57 306	45 770	11 536
Community and developmental	74 980	62 420	12 560
Rural and social development	14 189	7 277	6 912
Agency: Roads	68 361	67 486	875
Financial management	19 681	13 149	6 532
Corporate	63 344	96 053	-32 709
TOTAL	317 255	309 929	7 326

Table 9: Funds allocated to strategic objectives and actual expenditure (R'000)

1.13.6 CAPITAL EXPENDITURE

The total capital expenditure amounts to R16 916 524 and is funded from both the capital replacement reserve and government grants.

Expenditure	2005/06	2006/07	2007/08	2008/09
	actual R'000	actual R'000	actual R'000	actual R'000
Capital expenditure: Own funds				
Budget	11 826	12 572	13 079	18 349
Actual expenditure	6 602	8 548	10 299	13 248
Percentage of budget allocated	56%	68%	79%	72%
Capital expenditure: External funding				
Budget	-	4 961	794	4 396
Actual expenditure	-	4 961	475	3 668
Percentage of budget allocated	-	100%	60%	83%

Table 10: Capital expenditure for the 2005/2006 to 2008/2009 financial years (R'000)

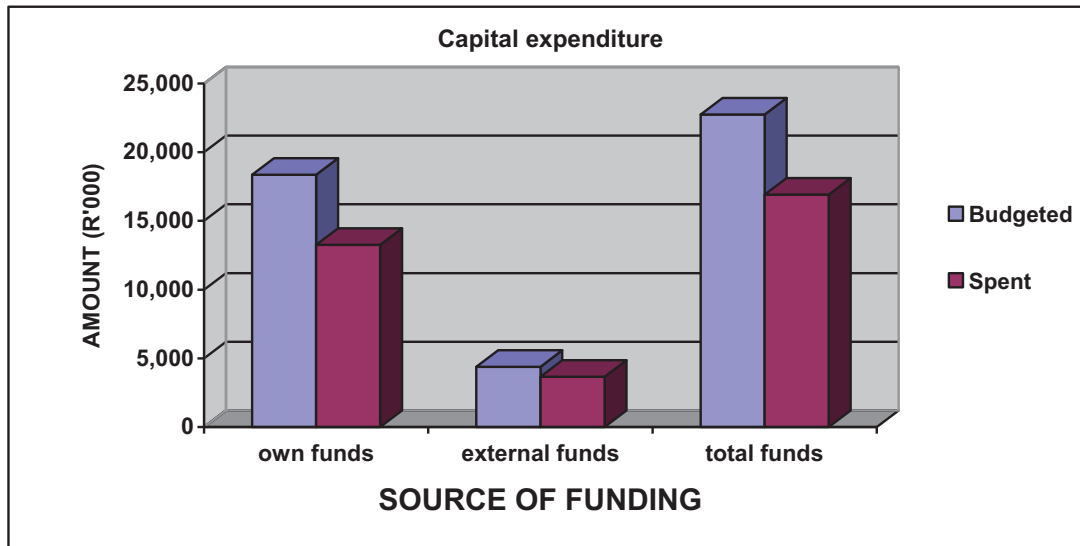


Figure 4: Capital expenditure compared to budget from own funds and external funding (R'000)

1.13.7 EXTERNAL LOANS

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

1.13.8 CASHFLOW OVERVIEW

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

1.13.9 FUNDS, RESERVES AND PROVISIONS

The closing balance at the end of the 2008/2009 financial year amounted to R302 222 192 and was calculated as follows:

Reserves	Closing balance
Capital replacement reserve	R83 114 158
Government grant reserve	R2 128 393
Revaluation reserve	R120 815 895
Future medical aid and pension liabilities	R96 163 746
Total	R302 222 192

Table 11: Calculation of closing balance

1.13.10 FUTURE LIABILITIES

In terms of AC 116 of the statements of generally accepted accounting practice (GAAP), the council must provide for future liabilities determined by an annual actuarial valuation. Future liabilities to the amount of R 96 138 140 are fully funded.

1.13.11 INVESTMENTS

The surplus cash is invested at all A1 banks in terms of the council's cash management and investment policy. The average rate of return on investments was 11,33%.

1.13.12 OUTSTANDING DEBTORS

The total outstanding debtors at the end of the financial year amounted to R10 027 749 and consisted of:

Consumer debtors	
Property rates	R589 029
Other debtors	R199 695
Consumer debtors as at 30 June 2009	R788 724
Less provision for doubtful debt	(R160 377)
Total: Consumer debtors	R628 347
Other debtors	R10 322 423

Table 12: Exposition of total outstanding debtors

The RSC levy debt, including VAT and interest, in respect of summonses issued for outstanding RSC levies, accumulated to R459,2 million and is disclosed in note 36(ii) of the financial statements as a contingent asset. The doubtful debt in respect of RSC levies, amounting to R457 million, is based on the number of opposed cases.

CHAPTER 2

2.1 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 (CWDM) has adopted a comprehensive performance management framework. It 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 to measure delivery against objectives.

The Municipal Systems Act (Act 32 of 2000), the Local Government Municipal Planning and the Performance Management Regulations of 2001 require municipalities to adopt a performance management system. Once the Integrated Development Plan (IDP) and budget have been prepared and approved, the CWDM prepares the Service Delivery Budget Implementation Plan (SDBIP) in accordance with the Municipal Finance Management Act (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 monthly, quarterly and annual basis and reported progress on performance against targets 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 implemented.

a) Organisational structure

Directorate	Department	Section
Community and Developmental Services	Municipal Health Services	
	Emergency Services	Disaster Management
		Fire Services
Rural and Social Development Services	Rural Development and Special Programmes	
	Social Development	
Engineering and Infrastructure Services	Projects and Technical Support Services	Building Maintenance
		Housing
		Technical Support
		Work for Water
	Roads	Mechanical Workshop
		Roads
	Public Transport Planning and Regulation	Public Transport
Financial Management Services	Financial Administration, Income and Debt Collection	
	Expenditure, Procurement and Budgetary Control	
	Management Accounting, Asset Management and Systems Administration	

Directorate	Department	Section
Regional Development and Planning Services	Local Economic Development	Local Economic Development
		Tourism
	Planning	Spatial Planning
		Environmental Planning
Corporate Services	Administrative Support Services	Administrative Support
		Legal Services
		Logistical Support
	Communication Services	
	Information and Communication Technology	
	Strategic Services	Councillor Support
		International Relations
		Strategic Projects
	Human Resource Management	Human Resource Administration
		Labour Relations
		Occupational Health and Safety
		Individual Performance Management
		Employee Wellness
		Training and Development

Directorate	Department	Section
Office of the Municipal Manager	Performance Management	
	Internal Audit	
	Integrated Development Planning	Integrated Development Planning
		Shared Services

2.2. COMMUNITY AND DEVELOPMENTAL SERVICES

2.2.1. DISASTER MANAGEMENT

The provision of community and social services is administered as follows and include:

- To promote an integrated and co-ordinated approach to disaster management in the CWDM.
- These services include disaster management training and capacity building, disaster management planning for high risk areas, municipal policing and the compilation of a disaster risk management framework for the CWDM.

The strategic objectives of this function are to ensure the safety of communities in the Cape Winelands through pro-active prevention, mitigation, identification and management of disaster risks; promotion of disaster preparedness, rapid and effective response to disasters and to co-ordinate post-disaster recovery and rehabilitation.

Key issues for 2008/09:

- Training
- Planning
- Community safety (policing)
- Compilation of a disaster risk management framework

a) Projects for 2008/09

1. Project name
Train Ward Councillors and Ward Committee Members
Description
Capacitate ward councillors and two committee members per ward in disaster management practices and principles
Impact on beneficiaries
Those who attended were offered understanding of disasters and disaster management principles applicable to local government
Project highlights
Some municipalities responded well to invitations
Challenges
Poor attendance by some municipalities, despite efforts to ensure participation
2. Project name
Disaster Management Planning for High Risk Areas
Description
Compile generic plans for disaster risk reduction based on current risk analyses and avail these plans to local municipalities and internal departments
Impact on beneficiaries
Will capacitate municipal departments to compile generic disaster management plans
Project highlights
Fair participation and attendance by some identified clusters during workshops
Challenges
Some municipalities and other role players responded very poorly

3. Project name
Municipal Policing (Community Safety)
Description
Financial support to 23 community policing forums
Impact on beneficiaries
None – the implementation of the project was stopped due to political reasons
Challenges
Few comments and inputs on the draft document were received
4. Project name
Disaster Risk Management Framework
Description
Compile a disaster risk management framework that aligns with the national and provincial framework policy documents
Project highlights
Good participation by advisory forum members
Challenges
Few comments and inputs on the draft document

b) Key Performance Areas (KPA's)

Key Performance Indicator	Current	Target
Train Ward Councillors and Ward Committee Members	119	249
Disaster Management Planning for High Risk Areas	5	5
Disaster Risk Management Framework	1	1

2.2.2. MUNICIPAL HEALTH ANNUAL REPORT

a) Projects for 2008/09

1. Project name
Baseline Information Programme
Description
Introduce the findings to stakeholders throughout the Cape Winelands Develop strategies Train CWDM-MHS staff and officials from B-municipalities
Impact on beneficiaries
For the first time MHS staff, the council, local municipalities, the farming fraternity and all other stakeholders were given a broader picture of the situation regarding basic facilities, i.e. water, sanitation, housing and refuse removal on farms.
Project and performance highlights
CWDM staff and officials from B-municipalities were trained on how to access the database, update and use the information. This leaves the possibility of improved planning, budget prioritisation, co-ordination and improvement in service delivery.

Challenges
Lack of interest shown by especially some B-municipalities
Number of CWDM personnel involved
All five area managers of MHS, with their respective staff components
Quantifiable outputs
The establishment and existence of two databases, namely a “raw database” which is updatable, and a linked “query database” which allows data extraction and running queries on any of the matters surveyed. A strategy and a way forward were based on the findings of the survey.
Number of job opportunities created
1
2. Project name
Greening Cape Winelands
Project description
The project concerns planting indigenous and fruit trees in the communities of the Cape Winelands, in partnership with other stakeholders. The aim is to create environmental awareness through education and community participation. Income opportunities will be created in beneficiary communities by giving small scale contractors the opportunity to tender to plant the trees.
Impact of the project on the beneficiaries
The creation of work, a greener, healthier and aesthetically attractive environment, improvement of the living environment, combating global warming and addressing issues of food security. It provides an opportunity for environmental education.
Challenges
To complete the project in a short time and to get stakeholder participation.

Additional information
The council could gain global warming and emission points from this project, which could make the council the first local authority to gain global warming points.
Number of CWDM personnel involved
21
Number of job opportunities created
300
Quantifiable outputs
Planted 10 050 trees Trained and educated 5 000 individuals
3. Project name
Subsidies for Upgrading Water Sanitation in the Rural Area
Project description
Upgrade and supply facilities and water on farms
Impact of the project on its beneficiaries
Supply of essential services
Challenges
A few incidents with a political slant stalled a couple of projects, which necessitated intervention from the office of the municipal manager and subsequently the political authorities of the council. There were complaints from livid unsuccessful small contractors for not having being awarded the tenders. The directorate stood by its decisions, based on the process for processing quotations and awarding tenders.
Quantifiable outputs
143 projects 2 456 jobs created

4. Project name
Health and Hygiene Improvement Project in the Informal Meat Sale Industry (Mbekweni, Drakenstein)
Project description
Provide a mobile working station to seven beneficiaries trading in the informal meat industry, free of charge
Impact of the project on its beneficiaries
They are optimistic about their future financial situation and feel they have been offered an opportunity to improve their business opportunities. Their working conditions will improve, and pollution of the environment will hopefully be eliminated.
Project and performance highlights
Unveiling the prototype mobile working station and its acceptance by the beneficiaries as well as the community members Empowering seven women in an impoverished community
Challenges
Issuing of stands as well as business licences to the beneficiaries must be clarified in further meetings with Drakenstein Municipality. Beneficiaries identified the need for more accessories, such as shelter during the winter, which were not budgeted for.
Additional information
Beneficiaries as well as other meat traders were trained in food, environmental and personal hygiene. A total of 40 training sessions were conducted. The beneficiaries were very satisfied and the CWDM made a good impression regarding empowering local and impoverished communities. Informal meat traders who were not included expressed the hope that the CWDM will continue this project.
Number of CWDM personnel involved
4

Number of job opportunities created
7 beneficiaries
5. Project name
Environmental Health Education Programme
Project description
This a continuation of the educational project where theatre performances in schools throughout the CWDM create environmental awareness and change negative behavioural patterns among primary school learners. This project includes the development of educational material addressing environmental health issues and the roll-out of educational programmes in schools, businesses and at public events.
Impact of the project on its beneficiaries
Create environmental awareness and change negative behaviour among learners and the public.
Project and performance highlights
80 performances at schools, reaching 22 800 learners
Challenges
None
Number of CWDM personnel involved
55
Number of job opportunities created
5
Quantifiable outputs
22 800 learners reached

7. Project name
Guidance – Health and Hygiene
Project description
Health education
Impact of the project on its beneficiaries
Behaviour changes
Number of CWDM personnel involved
1
Number of job opportunities created
+5
8. Project name
Breede River Improvement Project
Project description
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 microbiological, 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.
Impact of the project on its beneficiaries
By means of this project, the overall health status of the portion of the Breede River in CWDM area can be determined. Users of Breede River water can implement appropriate treatment options in accordance to the usage of the water and the specific determinants not complying with relevant standards or guidelines. Various polluters were identified and all relevant information was handed to the DWAF.

Project and performance highlights
Positive feedback was received from various stakeholders at a stakeholder information meeting. Lines of communication were established between Breede River water users (farmers) and different spheres of government involved in Breede River water quality issues.
Challenges
The biggest challenge was to comply with CWDM procurement requirements. Sampling in difficult weather conditions is also a challenge.
Number of CWDM personnel involved
5
Number of job opportunities created
None
Quantifiable outputs
<p>A total of 763 samples were taken and analysed from river water, final sewage and industrial effluent:</p> <ul style="list-style-type: none"> • 346 microbiological samples • 352 chemical samples • 21 samples for parasite analysis • 44 samples for pesticide residue analysis

2.2.3. FIRE SERVICES

a) Operational fire fighting services

Personnel spent 3 604 hours on operational and fire fighting duties and attended to 1 265 calls. The fire services provided assistance to the B-municipalities on 183 occasions and received assistance on 72 occasions.

During 2008/2009 the fire fighting vehicles covered a distance of 162 737 km and used 9 207 kilolitres of water, to which 2 119 litres of foam were added.

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

b) Calls attended (1 265)

Locality	Forest/ Veld fires	Chemical incidents	Structural fires	MVA	Vehicle fires	Special service	Miscellaneous	False
Stellenbosch	427	2	13	3	2	3	1	39
Drakenstein	174	0	6	0	1	1	0	11
Breede Valley	118	2	16	0	3	2	0	6
Witzenberg	269	0	15	3	1	6	0	22
Breede River Winelands	79	0	23	3	2	1	2	9

c) The following table reflects the utilisation of the mutual aid agreements

Locality	Assistance to B-municipalities	Assistance received from B-municipalities
Stellenbosch	39	29
Drakenstein	17	28
Breede Valley	37	3
Witzenberg	32	11
Breede River/ Winelands	58	1

d) Cost of Veld Fires

Section 84(1)(j) of the Municipal Structures Act (Act 32 of 2000), as amended, provides for the fire fighting functions that have to be performed by council. These are fire fighting services serving the area of the district municipality as a whole, including specialised fire fighting services such as mountain, veld and chemical fires.

The B-municipalities are responsible for the remaining fire fighting functions, such as structural fires. Therefore, it is the council's statutory obligation to fight veld fires.

In view of the hundreds of calls for veld fires received on a monthly basis by the council in the summer fire season, it is impossible for the service to deal with every call. Consequently, the fire chiefs in the area agreed that the B-municipalities would deal in their respective municipal areas at their own cost with fires along road reserves, on vacant premises, on vacant municipal property, etc.

e) Major Fires

The community of the Cape Winelands was shocked by the devastation caused by the runaway fires during the summer season. This fire season was one of the worst ever.

The following major fires occurred:

- Roggeland (10/12/08)
- Hugenote Tunnel (27/12/08)
- Paarl Mountain (7/01/09)
- Wemmershoek (20/01/09)
- Lanquedoc (17/02/09)
- Jonkershoek (5/03/09)
- De Doorns (6/03/09)
- Du Toit's Kloof (13/03/09)
- Wemmershoek (5/04/09)
- Du Toit's Kloof (28/06/09)

A possible disaster to the community was prevented by the rapid response and effective fire suppression operations by all involved. The area burnt during the major fires amounts to more than 50 000 hectares. The majority of the area burnt consisted of fynbos, plantations and agricultural land. The total cost to the CWDM for aerial fire fighting amounts to more than R4 000 000 and exhausted the entire fire service budget.

f) Fire Protection Associations

For the past three years the fire services have been closely involved in establishing fire protection associations. Council has and is assisting to establish the following fire protection associations: Drakenstein, Stellenbosch, Paardeberg, Krantzkop, Tulbagh/Wolseley, Witzenberg Valley and Breede Valley. The fire services have worked extensively on assisting landowners to establish these associations in terms of the National Veld and Forest Fire Act. The majority of landowners show no interest in the legislation or its requirements.

g) Support Services

The emergency control centre in Stellenbosch is staffed 24 hours per day to deal with communication services, such as the reception and monitoring of emergency calls, as well as problems and complaints, which are channelled to the relevant divisions. Testing of and maintenance to vehicles and equipment are carried out daily.

h) Training and Development

The following courses and training events were conducted and attended:

July 2008	November 2008
Fire Fighter 1 (19) BAA Refresher (5) SCBA Mobile Training Gallery (all)	First Aid 3 Refresher & BAA Entry (23) BAA (12)
August 2008	March 2009
Heavy Duty 4x4 (29)	Fire Fighter 2 (8)
September 2008	April 2009
First Aid Level 3 (23) Two weeks Basic Fire Fighting (14)	Hazmat Operation (8) BAA (12)
October 2008	
Hazmat Awareness (17) Hazmat Operation (2)	

During the Southern African Emergency Services Congress and Training event in Johannesburg in May 2009 the Cape Winelands Fire Services won 3rd place nationally in the High Angle Rescue competition and came 4th nationally in the Vehicle Extrication competition. Station commander R. Harris received the Southern African Emergency Services (SAESI) Student of the Year Award and his prize included a visit to Austria.

i) Reservist Fire Fighters

The fire services utilise the services of 60 volunteers/reservists to assist with operational and control centre duties.

2.3 RURAL AND SOCIAL DEVELOPMENT SERVICES

Communities in the district, especially the marginalised and the poor, remain under-developed and have to deal with the challenges of moral decay, uncoordinated service delivery programmes, a range of socio-economic challenges, such as crime, drugs, violence, joblessness, poverty, slow economic development and unemployment.

The CWDM's Rural and Social Development Department is attempting to address these challenges in a holistic and integrated manner. The design of the programme has been informed by the needs identified in the IDP, as well as the following national strategic imperatives:

- The National Moral Regeneration Programme
- ASGISA, NSDP and JIPSA
- The Provincial Growth and Development Strategy (PGDS) of the Western Cape (iKapa Elihlumayo) and its vision of being a "A home for all"

Part of the groundbreaking work the CWDM envisages is to focus on an improved interface with other functions, resulting in integrated and co-ordinated service delivery by the entire government in the Cape Winelands. Through planned, focused social and rural development interventions, the CWDM aims to provide leadership and guidelines to its local municipalities regarding what is needed to define the purpose and functions of these units/directorates and how they could interface with other vital social sectors in the different spheres of governance.

In considering the proposed programmes, a high premium was put on alignment with provincial and national strategic planning frameworks and tools, including the Millennium Development Goals, Vision 2014, accelerated and shared growth initiatives for South Africa (ASGISA), the Joint Initiative on Priority Skills Acquisition (JIPSA), the National Spatial Development Perspective (NSDP), as well as the Western Cape Provincial Growth and Development Strategy, better known as Ikapa Elihlumayo.

In line with the DPLG's National Capacity Building Framework for local government, the proposed programmes submitted for funding are specifically structured to ensure that the CWDM and its local municipalities actively contribute to realising national targets of service delivery and development through inter-governmental planning, implementation and delivery.

As a result of research, the following strategies have been drafted on commission of the CWDM and after consideration of the different inputs from other spheres of government:

- Youth Development Strategy
- Strategy for Elderly Persons
- Strategy for Persons with Disabilities

It is important to note that these strategies have already influenced specific programme and project interventions incorporated in the CWDM IDP and budget. It is the intention of the district municipality to consolidate these strategies into a comprehensive and holistic social development programme, taken on by different sectoral players, to combat poverty and inequality in the Cape Winelands.

1. Project name
Human Security
Project description
The aim of the project is to support community workers and developmental structures with a communication link and training on home-based care, nutrition, TB, DOTS (directly observed treatment strategy) and human rights.
Impact of the project on its beneficiaries
Skills development opportunities were provided to development committees and lay health workers. Improved communication mechanisms were established during the training sessions.
Project highlights
Training sessions were held district-wide and 68 of the 100 people attended these sessions. The well-established development committees are in the process of obtaining NPO status.
Challenges
Training sessions were not attended by all development committees and lay health workers due to non-functional committees. The community workers workshop was not implemented due to time constraints and budgetary implications.

Staff involvement
The acting manager and five area project assistants were involved in arranging the logistics of the workshops and liaising with the development committees and lay health workers.
Additional information
Material such as photos, attendance registers and training material are available on request.
Quantifiable outputs
A total of 68 beneficiaries participated in the training workshops. Two development committees, Simondium and Drakenstein, are in the process of obtaining NPO registration.
2. Project name
HIV/Aids
Project description
The aim of the project was to provide financial support to NGOs and development committees, as well as supporting World Aids Day commemoration activities in order to reverse the effects of the pandemic in the district.
Impact of the project on its beneficiaries
Behaviour change and HIV/AIDS awareness.
Project highlights
A successful World Aids Day commemoration was held in Witzenberg for the CWDM.
Challenges
The five awareness campaigns for the five B-municipal areas did not realise due to time constraints and the slow procurement of service provider/s.

Staff involvement
The acting manager and five area project assistants were responsible for planning the event and arranging the logistics. The area project assistants were responsible for ensuring that their respective areas were represented at the event.
3. Project name
Early Childhood Development (ECD)
Project description
This project aims to support ECD centres and provide skills training opportunities to the staff. The centres may not be registered at the Department of Social Development.
Impact of the project on its beneficiaries
The beneficiaries received educational toolkits in order to enhance the learning programmes of the ECD centres. The staff was empowered with skills in order to enhance their ability to present educational programmes. A toolkit handover ceremony was held and all beneficiaries were invited. The staff who received skills training received certificates at the ceremony.
Project highlights
One of the key highlights relates to the interface and co-operation between this department and that of Municipal Health Services, as well as the input of ECD forums.
Challenges
The selection of beneficiaries was quite a challenge, which could have been prevented if assessment and selection criteria were properly identified and agreed to before the implementation of the project. There is a need for improved consultation with other stakeholders in this regard. Some of the beneficiaries experienced transport problems regarding attending the event and transporting the toolkits to their ECD centres. The department had to assist.

Staff involvement
The executive director, two regional managers, five area project assistants and a student planned the event and arranged the logistics. The area project assistants had to distribute the toolkits to the beneficiaries in their respective areas.
Additional information
The event was well-covered by the Communication Department of the CWDM.
Supporting material
Photos and news article as well as a list of the beneficiaries are available.
Quantifiable outputs
<p>50 ECD centres received educational toolkits</p> <p>10 staff members of ECD centres received skills training</p> <p>1 ECD ceremony was held for the Cape Winelands</p>
4. Project name
Substance Abuse
Project description
The project aims to support substance abuse institutions and awareness programmes in the district.
Impact of the project on its beneficiaries
The beneficiaries on seven farms in the Drakenstein area attended substance abuse workshops. Beneficiaries on six farms in Stellenbosch attended substance abuse workshops. These beneficiaries were made aware of the physical and social dangers of substance abuse in the rural areas. They also identified possible solutions to combat substance abuse on their respective farms.

Project highlights
Some of the farmers welcomed the initiative and provided support for this project. There was a high level of participation during the workshops.
Challenges
An insufficient number of service providers were procured, resulting in a limited district-wide impact. Some farmers were not co-operative and this hampered access to the farms. The implementation of activities to combat the abuse of substance on the farms could not be implemented due to a lack of resources.
Staff involvement
The two APAs in Drakenstein and Stellenbosch were responsible for identifying farms in their areas for these workshops.
Supporting material
Attendance registers, photos and capacity building material are available on request.
5. Project name
Sustainable Livelihoods
Project description
The project aimed to establish and support soup kitchens and food gardens in the district. It also aimed to provide food parcels and support to child-headed households and needy families.
Impact of the project on its beneficiaries
Food security was improved, which contributed to poverty alleviation. The Rural Women's Association was appointed to roll out a food security programme in the Breede River Winelands during March to June 2009. Twelve families benefited from the produce of the food gardens.

Project highlights
Twelve people and their families benefited from the produce of the project.
Staff involvement
The APA in the area was responsible for monitoring the implementation of this project.
Supporting material
Photos of food gardens
6. Project name
Families and Children
Project description
This project aimed to develop and implement developmental programmes to support development committees in sensitising communities regarding the street children and destitute families.
Impact of the project on its beneficiaries
The participants had the opportunity to highlight the issues that affect the wellbeing of children in the Cape Winelands. The ultimate goal of these sessions was to promote the security of children in the Cape Winelands. The workshop participants had a clear understanding of the rights of children and the constitution. They identified nine prevailing issues that affect children and formulated strategies to address the top five.
Project highlights
A total of 100 participants attended the workshop. Two workshops were held to accommodate participants in the respective regions.

Challenges
There were language barriers, but these were overcome by utilising an interpreter. The target groups were NGOs or organisations that work with children, but the participants in the Worcester workshop consisted of community members. Difficulties were experienced in terms of formulating strategies because the participants did not have the required experience and knowledge.
Staff involvement
The APAs attended these sessions and mobilised the stakeholders to attend the workshops.
Supporting material
Attendance registers
Quantifiable outputs
Two workshops were held, in Worcester and Paarl. Approximately 60 participants in Worcester and 40 participants in Paarl attended. A strategic framework with five key challenges that affect children in the CWDM was formulated.
7. Project name
Gender Workshops
Project description
The project aims to support gender development and awareness programmes.
Impact of the project on its beneficiaries
The participants were informed about gender equality issues. A strategy was formulated by the participants to promote gender equality.
Project highlights
Participants identified gender issues that hampered gender equality. A total of 100 men and women attended the workshops in Worcester and Paarl.

Challenges
Language barriers were a challenge, but were overcome by utilising an interpreter. The business plan indicates that five workshops were planned, but only two were held due to time constraints and budgetary implications.
Staff involvement
The APAs were responsible for the logistics of the workshops.
Supporting material
Attendance registers and a report by the service provider.
Quantifiable outputs
A total of 100 people attended these workshops A strategy was formulated to address six key issues around gender equality
8. Project name
Youth
Project description
The project aimed to support youth development and awareness programmes.
Impact of the project on its beneficiaries
The project intended to empower youth in the communities and to ensure behaviour change. The youth came from farming areas and it was the first time that they have been exposed to this type of event.
Project highlights
A total of 1 000 young people attended an Ajax soccer game A youth event was organised by the development committee in Simondium and 630 people attended this event The CWDM held a Youth Day event in Touws River which was attended by approximately 700 young people who came from across the Cape Winelands; young people from all over the district entertained the audience with cultural items A Youth Day programme was broadcast by Valley FM on 16 June 2009

Challenges
<p>The pick-up points were not coordinated by all the APAs, which led to buses not following the routes and young people being left behind. The event did not start on time due to buses arriving late. Quotations were not submitted timeously, which affected procurement procedures. Confirmation of speakers was delayed, which in turn delayed the finalisation of the programme. There were insufficient staff and stationery for the registration of attendees. The venue was not quite suitable due to insufficient ablution facilities, a small kitchen and preparation of food for the VIPs.</p>
Staff involvement
<p>The youth coordinator and the regional manager of the western region were responsible for the logistics. The APAs were responsible for selecting the young people from their areas. They were also responsible for co-ordinating the buses and ensuring that the attendees received food parcels and T-shirts. The officials registered the attendees and provided food parcels to the co-ordinators.</p>
Supporting material
<p>Photos, T-shirts, registration forms and articles.</p>
Additional information
<p>Through the registration of attendees a database of young people was compiled for future reference.</p>
Quantifiable outputs
<ul style="list-style-type: none"> • A total of 1 000 youth attended the Ajax game • A total of 1 330 youth from farming areas participated in the two youth events

2.4 ENGINEERING AND INFRASTRUCTURE SERVICES

2.4.1 PROJECTS AND HOUSING

a) General

A total of R32 552 000 was allocated during this financial year for planning and implementing projects. The amount was divided between the following types of projects:

- | | |
|--|-------------|
| • Housing projects | R4 818 025 |
| • Infrastructure projects | R14 640 179 |
| • Working for water | R9 083 000 |
| • Planning projects | R2 965 000 |
| • Infrastructure in the district management area | R1 350 000 |

b) Housing Projects

Access to housing opportunities for poor and especially rural communities (mostly farm worker families) is still one of the most daunting challenges in the Cape Winelands.

Despite this, the CWDM remains committed to bringing about tenure security opportunities to its rural constituents. In this regard, the CWDM was involved in planning and implementing three rural housing projects during the 2008/09 financial year. Projects that were in a planning phase during this year include those in Nieuwedrift and Groot Drakenstein, while the Hermon Housing Project was re-implemented despite the setbacks during the previous year with the non-performance of the contractor.

Whereas all the preliminary studies were completed in the 2007/08 financial year and a business plan was submitted to the provincial Department of Housing for funding approval (which to date has not been obtained), the focus for the 2008/09 financial year turned to the completion of the basic assessment report (BA environmental study) for submission to the Department of Environmental Affairs and Development Planning (DEADP) for approval, as well as other outstanding planning and engineering issues.

The final report was submitted in March 2009. The outcome of the application is still pending and will only be known during the 2009/10 financial year. The DEADP's decision will to a large extent guide the future of the Nieuwedrift Project. The current proposal is for the development of 365 residential units on the farm Nieuwedrift.

Little progress was made on the Groot Drakenstein Project and the environmental impact assessment as well as the heritage impact assessment are still in process. Preliminary indications from the heritage consultants are that the project in its current proposal (600 residential units) might not be approved/endorsed by the heritage authorities. Therefore it seems that the proposal might need to be amended.

The Hermon Housing Project was re-implemented in February 2009 after it had to be stopped due to the non-performance of the appointed contractor. Since its re-implementation progress, 91 new dwellings have been erected and it is anticipated that all the new houses will be completed in the second quarter of 2009.

In addition to the above projects, the housing section has been involved in co-ordinating and facilitating Integrated Human Settlement Plans for each local authority in the district, a consolidated district human settlement plan and strategy, as well as facilitating the Housing Consumer Education Roll-out Programme and Plan.

All the draft strategies and situational analysis reports (which form integral components of the Integrated Human Settlement Plans) for the respective municipal areas were completed during the 2008/09 financial year.

Key findings from the situational analysis reports indicate that municipalities in the Cape Winelands experience key constraints in dealing with housing/human settlement matters due to a lack of capacity, inefficient planning, insufficient funding and funding resources, a lack of suitable land, an absence and the cost of bulk infrastructure, environmental and heritage constraints, integration and access to public amenities and public transport as well as huge housing backlogs, currently estimated to between 38 000 and 45 000 for the district.

The development of appropriate response draft strategies to the challenges has also been completed. The final phase (five-year programme and three-year business plans) should be completed during the last quarter of 2009.

In its second year of roll-out, the Housing Consumer Education Programme is gaining momentum. The objective of the programme is to transfer skills and knowledge to beneficiaries on their roles and responsibilities as home owners. A total of 1 824 beneficiaries were trained in the various municipalities across the district during the 2008/09 financial year.

The educational programme is becoming very popular with housing beneficiaries and is making a significant impact on empowering consumers of subsidised housing products with the long-term view of reflecting favourably upon the sustainability of settlements and creating vibrant and informed communities.

The programme will be monitored and evaluated on an ongoing basis by the district to ensure that its objectives are achieved and that it adds value to the creation of sustainable human settlement development.

c) Human Settlement Analysis

In fulfilling its co-ordinative function, the CWDM appointed consultants to assist in the development of Integrated Sustainable Human Settlement Plans (ISHSP) for each local authority in the district, as well as the development of a consolidated district human settlement. These plans will ultimately inform the housing chapter, which will be updated annually.

One of the most vexing challenges confronting not just the CWDM, but most municipalities in South Africa, is providing decent and secure housing. Obtaining land, ensuring that sites are effectively serviced and ensuring that quality and durable buildings are built at an affordable cost in settlements that are strategically located, while not undermining sensitive ecological systems, are just some of the aspects to be considered in successful planning.

The primary purpose of the ISHSP is to assist the local municipalities and the district municipality to properly plan, budget for housing and related expenditure and identify and prioritise projects in terms of their ability to promote integrated human settlements.

The plans set forth a number of objectives:

- To inform housing demand and related impacts and to plan accordingly by developing appropriate strategies. The current challenges related to HIV/Aids and farm evictions as well as other impacts should be considered.
- To co-ordinate and facilitate alignment between national, provincial, district and local housing delivery strategies, policies and delivery systems and other sector strategies.
- To guide the identification, prioritisation and implementation of housing in the context of human settlements and related projects.
- To inform future funding and infrastructure needs.

- To investigate appropriate housing instruments/programmes and typologies (urban and rural) that will promote principles of sustainable human settlement development, concentrating on the location of projects (within the delineation of the urban edge), integration of communities (mixed income, race and land use), access to social and economic facilities and public transport facilities.

2.4.2 WATER AND SANITATION

a) Water Provision to and Sanitation Facilities at Schools

The aim of this project is to ensure that all rural schools in the CWDM's area have adequate water supply and sanitation systems. The council has implemented projects of this nature for several years and this year supplementary funds were again received from the national Department of Water Affairs and Forestry.

This demonstrates the synergy between different spheres of government in eradicating poor service. In conjunction with health awareness training done by the council's environmental health practitioners, these projects ensure a safer and healthier environment for learners as well as teachers. During the 2008/09 financial year four schools were provided with upgraded sanitation facilities and five schools with improved water supply.

b) Service Delivery in the DMA

The extent to which normal municipal services can be rendered in this vast rural area is limited because the area consists of sparsely populated farmland.

The council embarked on a project to supply basic solar lighting and solar geysers to farm dwellers, in collaboration with farm owners. Basic solar systems are subsidised and provided to farm owners for installation in places where the Eskom supply grid is not a viable option. By improving the living conditions of farm dwellers using renewable energy sources, the council contributes in different ways to the well-being of its citizens.

During this financial year, 82 households were provided with basic solar electricity and 70 households with solar geysers. A further 35 households were electrified in instances where Eskom supply was closer than 200 metres from the households. The policy for the provision of these services was also changed during the year to include the total rural area of the municipality.

c) EPWP: Road Reserves Clearing Projects

During the 2008/09 financial year the council continued this programme. Although these contracts are not fully compliant with the requirements of the EPWP, it gives unemployed people much needed job opportunities. It also creates the opportunity where small contractors are developed and where labour intensive working methods are utilised.

During the 2008/09 financial year four projects for small emerging contractors, for maintaining road reserves by cutting grass and trees, collecting litter and cleaning storm water ditches, were awarded. An amount of R937 000 was spent in cleaning 420 km of road reserve employing 80 people for one month. It is envisaged that this project will continue in the next financial year.

d) The Construction of Gabions

R297 017 was spent during this financial year on the construction of gabions at critical points along roads where flooding usually causes damage to infrastructure. Small contractors making use of labour intensive methods are used for the execution of this project. A total of 904 m³ gabions were constructed utilising 56 workers for a period of 45 weeks.

e) Working for Water

This council acts as implementing agent for the Department of Water Affairs and Forestry. While implementing this programme, it enforces the principles of the EPWP of the national government. The programme entails the eradication of alien and invasive plant species in the river catchments areas. This is done by using small contractors and local labour that are all trained through this programme. In the process of eradicating alien vegetation, this project ensures an improved natural environment conducive for the sustained growth of the indigenous plant species. It also improves the quality and quantity of water flow in the rivers while creating employment for the poor.

During the 2008/09 financial year R4 538 000 was spent on clearing contracts, while R616 000 was spent on training. On average 96 employment opportunities were created per month, of which 41% was reserved for women. This is significant, taking into account the high unemployment rate in the district.

2.4.3 GAZETTED ROADS

a) Provincial Agency Function

The Department of Transport and Public Works of the Provincial Administration of the Western Cape is the roads authority for all rural roads in the province. Three provincial district road engineer offices maintain and manage the major roads and some main roads. The roads departments of the five district municipalities function as agents to manage and maintain certain main roads, divisional roads and subordinate roads, and serve as a direct link to the public.

This year was difficult and challenging, because problems were experienced in advertising technical jobs of critical importance and finding qualified, experienced applicants. The retirement of a number of senior personnel necessitated the appointment of people with little or no experience and giving them on-the-job training. This becomes more difficult because fewer senior technical personnel are available. Therefore the pressure increases to have the department's programme for technical civil engineer students succeed. This goes hand in hand with the on-the-job training provided to younger, less experienced personnel by the few remaining senior personnel.

A lack of funds and flood damage to roads infrastructure put enormous pressure on the available personnel and equipment.

b) Normal Road Maintenance and Repair

The council has five road maintenance units at Ceres, Robertson, Worcester, Paarl and Stellenbosch. The focus is on the national roads network, which is a vital link in the national economy and carries huge volumes of traffic.

The limited resources (financial and personnel) are employed for normal road maintenance:

- Maintain drainage, which entails cleaning the numerous pipes and ducts under roads and cleaning trenches on both sides of rural roads to prevent water from penetrating and damaging roads.
- Seal the cracks in older bitumen (tarred) roads to prevent water penetration.
- Maintain damaged guardrails and road signs due to accidents and vandalism.
- Remove intrusive plants and pick up garbage.
- Repair disintegrating gravel shoulders next to bitumen roads.
- Reseal and regravell roads, as well as repair damaged road infrastructure.

c) Financing: Gazetted Roads

Financial management was made more difficult because the provincial Department of Transport allocated money in terms of its own financial year, from 1 April to 31 March.

Money was received from the provincial Department of Transport for normal road maintenance and repair of flood damage:

- R45 600 000 to 31 March 2009 (R44 502 456 – spent)
- R9 338 202 for April and May (R9 338 202 – spent)
- Allocations for June have to be determined after finalising the financial statements of the CWDM
- Resealing projects – R5 476 000 (R5 311 832 – spent)
- Upgrading of Rhodona – R4 306 725 (R4 263 451 – spent)
- Total spent up to 31 March 2009 to repair flood damage – R12 620 638 (it had a negative impact on normal maintenance)

The funds available for road maintenance and the upgrading of roads are insufficient. About 3 400 km of gravel roads in the district need attention. The public frequently criticise the council when gravel roads are not upgraded.

Problems experienced by technical personnel are:

- Many roads do not have gravel left to grade (a gravel road must be regravelled every seven to nine years because traffic, rain and wind reduce the gravel layer every year).
- The provincial roads authority manages rural gravel roads with a regravelling programme drawn up after consultation by technical personnel of district municipalities, consulting engineers and the provincial head office. The roads are maintained using funds earmarked for normal maintenance.

d) Upgrading Lower Order Rural Gravel Roads

There is a backlog in upgrading lower order rural gravel roads to bitumen standard. Due to the limited funds allocated for maintenance by the province, the council was compelled, in the interest of the safety of rural communities, to allocate funds to upgrade these roads.

Criteria were developed to evaluate and prioritise the roads, with the emphasis on the transport of sensitive agricultural products, tourism, pedestrians and schools.

In the 2008/09 financial year R8 806 725 was allocated to upgrade lower order rural roads (R4 500 000 by the CWDM and R4 306 725 by the province).

The following roads were upgraded during the 2008/2009 financial year:

- Rooshoek Road – 600 m
- Rhodona Road – 3,1 km

e) Capacity-building: Technical Roads Personnel

Due to a shortage of engineers, those employed by the council assisted in the following:

- Technical road inspections, preparation of technical reports regarding road rehabilitation, road upgrading, visual inspection, etc.
- Preparation of technical reports regarding land usage by local B-municipalities, which entails the technical evaluation of developments such as hotels, guest houses and housing to ensure road safety.

f) Flood Damage

A number of roads in the district were damaged by floods. In 2007 some smaller bridges were repaired. Designs were done by the council's engineers based on standards set by the province.

A lack of technical foremen with experience of bridge building placed a huge responsibility on certain technical personnel to manage and supervise the flood damage repair programme.

During the execution of this programme the only "bridge building foreman" employed by the council, Mr A. Williams, provided practical training to employees. Williams gained experience when he was employed by civil contractors and construction units of the province. While supervising the work, he trained council personnel in crucial skills in the construction of smaller bridges.

The intern training programme for civil engineering students was continued. Students from a university of technology are employed during the compulsory practical year. This year three students worked at the various roads depots. These students also receive technical theoretical training.

2.4.4 PUBLIC TRANSPORT

2.4.4.1 OVERVIEW

The function of public transport is managed by the Public Transport Planning and Regulation Directorate in the Engineering and Infrastructure Services Department in terms of the National Land Transport Transition Act (NLTTA) (Act 22 of 2000). The National Land Transport Act (NLTA) (Act 5 of 2009) repealed and amended the previous NLTTA, placing greater levels of responsibility on local and district municipalities.

The current management of the public transport function must therefore be adapted, with the first step being the enhanced status of the CWDM as that of a category 2 planning authority that is responsible for the preparation of a district integrated transport plan as well as preparing the local integrated transport plans for Breede River Winelands, Breede Valley, Drakenstein and Witzenberg municipalities.

2.4.4.2 KEY PERFORMANCE AREAS

- Current Public Transport Record (CPTR) – reviews completed
- Operating Licensing Strategy (OLS) – reviews completed
- District Integrated Transport Plan (DITP) – the preparation of this plan is to be funded by a provincial grant

2.4.4.3 PUBLIC TRANSPORT INFRASTRUCTURE PROJECTS

- Non-motorised transport
- Improvements to existing road infrastructure to enhance the safety of rural pedestrians, cyclists and learners based on the safer journeys to schools strategy, as well as sidewalks, embayments and shelters
- Development of pedestrian safety educational material – reflective bands, pamphlets, posters
- Public transport facilities
- Upgrading existing sidewalks

2.4.4.4 KEY PROJECTS

a) Statutory planning in terms of the National Land Transport Transition Act

The projects below have been completed during the 2008/09 financial year:

- Current public transport record (CPTR) – review
- The CPTRs for Breede River Winelands, Breede Valley and Witzenberg are to be reviewed; the consortium Africon/Axios has been appointed
- Operating licensing strategy (OLS) – review
- The OLSs for Breede River Winelands, Breede Valley and Witzenberg are to be reviewed; the consortium Africon/Axios has been appointed
- Development of the Cape Winelands non-motorised transport framework to guide local municipalities in preparing their master plans

b) Non-motorised Transport Infrastructure Projects

The Public Transport Regulation Directorate endeavours to fulfil the concepts of the EPWP in the implementation of its infrastructure projects. All projects implemented during the 2008/09 financial year were based on labour intensive principles as prescribed in the EPWP:

- Safer journeys to schools strategy: Improvements to existing road infrastructure to enhance the safety of rural learners by constructing sidewalks, bus embayments and shelters at various rural schools:
 - Breede River/Winelands: Concordia and GB Batt Primary School
 - Drakenstein: Sonop Primary School
- Upgrading existing footpaths:
 - Phase iii – Labour intensive upgrading of the existing Newton/Wellington footway and bicycle path
 - Final phase of the Slanghoek footpath
- Development of pedestrian safety educational material:

This project was implemented by utilising rural sewing groups to manufacture reflective bands as a rural employment initiative for women. The bands were distributed and monitored by the local municipal law enforcement units. Training was done by the provincial Department of Community Safety. Posters, pamphlets and educational picture puzzles based on pedestrian road safety were developed and distributed.
- Shova Kalula bicycle roll-out:

This national initiative managed by the provincial Department of Transport and Public Works commenced in our district with the distribution of 295 bicycles.

2.5 FINANCIAL MANAGEMENT SERVICES

2.5.1 OVERVIEW

The accounting policy of the CWDM provides financial guidelines and directives to ensure compliance with prescribed relevant legislation.

2.5.2 ACTIVITIES

The function of the Financial Management Services Department at the CWDM is administered as follows and includes:

a) General

The administrative function of the Budget and Treasury Office, whose function includes advice 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.

b) 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.

c) 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.

d) 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 the council
- Control the budget as approved by the council, within the scope of policies set by the council and all the applicable legislation

The strategic objectives of this department are to:

- Maximise income through the credit control policy
- Apply revenue and expenditure control
- Report on these matters in a timely manner

2.5.3 KEY ISSUES FOR 2008/09

a) General

Ensure the effective and efficient performance of the department.

b) Budget Office

Compile the budget and financial statements within prescribed time frames and safeguard the municipality's fixed assets.

c) Income

Maintain sufficient in-house capacity as well as a fully functional follow-up system for the collection of outstanding Regional Service Council (RSC) levies and other debtors.

d) Supply Chain Management

Establish sufficient capacity and systems to fulfil the mandate for the section.

e) Analysis of Function/Statistics

Service	Number	R (000s)
Number and value of monthly billings	8 260	8 409
Amount received and interest		41 198
Amount outstanding over 30, 60, 90 and 120 plus days		478 453
Irrecoverable debts (written off)	1	93
Property rates: Flat rate for all zonings in DMA		
- Number and value of properties rated	857	302 033
- Number and value of properties not rated	0	0
- Number and value of rate exemptions	11	4 819
- Rates collectable for current year	868	928
RSC levies collected for current year		277
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: Approximate total	8 012	136 626
Five biggest creditors:		
- Imba Plant Hire (Pty) Ltd		8 039
- FFA Aviation (Pty) Ltd		3 329
- Prima Klipbrekers / Afrimat		3 016
- JvZ Construction		2 907
- Total Communication Services		2 765

f) Key Performance Areas

Area		Description	Actual	Target
General	Compile multi-year capital, operating and project budget	In terms of the Local Government Municipal Finance Management Act (MFMA), the council of a municipality must for each financial year approve an annual budget before the start of that financial year	June 2008	June 2008
	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 2009	31 August 2009
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	360 789 000	314 655 000

Area		Description	Actual	Target
Expenditure	Provide and manage an efficient and timeous creditor payment system	A creditor payment run is held once a week and 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%

2.6 REGIONAL DEVELOPMENT AND PLANNING SERVICES

2.6.1 OVERVIEW OF REGIONAL DEVELOPMENT

a) Regional Economic Development Planning

Local government in South Africa is still in the process of being defined and refined. The role of district municipalities in monitoring and facilitating service delivery at local level has been further bolstered, not only by the national government's call for accelerated and shared economic development, but also by the promulgation of district-wide growth and development strategies.

The Cape Winelands finds itself in a strategic space for promoting economic development, governance as well as sustainable development. In short, the district municipality is expected to lead local municipalities towards socio-economic hope and prosperity. To assume this leadership role, the district municipality is compelled to formulate strategic policies and developmental initiatives that would necessitate and stimulate economic development at local level.

b) Regional Development Information and Knowledge Management

To ensure ongoing and sound economic planning and information management in the region, socio-economic and research studies have been undertaken that will provide accurate information to promote of local economic development. These include:

i) Cape Winelands Investment Strategy

To be able to play its role meaningfully, the district municipality must have a comprehensive understanding of the regional economy particularly in relation to the space. There is therefore a need for the CWDM to ensure that future infrastructure investments are geared towards benefiting all sections of the population.

ii) 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
- Diversifying the local economy

The programme provides direct support to SMMEs in the district that require assistance in order to establish themselves and/or grow in the form of a grant in-kind, e.g. through purchasing equipment or supplies on behalf of the SMME by the district municipality. An amount of R677 000 was budgeted for the Entrepreneurial Seed Fund Programme for the 2008/09 financial year. About 33 entrepreneurs are expected to benefit.

iii) Small Farmer Support Programme

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

- Promote BBBEE in the agricultural sector
- Create alternative income sources for seasonal workers and unemployed in the district
- Address poverty and social development

An amount of R636 000 was budgeted for the Small Farmer Support Programme for the 2008/09 financial year. Six small farmer projects are expected to benefit.

2.6.2 REVIEW OF CAPE WINELANDS GROWTH AND DEVELOPMENT STRATEGY

The CWDM, together with its Drakenstein, Stellenbosch, Breede Valley, Breede River Winelands and Witzenberg local municipalities, businesses, youth, labour and civil society organisations, embarked on a joint process to initiate the development of the Cape Winelands Growth and Development Strategy (CW-GDS) in November 2004.

The joint effort of the CWDM and its five B-municipalities resulted in a consensus document that binds government, business, labour and civil society in the region in placing the Cape Winelands on a path of economic growth. The CW-GDS was launched on 30 November 2006 at the Growth and Development Summit.

The CWDM commissioned a study to review the implementation of the CW-GDS. The aim was to establish the progress made by different sectors (government, business, labour and civil society) with regards to the implementation of the CW-GDS. The findings were presented in June 2009 to civil, business and labour stakeholders.

Challenges encountered during the GDS Review process:

- New stakeholders/sector representatives were uninformed about previous GDS process engagement
- Views gathered may or may not be factual
- Ensuring that stakeholder groupings are representative, remains a challenge

The findings of the CW-GDS Review will be presented at a CW-GDS Review Summit in the new financial year. At this summit the input various sectors made during the review process will be communicated to a broader spectrum of stakeholders. The way forward with regards to ensuring better implementation will be discussed.

The review of the CW-GDS two years after its launch is indicative of the CWDM's commitment to the development of shared economic growth. The CWDM has foreseen that the realisation of the GDS objectives is an ongoing process which requires constant review.

2.6.3 GROWTH AND DEVELOPMENT STRATEGY OUTPUTS

2.6.3.1 OUTPUTS

In the CW-GDS a number of catalytic projects were identified by participants. The CWDM is in the process of investigating the feasibility of these catalytic projects.

These studies are:

- Feasibility study for establishing an agricultural support centre in the district
- Feasibility study for establishing a customs clearance centre in the district
- Feasibility study for establishing a wine incubator in the district
- Biofuels/ bio-energy feasibility study
- Cape Winelands informal sector study
- Business retention and expansion study
- GDS review study

The GDS Stakeholder Review Summit was held in June 2009 to report on progress made by different stakeholders with regards to implementing the CW-GDS.

A key outcome from the Cape Winelands Growth and Development Strategy was the proposal that a CWEDC be constituted, comprising representatives from government, business, labour and civil society, in order to facilitate ongoing consensus on social and economic issues. This was envisaged in the establishment of the Cape Winelands Economic Development Council (CW-EDC).

a) Cape Winelands Economic Development Council (CW-EDC)

The role of the economic council is to:

- Provide considered economic advice and guidance to the CWDM
- Ensure implementation, modification and improvement of the Cape Winelands Growth and Development Strategy (CW-GDS)
- Establish a process for the development and approval of policies, initiatives, activities and reports that will guide the activities of the council
- Review activities of the district and effects of the advice it has given, and to provide feedback (however not having operational or executive authority)
- Acquaint itself with principles of good governance and commit in exercising its activities and responsibilities on behalf of the CWDM

The executive committee of the council has been meeting regularly during the year. Challenges have emerged during the year with regards to the councils' role and responsibility. Ongoing engagement to clarify the mandate of the CWEDC is being explored and will be resolved.

b) Catalytic Projects

In the CW-GDS a number of catalytic projects were identified by participants. The CWDM has been investigating the feasibility of these projects.

c) Wine Incubator Feasibility Study

Business incubation is an attempt to improve the efficiency with which an economic system generates new, sustainable enterprises. It draws on the idea that a supportive, yet performance managed environment will allow entrepreneurs to focus on their business concepts, and so avoid administrative and statutory distractions.

Benefits of business incubation include the reduction of new business failures, it allows failures to be understood better and ensures that new ventures are properly registered and constituted.

The CWDM commissioned a feasibility study to assess the viability of establishing a wine incubator in the district. The incubator is geared towards supporting emerging wine SMMEs to help them grow during the start-up period. Given the significance of the wine sector in the Cape Winelands, the introduction of innovative support in this particular sector will make it easier for emerging wine SMMEs to establish themselves.

The ultimate aim of the wine incubator is to mobilise resources and build capacity in emerging wine SMMEs, based on the available experience and best practices from across the world, catalysing further investment and support from domestic and international organisations.

d) Biofuels / Bio-Energy Feasibility Study

The CWDM is conducting a biofuels/bio-energy feasibility study. The goals of the 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.

The second phase of the bio-energy feasibility study was completed during this financial year. This phase of the feasibility study included an investigation into the following:

(i) Optimal Location of Processing Plant(s)

The aim is to determine the best location of one or more processing plant that will minimise the total transport cost of wood fibre from the growing areas to the plant(s). This is done by means of transport modelling, an optimisation technique that allows one to determine:

- The total transport cost; the most economical routes to the plant(s)
- If there should be more than one plant
- How much fibre should be transported from each growing area to each plant
- The best mode of production, e.g. lorry size
- The best form of the product to be transported, e.g. logs or chips
- Saving on transport cost by using mobile processing plants located at a growing area to save on transporting the bulky feedstock

(ii) Financial-Economic Viability of Bio-Fuel Feedstock Production on Farm Level

Land owners and users will only produce wood fibre if it is financially and economically feasible. Farm modelling of wood fibre production on its own or in combination with other existing crops will be done to determine the gross margin, net farm income and return on capital invested. One needs to know if tree production will only be viable on marginal land where more profitable agricultural products cannot be produced, and then if the tree plantation or woodlot will grow fast enough on the marginal land to provide sufficient returns. Otherwise one needs to know if the trees can compete with agricultural crops on better soils.

Special attention will be given to the creation of employment opportunities in the various stages from primary production of the feedstock, harvesting, transport and processing. The cost and productivity of manual and mechanical harvesting will be determined to supply policy decision makers of the CWDM with the necessary information to assess the social impact and related costs of the bio-energy project.

e) Business Retention and Expansion Study

A healthy and vibrant local economy depends on the well-being of a community's existing companies. Efforts aimed at helping local businesses survive and grow in the local community are key to successful economic development. The CWDM commissioned the development of a five-year Business Retention and Expansion Programme Strategy for the district. It will consist of two components, i.e. the Business Visitation Programme and the outreach activities for the Business Retention and Expansion Programme.

2.6.3.2 LED INFORMATION MANAGEMENT

a) Development of an Economic Evaluation Tool for the Cape Winelands

The CWDM commissioned a study on the development of an economic evaluation tool for the district. The goal of the project was to undertake a detailed assessment of the CWDM economy and development strategies, which will then form the baseline of the economic evaluation tool. The economic evaluation tool will be used to determine whether the CWDM is reaching the objectives and targets as set out in the development strategies.

Based on the goal, the following objectives were identified:

- Review of the development strategies (CW-GDS and CW-LEDS)
- Conduct an in-depth study of the demographic and economic characteristics of the CWDM
- Use the above information to build an economic evaluation tool for the CWDM
- Undertake a pilot evaluation of the CWDM using the evaluation tool, and providing recommendations based on the outcome

The main challenge when implementing the evaluation tool was that the targets set in the development strategies were too broad. These targets and objectives were not specific, measurable, achievable, relevant or timely (SMART). Although it was difficult to evaluate the progress made because of the lack of specific indicators, the Cape Winelands economic evaluation tool does enable the district to report on development in the region.

b) Business / Investor Guide for Cape Winelands

The investor/business guide gives a brief business overview of each of the five municipalities in the CWDM, as well as giving a sectoral overview of the district economy.

It highlights comparative and competitive advantages of the district. The guide also features successful companies that have invested in the Cape Winelands. The design and production of the business/investor guide was facilitated during this financial year. Distribution to various stakeholders is ongoing.

c) Global Insight Regional Explorer Database

The Regional eXplorer is a consolidated platform of integrated databases that provides accurate and up-to-date economic, socio-economic, demographic and development information on a spatial level.

The modules included in the Regional eXplorer are demographic, development, labour, income and expenditure, economic, international trade, environment and weather and crime. The CWDM has purchased user rights not only for the CWDM but also for the five local municipalities in the district.

d) Advertorials

A number of advertorials were drafted for Trade InvestSA, Western Cape Business Guide and Opportunity magazine. The articles outlined the establishment of the Cape Winelands economic development council, Cape Winelands biosphere reserve, annual general meeting of the Great Wine Capitals Global Network, the CWDM-SEDA Business Support Programme, and the CWDM Entrepreneurial Seed Fund Programme.

2.6.3.3 LED PROJECTS

a) Small Business Support Programme

The CWDM formed an agreement with the small enterprise and development agency (SEDA) to provide business support to entrepreneurs. The Business Development and Support Programme is underpinned by the Local Economic Development Strategy and Growth and Development Strategy of the CWDM. The Small Business Support Programme gives support in the form of training and skills development among small businesses, as well as business planning and development support. Project highlights include:

(i) Training and Skills Development Component

During the first and second quarter (September to December 2008) 72 entrepreneurs attended eight business awareness workshops.

Modules included:

- Types of business
- Characteristics of an entrepreneur
- How to register a business
- Developing a business Idea
- Basic market research
- Basic business development
- Costing
- Raising finance

During the third and fourth quarter (January to March 2009) six training courses were offered at 17 workshops throughout the district. In total 184 entrepreneurs attended these workshops.

Modules included:

- Business awareness
- Tender training
- Selling for success
- SEDA start-up 1
- SEDA basic business skills
- SEDA small enterprise start-up

All the attendees of the training programmes have registered with SEDA and will be assisted by business advisors as the need arises.

(ii) Mentorship Component

As part of the CWDM-SEDA Business Support Programme, the entrepreneurial seed fund SMMEs will be put on a mentorship programme administered by SEDA. Entrepreneurial seed fund SMMEs were given the choice of whether they need a SEDA mentor and 19 out of the 48 SMMEs accepted the support. Other SEDA interventions included support in the form of providing advertising, promotional and marketing material.

b) 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 in the district
- Addressing poverty
- Promoting BBBEE
- Diversifying the local economy

The programme provide direct support to SMMEs in the district that require assistance in order to establish themselves and/or grow in the form of a grant in-kind, e.g. purchasing equipment or supplies on behalf of the SMME by the district municipality. In the current financial year 48 SMMEs were supported.

(i) Project Highlights

A diverse group of SMMEs were supported on the programme, of which 22 out of the 48 SMMEs funded were women-owned, 6 were youth-owned and 1 disabled-owned. Job creation was facilitated by some of these businesses on a permanent and/or casual basis.

The CWDM-SEDA Business Support & Mentorship Programme assisted the SMMEs immensely with specific reference to financial bookkeeping, costing of services and products as well as marketing and promotional skills development.

Seven SMMEs were also part of the Cape Winelands LED/Tourism Expo held at Paarl Mall from 27 to 29 March 2009. The SMMEs could exhibit their products and services, and utilise the opportunity to sell and market their goods and services to potential clients. A total of 23 SMMEs that did not attend the expo were also featured in audio-visual clips that were run continuously during the expo at the Paarl Mall. This production was done by a previous Entrepreneurial Seed Fund SMME.

During May and June 2009 an audio-visual advertising clip was developed for 7 SMMEs and was featured at the Minimax Cinema in Paarl before the different films were shown. The clip was developed as a promotional tool to give exposure to the services and products the SMMEs provided. This production was also initiated and done by a previous Entrepreneurial Seed Fund SMME.

(ii) Project Challenges

Most of the SMMEs supported are micro-businesses which are still struggling to enter the mainstream economy. The SMMEs have found it difficult to secure tenders and contracts, which have led to cash flow problems in some businesses. With less disposable income from their clients because of the global financial crisis, some SMMEs are struggling to continue to operate their businesses.

c) Small Farmer Support Programme

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

- Promote BBBEE in the agricultural sector
- Create alternative income sources for seasonal workers and unemployed people
- Address issues of poverty and social development

The programme provides direct support to small farmers in the district who require assistance in order to establish themselves and/or grow in the form of a grant in-kind, e.g. through purchasing equipment or supplies on behalf of the small farmer by the district municipality. In the current financial year about four farmers' groupings and five individual small farmers were supported.

(i) Project Highlights

Most of the farmers have harvested their crops, which included beans, spinach, broccoli, brinjals, green and red peppers, chillies, mealies, squash, watermelon and herbs. Their produce was sold at different markets in and outside the district. Livestock were sold to abattoirs in the district. Small farmers created part-time jobs during harvesting.

(ii) Project Challenges

Security remains one of the biggest challenges for small farmers in terms of crops, equipment and livestock theft. Pests like moles and rats also damaged crops and materials. Winter weather conditions negatively influenced the day to day agricultural activities in terms of flooding crops and damaging building structures for livestock.

d) Cape Winelands LED / Tourism Expo

In terms of marketing and branding the Cape Winelands, the district is active in promoting 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 in the district.

Another core element of strategy is to establish active marketing partnerships with relevant role-players. The Cape Winelands LED/Tourism Expo was developed in partnership with Paarl Mall and Cape Town Routes Unlimited (CTRU). The CWDM also attended the ASGISA trade show.

The Cape Winelands LED/Tourism Expo was held at the Paarl Mall from 27 to 29 March 2009. Approximately 40 exhibitors from the Cape Winelands were represented at the expo – SMMEs, tourism organisations, homestays, B&Bs, crafters, etc.

2.6.4 TOURISM

2.6.4.1 OVERVIEW

The white paper on the development and promotion of tourism sets out a range of roles and responsibilities of local government in fulfilling the function of “local tourism”. The white paper and the previous Department of Environmental Affairs and Tourism guidelines identified the following categories of functions to be delivered at a local level by local government:

- Destination planning and policy-making
- Destination development and management
- Tourism product development
- Tourism training and capacity-building
- Co-ordination in respect of tourism matters
- Tourism research
- Provision of tourist infrastructure and services
- Tourism marketing strategy, planning, facilitation and implementation
- Provision of tourism information
- Regulation and monitoring

Tourism is about providing better holiday experiences for tourists, as well as creating and promoting opportunities for local tourism enterprises. The Cape Winelands promotes co-ordination in tourism development through economic empowerment, co-operation and partnerships.

Therefore the stated objectives of the CWDM's overall tourism strategy are as follows:

- Increase the share of the Cape Winelands in the provincial tourism market
- Increase visitor numbers and the length of time visitors stay in the area
- Improve the geographical spread of visitors and visitor spending
- Encourage growing representivity in terms of participation and product ownership
- Improve the quality of the existing product offering through training and mentoring programmes
- Promotes SMME development and BBBEE

In addressing these objectives the Cape Winelands is promoting its diverse offerings and “hidden gems” by showcasing the incredible people, places and activities of the region to include the diverse and unique nature and outdoor, food, health and wellness, arts, history and culture, adventure and business experiences on offer.

2.6.4.2 MARKETING

a) Exhibitions and Road Shows

Exhibitions and road shows provide the Cape Winelands with tourism marketing platforms, both nationally and internationally, with the purpose of reaching and informing prospective visitors of the tourism products and experiences on offer in the district.

Through the participation of the CWDM at tourism exhibitions and road shows, the presence of the brand is strengthened and a networking opportunity to foster new relationships with potential business partners is created.

Tourism industry role-players in the region are invited to participate in these exhibitions that include established businesses and SMMEs, as per Cape Winelands council decision.

During the 2008/09 financial year, the CWDM participated in the following exhibitions and road shows:

Date	Expo	Venue
25 – 28 August 2008	4 th South African In-country Family Road Show	Hyderabad, India
29 – 31 August 2008	DStv Getaway Show	Coca Cola Dome, Johannesburg
03 – 05 October 2008	Cape Outdoor Adventure Experience	Bien Donn�
14 – 17 October 2009	The Chrysanthemum Show	The Netherlands
05 – 07 December 2008	The Uppercrust Show	Bombay, India
14 – 18 January 2009	Utrecht Vakantiebeurs	Utrecht, The Netherlands
13 – 15 February 2009	Beeld Holiday Show	Gallagher Estate, Johannesburg
05 – 08 March 2009	Argus Life Cycle Expo	Good Hope Centre, Cape Town
11 – 15 March 2009	ITB Messe Berlin	Berlin, Germany
9 – 12 May 2009	Indaba	Durban, South Africa
27 – 30 May 2009	Namibia Tourism Expo	Windhoek, Namibia

b) Educationals

Tourism educationals were introduced to inform tourist as well as staff of the many attractions and experiences that are on offer in the Cape Winelands. There are two types, namely media and staff educationals.

The aim of media educationals is to promote the “hidden gems” of the Cape Winelands through the use of scheduled media trips to the five B-municipal areas. Through media involvement in these educationals, a cost-effective public relations strategy is implemented, which results in the placement of articles in various magazines, newspapers and electronic media. All media educationals are organised in conjunction with the public relations agency (PRA) whose primary function is to invite representatives of selected media to these educationals. The PRA company contracted by the CWDM works closely with the local tourism associations in identifying “hidden gems” in the respective municipal areas.

During the 2008/2009 financial year, the media educationals took place as follows:

- Stellenbosch: 31 October – 1 November 2008
- Witzenberg: 27 – 28 February 2009
- Drakenstein: 17 – 18 April 2009
- De Doorns and surrounds: 17 – 18 April 2009
- Breede River Winelands: 22 – 23 May 2009

c) Tourism Events

The support of tourism events in the region was introduced to promote greater community involvement and inclusiveness in tourism. The support also assists the local tourism industry to attract a greater number of tourists to the region, especially during the off-peak seasons. Thus, ensuring that seasonality is addressed appropriately and those visitors are also encouraged to visit the hinterland in the district. The CWDM supported 30 tourism events during the 2008/09 financial year.

d) Marketing Collateral

Approximately 50 000 brochures were done, in printed as well as electronic format. The following brochures were reprinted during the 2008/09 financial year:

- Homegrown brochure
- Beyond Cape Winelands brochure
- Route 62 brochure

Branded Cape Winelands tourism carrier bags were reprinted and used at local and international exhibitions and road shows. Plastic wine tasting glasses, branded wine carrier bags, key rings and branded Cape Winelands license disc holders were also ordered. A standard branded Cape Winelands tourism uniform was developed for staff at the local tourism associations, as well as for the tourism staff of the CWDM.

e) Marketing Campaign

A new Cape Winelands tourism advertisement was developed at the beginning of the 2008/09 financial year. The advertisement highlights the six major themes of the Cape Winelands: food and wine, arts and culture, go green, health and wellness, adventure tourism and business tourism.

This advertisement was placed in the following local and international magazines:

- Blue Train Magazine Nov/Dec edition: Full-page advertisement
- Everything SA September edition (3 weeks): Full-page advertisement
- Süd-Afrika Magazine: Full-page advertisement
- Southern Africa Tourism Update: Full-page advertisement
- Travelution Magazine: Full-page advertisement
- SA Explore Mar/May Indaba edition: Half-page advertisement
- SA Explore magazine Jun/Aug edition: Full-page advertisement
- Wine Tourism Handbook 2009: Full-page advertisement
- Your Travel Companion 2009: 9-page Cape Winelands listings

f) Local Tourism Associations

The local tourism associations comprised of product owners in the tourism industry located in a designated B-municipal area. Bi-monthly meetings were held with LTAs and other tourism stakeholders, such as Cape Town Routes Unlimited, to discuss tourism-related matters in the district.

g) Tourism Month

This project involved promoting the district to local communities with the focus on tourism. Members of the local communities of all five B-municipal areas in the district were taken on excursions to experience tourism attractions and activities in their areas. The groups usually include locals who otherwise do not have the means to travel and explore their region, such as youth groups, the elderly and farm workers.

The aim is to enhance the knowledge, awareness and experiences of locals to better understand tourism and to act as future tourism ambassadors for their respective regions. Through this project locals, and specifically the youth, are also exposed to the possibilities that the tourism industry might present to them, such as careers in tourism and entrepreneurial opportunities.

h) Video / DVDs

The aim of videos / DVDs is to promote the Cape Winelands in an electronic format. A DVD was produced to market tourism in the Cape Winelands in especially the Indian market. A total of 1 100 copies of this DVD were reproduced during the 2008/2009 financial year.

2.6.4.3 TOURISM PRODUCT DEVELOPMENT

a) Schools Tourism Awareness Project

The Schools Tourism Awareness Project is aimed at increasing tourism awareness in schools by creating an understanding of the industry through Grade 4 excursions, Grade 9 career road shows and planned further education and training (FET) tours. This project is implemented in 40 primary schools, 80 high schools and 25 FET schools. A schools art competition is run annually among the primary schools forming part of the project. The result of this competition is a tourism art calendar produced from the winning artworks depicting tourism activities and icons in our district. The schools project has recently partnered with environmental institutions such as Cape Nature and DEAT to address the environmental awareness aspect in schools.

b) Breedekloof Bursary Fund

The Breedekloof Bursary Fund is a partnership between the CWDM, the Department of Economic Development and Tourism, Breedekloof Wine and Tourism, Stellenbosch University and wineries in the Breedekloof area. Four students are pursuing a course in winemaking at Stellenbosch University over four to five years. CWDM started off by contributing R33 275 with an annual increase of 10% towards the fund, which is administered by the university.

c) Tourism Helpdesk (THD) and Community Training

The aim of this programme is to support emerging tourism entrepreneurs in the Cape Winelands by building their capacity in effectively and profitably managing their own businesses in direct or indirect tourism. THDs have been trained and appointed by the Department of Economic Development and Tourism (DEDT) for the Cape Winelands to facilitate and run this training programme. The CWDM also appointed these THDs to do additional work by means of tourism outreach programmes, awareness sessions, etc. in our region, as DEDT's funding could not cover the entire district. Through these appointments, the CWDM managed to reach quite a number of entrepreneurs and prospective entrepreneurs wanting to start their own tourism businesses. These tourism helpdesk agents also provide mentorship on a one on one basis to entrepreneurs who need their assistance.

d) Arts and Craft Route Development

A comprehensive training programme was conducted for arts and crafts people in the Cape Winelands whereby:

- 23 crafters completed an arts and crafts product development training programme
- 10 continued with the mentorship programme that was provided
- 7 are still involved in marketing and training opportunities presented by the CWDM

An Arts & Craft Co-op was registered and the craft products were exhibited and sold at the Waterfront outlet. Due to the 2010 Soccer World Cup and the fact that the V&A Waterfront has been identified by FIFA as a FAN Park, the outlet had in consultation with Cape Town Routes Unlimited (CTRU) been converted into a tourism gateway. All the crafters are currently members of their local tourism associations (LTAs) and are listed on their websites. Therefore the CWDM is still supporting crafters in the region by means of training and the attendance of SMME workshops, as well as marketing platforms.

e) Freedom Route

All the studies as identified under the Freedom Route were completed. The Auntie's DVDs were also completed and all the Freedom Route collateral has been placed in all the provincial museums. The route will now be marketed and general support will be given to entrepreneurs to be trained as site guides.

f) Learnership Training

Through this project, the CWDM in conjunction with CTRU train tourism students in managing and working at the Cape Winelands gateway centre at the V&A Waterfront in Cape Town. The students are taken on educationals throughout the Cape Winelands in order to capacitate them to market the area effectively.

g) Cape Town Market Outlet

An agreement has been entered into between the CWDM and Cape Town Routes Unlimited (CTRU) whereby space is allocated to the CWDM at the V&A Waterfront to market products of the Cape Winelands. This outlet is being utilised as a marketing gateway centre for the Cape Winelands. The main purpose is to have more marketing activities at the gateway centre in future.

h) Road Signage

Cape Winelands District and Overberg Tourism are members of the regional tourism liaison committee, established by the Department of Economic Development and Tourism (DEDT) to facilitate tourism road signage in 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 by the province to assist the local tourism associations (LTAs) in completing the road signage applications for the product owners wanting to acquire road signs. The Cape Winelands tourism department, the LTAs and the Cape Winelands department of engineering are responsible for auditing and removing illegal and outdated tourism road signage in the district. The tourism section also assists the engineering department in identifying problematic signage that prevents tourists from reaching their planned destinations.

i) Tour Guide Training

Due to a lack of registered black tour guides and tour operators in the Cape Winelands, the CWDM commissioned a training programme for 15 unemployed previously disadvantaged individuals (PDIs) to be trained as provincial guides. After an extensive eight-month training programme, all 15 candidates completed the training course successfully and received certificates on 8 May 2009. These 15 guides will be utilised throughout the Western Cape.

j) LTA Support Projects

Support was given to 13 LTAs in the Cape Winelands to implement tourism development projects in their respective towns.

2.6.5 PLANNING SERVICES

2.6.5.1 OVERVIEW

The objective of the Planning Services Directorate is to promote the vision of the CWDM through effective land use management and to ensure that a safe and prosperous environment is created where all the citizens of the Cape Winelands may enjoy a high standard of living. The Planning Services Directorate engages and interacts with the community to promote sustainable and efficient land use practices by applying land use planning principles within the parameters of a broader spatial development framework.

The strategic objective of the planning services is to:

- Promote economic enhancement and prosperity through efficient land use planning in the district management area (DMA)
- Provide relevant planning information to land owners and prospective developers in the DMA
- Promote and guide development in the region by applying effective land use management principles through appropriate regulations and zoning schemes

2.6.5.2 LAND USE PLANNING

The function of land use and spatial planning in the municipal area is administered as follows and includes the administrative processing of land use applications received from the DMA. Implementation of the Cape Winelands Spatial Development Framework will reflect regional issues and guide development in the region.

a) Key Issues for 2008/09

- Process all land use applications received from the DMA timeously
- Provide information and advice to land owners who wish to submit applications for land use changes in the DMA
- Initiate the implementation of three key spatial planning projects
- Implement the Cape Winelands strategic environmental assessment through a Phase II Environmental Capacity Building Programme
- Compile a draft biosphere spatial development framework plan
- Compile a spatial and development index for the proposed district spatial development framework

b) Analysis of Function/Statistics of Land-Use Management

Eleven land-use planning applications were received for the 2008/09 financial year.

Applications received from DMA	Number of applications received	Number of applications completed
Subdivisions	6	5
Rezoning	2	-
Departure	2	1
Consent use	2	-
TOTAL	11	-
Applications in progress	8 (Received during 2005/06, 2006/07, 2007/08 and 2008/09 financial years)	

2.6.5.3 SPATIAL PLANNING PROJECTS

1. Project name
Cape Winelands Biosphere Spatial Development Framework Plan (multi-year project)
Description
<p>The Spatial Development Framework Plan for the Cape Winelands Biosphere Reserve covers the designated area, which includes a number of municipalities. It indicates the spatial implications of the IDP and other relevant plans, frameworks, strategies and policies in more detail than a spatial development framework (PGWC, 2003).</p> <p>According to the PGWC (2003) a spatial development plan is furthermore described as a spatial plan other than one which is the direct spatial component of an integrated development plan, which:</p> <ul style="list-style-type: none"> • Is consistent with a relevant spatial development framework • Addresses spatial planning needs in a specific part of the area or areas of jurisdiction of the municipality or municipalities concerned • Indicates spatial implications of a relevant integrated development plan and other relevant plans, frameworks, strategies and policies for the area concerned • Ensures sustainability

Possible impacts of proposed Spatial Development Framework Plan

The PGWC (2003) states that the general purpose of an SDFP must be to achieve coordinated and harmonious planning and development of the area to which it relates, so that sustainable development is achieved in the most effective manner, while promoting health, safety, order, ambience, convenience and general welfare.

An SDFP includes plans which illustrate the spatial implications of the strategies, proposals and guidelines put forward in the SDFP.

Although it is stated that an SDFP does not confer or take away any use rights, the official approval of such a plan in accordance with the Land Use Planning Ordinance (No 15 of 1985) or the Local Government Municipal Systems (Act 32 of 2000), does grant substantial status to the plan.

The CWDM, as part of approving the SDFP, can include specific measures applicable to the SDFP, which may be utilised to test the consistency of development proposals or other subordinate plans with the SDFP.

The SDFP aims to serve as a detailed framework for the establishment and long-term management of the Cape Winelands Biosphere Reserve and for giving effect to its key functions in terms of international, national, provincial and local policy, guidelines, values and criteria.

As such, the SDFP will be prepared in a place-specific manner for the biosphere reserve which straddles the boundaries of five category B-municipalities. The SDFP will take cognisance of the various municipalities while providing a common framework and standard format for the amendment of SDFs.

The objective of the SDFP in context of the hierarchy of policies and framework illustrated by the figure are to:

- Indicate, in a detailed manner, the spatial implications of the biosphere reserve
- Serve as a spatial plan that would facilitate the local economic development (LED) function of the biosphere reserve
- Lay down strategies, proposals and guidelines for the spatial development of the

biosphere reserve, which include development objectives, proposals for land reform, urban renewal, reconstruction, integration, environmental planning, transport planning, infrastructure planning, and urban design so that the general well-being of the community and order in the area are promoted effectively

- Establish a dedicated and independent management entity for the biosphere reserve
- Prepare a dedicated management plan for the biosphere reserve and in terms of the Seville Strategy and Madrid Action Plan
- Rehabilitate and protect the biosphere reserve as a valuable cultural and natural heritage in the long term
- Promote a conservation ethos in the minds of the people of the area and the general public, with the objective to create a shared responsibility to maintain the health, diversity and productivity of biosphere reserve in a spirit of stewardship and caring
- Implement management practices that will benefit current and future generations, and will honour our obligations and undertakings at all levels of society
- Provide sustainable educational and outdoor recreational opportunities in the biosphere reserve
- Ensure that future growth and development proposals for the biosphere reserve are compatible with the vision, goals and objectives of the legislative framework adhered to by the biosphere reserve

The spatial planning for the SDFP incorporates the various SDFs of the different municipalities and includes detailed planning as provided by the Department of Agriculture. The SDFP would provide more detailed information and guidelines for those areas covered by the biosphere reserve designation.

Quantifiable outputs

During the 2008/09 financial year the following deliverables were achieved:

- Three workshops and three meetings
- First consultative draft strategy and report
- Second pro-forma strategy
- Website
- Draft Spatial Development Plan

2. Project name
Environmental Building Capacity Programme: Phase II
Description
<p>The Cape Winelands strategic environmental assessment (June 2007) is a strategic policy that forms part of the Cape Winelands Spatial Development Framework Implementation Plan.</p> <p>The CWDM prioritised compiling its Environmental Capacity-building Programme as part of a second phase to implement the strategic environmental assessment (June 2007). The programme was aimed at non-governmental organisations throughout the CWDM and designed and implemented to outline the stance of the CWDM with regard to ecosystem services, as well as raise awareness of environmental priorities.</p> <p>The Environmental Capacity-building Programme consisted of the following themes:</p> <ul style="list-style-type: none"> • Sustainable development • Ecosystem services and biodiversity management • Climate change
Impact on beneficiaries
<p>In light of the informed discussions during the various training courses and comments received from trainees, it can confidently be reported that the following objectives of the CWDM Environmental Capacitybuilding Programme have been achieved:</p> <ul style="list-style-type: none"> • Building a concise, well-illustrated description of the ecosystem services in the CWDM area, as well as an understanding of why these are important • Highlight the threats to ecosystem services in the region, the concept of climate change and environmental priorities in the DMA • Develop a comprehensive and understandable capacity-building programme for representatives from community-based organisations (CBOs), as well as government officials <p>The Environmental Capacity-building Programme was designed around giving the attendees a solid grounding in the overall principles of environmental management, beginning with an understanding of sustainable development and an introduction to the evidence for the global environmental crisis and how it has evolved. In addition, practical exercises were done to illustrate the concepts discussed as part of the training.</p>

Challenges
<p>Five one-day training sessions were scheduled (one session per local municipal area), but due to the lack of interest and slow registration of trainees in the Ceres and Paarl regions, the training sessions for these areas had to be merged with those in Worcester and Stellenbosch. A one-day training course was presented on 4, 6 and 9 June 2009 in Stellenbosch, Worcester and Robertson respectively, with approximately 33 delegates.</p>
Quantifiable outputs
<p>During the 2008/09 financial year the following deliverables were achieved:</p> <ul style="list-style-type: none"> • Three progress reports • Training material • Presenting the Environmental Capacity-building Programme
3. Project name
Proposed District Spatial Development Framework (multi-year project)
Description
<p>The main purpose of the District Spatial Development Framework is to emphasise strategic issues confronting spatial planning and development in the municipal area:</p> <ul style="list-style-type: none"> • Conform to higher order spatial policy and guidance to (local) spatial interventions • Facilitate better performance by the state and broaden the economic base • Promote sustainable development through, inter alia, the following elements: <ul style="list-style-type: none"> - provision of infrastructure - socio-economic development - mainstreaming biodiversity - integrated human settlements • Consider the above through spatial planning concepts, e.g. hierarchal urban order, urban edges, corridors and nodes
Quantifiable outputs
<p>During the 2008/2009 financial year the following deliverables were achieved:</p> <ul style="list-style-type: none"> • Establishment of a steering committee that must drive and inform the process • Meetings with all relevant government departments and local municipalities • Compilation of a draft spatial and development index which cluster all policies and strategies applicable in the CWDM

2.6.5.4 ENVIRONMENTAL PLANNING

1. Project name
Environmental Week
Description
<p>The programme implemented by the Planning Services Directorate provided a range of activities in celebration of National Environmental Week in June 2009. It focused on involving learners in grades 6 to 8 of previously disadvantaged schools.</p> <p>The camps and programme, underpinned by the celebration of our natural environment in National Environmental Week, aimed at enhancing awareness related to environmental resource management and promoting local action in communities.</p> <p>The camps, arranged to enhance environmental conservation education and awareness, were implemented to give effect to the following environmental themes:</p> <ul style="list-style-type: none"> • Biodiversity conservation (Cape floristic region, fynbos ecology) • Fynbos versus invasive alien plants species identification and control • River water health and water quality • Organic food gardening and food security • Environmental resource management (air, soil, water) • Erosion prevention • Water and soil conservation • Natural disasters (fire, floods) as well as risk mitigation and adaptation • Climate change and renewable energy • Life skills and leadership • Public transport and safety • Cultural diversity and awareness
Highlights
<p>Highlights relating to performance of the programme relate to the successful planning, implementation through appointed service providers and overall monitoring and evaluation of the programme in a relatively short space of time, following the allocation of funds during the adjustment budget period.</p>

Challenges
<p>Implementation challenges include the weather conditions at the time (rainy and cold) as it relates to the outdoor environmental activities, although activities could also be performed indoors at suitable camp grounds chosen for the programme.</p> <p>The number of participants and the range of activities and themes covered per camp indicated the need to continue this intervention, as it actively promotes capacity-building at youth level. This may result in career formulation in the environmental resource management domain or any related discipline, with direct future community investment in the global functions and promotion of the biosphere reserve.</p>
Quantifiable outputs
<p>Environmental youth camps, whereby 260 learners from various schools were hosted in 2-day to 3-day environmental youth camps at the following campsites:</p> <ul style="list-style-type: none"> • Breede Valley: Eendrag Farm and Fairy Glen Game Reserve (19-21 June) • Witzenberg: Waterval Nature Reserve, Tulbagh (22-24 June) • Drakenstein: Hawequa Scout Adventure Centre (23-25 June)
2. Project name
<p>ICLEI (Local Governments for Sustainability) Local Action for Biodiversity (LAB) Programme</p>
Description
<p>The CWDM signed the LAB global agreement with ICLEI Africa on 18 May 2009 to become the first district municipality to participate in the Local Action for Biodiversity Programme during Phase II (2009-2012).</p> <p>As background to Local Action for Biodiversity (LAB), it serves to mention that LAB is a unique global biodiversity programme that results in effective biodiversity management at local level. It is an action-orientated partnership programme between ICLEI – Local Governments for Sustainability and the IUCN, the International Union for Conservation of Nature. As an LAB participant, each member focuses on local action and delivery according to an ICLEI-guided process, from planning to implementation. Facilitated by ICLEI's LAB team, each participant delivers the following programme outputs:</p>

Assessment
Production of a biodiversity report documenting the Cape Winelands' biodiversity and its management.
Commitment
Signing of the LAB Durban Commitment on local biodiversity, committing to biodiversity protection at a political level.
Planning
Development of a long-term Local Biodiversity Strategy and accompanying Action Plans (LBSAP).
Education and public awareness
Development of, commitment to, and implementation of a local biodiversity communication, education, public awareness, capacity-building and engagement plan.
Implementation
<ul style="list-style-type: none"> • Global advocacy for critical biodiversity as part of the Cape Floristic Kingdom and Succulent Karoo Ecosystem Programme (SKEP) • Dedicated profiling of the Cape Winelands in terms of biodiversity attributes and commitment at international, national and regional level • Participation in dedicated leadership networks • Mainstreaming of biodiversity into local government planning processes • Improved leadership pertaining to the natural environment and critical ecosystem functioning • Provision of tools to enhance local action for environmental sustainability • Network of intercity exchange between Phase II LAB participants • Access to main funding streams to support implementation plans, therefore developing mutually beneficial partnerships and sustained networks • Participating in LAB helps to identify the value of our ecosystem services. Ecosystems form the foundation from which economic, productivity, social and environmental benefits are derived; populations depend on ecosystems for the provision of water, food, fuel, construction material, clean air, flood attenuation and other services

<ul style="list-style-type: none"> Enhancing the role of sustainable development, balancing conservation efforts of internationally recognised biodiversity with local government's development role (housing, recreation, education, etc.).
Outputs
<p>The tangible outputs of LABs include significantly improved local biodiversity governance, commitment to and understanding of the pivotal role of biodiversity and ecosystem functioning at local level; and importantly, dedicated implementation projects on the ground.</p> <p>The demonstration of relevance of local action to biodiversity management and conservation has achieved significant international attention and recognition, with LAB acknowledged as a key component of the global partnership on cities and biodiversity. This has particular significance to the Cape Winelands biosphere reserve and the global functions underpinned by the Man and Biosphere (MaB) Programme.</p>
Highlights
<p>The most significant highlight to the involvement and agreement between ICLEI and the CWDM, relates to the future work pertaining to the LAB programme, as it relates to our biodiversity economy, local government conservation planning and ecosystem management.</p> <p>The participation of the CWDM at the ICLEI World Congress from 14 to 18 June 2009 in Edmonton, Canada, achieved significant progress in terms of the biodiversity network, enhancing the role of local government pertaining sustainable development, with a key focus on issues of climate change, renewable energy, biodiversity, integrated water resource management, regional planning and other environmental agenda.</p>
Quantifiable outputs
<p>During the 2008/09 financial year the following deliverables were achieved:</p> <ul style="list-style-type: none"> Annual membership of ICLEI Africa Newest global member to Phase II of LAB for 2009-2012, including payment of three year participants' fees for Local Action for Biodiversity (LAB) Signatory to ICLEI's Local Action for Biodiversity (LAB) programme, as per agreement between the CWDM and ICLEI Africa

2.7 ADMINISTRATIVE SUPPORT SERVICES

2.7.1 OVERVIEW

The administration of the CWDM is governed by the democratic values and principles embodied in Section 195(1) of the Constitution of the Republic of South Africa, 1996.

2.7.2 ACTIVITIES

The functions of the Administrative Support Services Directorate include:

- Administrative and secretarial support services provided to the council, the mayoral committee and all other committees
- Comprehensive and professional legal services provided to the council, the mayoral committee and all other committees, as well as all departments of the CWDM
- Archives and registry services provided to the entire municipality
- Logistic support services provided to the various offices of the municipality:
 - Fleet management
 - Property management, which includes driver/messenger services, cleaning services and managing security services
 - Client liaison, which includes reception and telecommunication services

The strategic objectives of the Administrative Support Services Directorate are to provide effective and efficient support services to the structures of the council and departments/directorates so that the organisational objectives can be achieved through the provision of:

- Administrative and secretarial support services
- Professional legal services
- Archive and registry services
- Logistical support services

2.7.3 KEY ISSUES FOR 2008/09

- Provision of a high standard of administrative and secretarial support services to the council, the mayoral committee and all other committees
- Provision of comprehensive and professional legal services to the council, the mayoral committee and all other committees and departments in order to take informed decisions within the legal framework, as well as ensure legal compliance
- Continue optimising service delivery and councillor support services through information, advice and providing facilities
- Continue upgrading the fleet vehicles
- Continue standardising systems and office equipment
- Ensure the optimal use and management of municipal property
- Ongoing training with regard to the electronic document management system (Collaborator) in order to optimise the efficiency and effectiveness of document-based business processes across the municipality

2.7.4 KEY ISSUES FOR 2009/2010

- Ongoing training with regard to the electronic document management system (Collaborator) in order to optimise the efficiency and effectiveness of document-based business processes across the municipality
- Replacing fleet vehicles within the approved budget allocation
- Replacing office equipment within the approved budget allocation
- Ongoing implementation and training regarding the electronic document management system (collaborator).

2.7.5 FUNCTIONS

Executive and Council		Total
Overview	Includes all activities relating to the Executive and Council function of the municipality, including costs associated with Mayoral, Councillor and Committee expenses and governance.	
Meetings	Total number of Councillors	36
	Number of Councillors on the Executive Mayoral Committee	8
	Number and type of Council and Committee meetings	
	Council	8
	Executive Mayoral Committee	12
	Local Labour Forum	11
	Rules Committee	1
	Training Committee	12
	Financial Management Committee	3
	District Assessment	10
	District Inter-governmental Technical Committee	4
	Local Economic Development	3
	Local Tourism Association	1
	IDP participation	20
	District Co-ordinating Forum	3
IDP Forum	7	
Municipal Managers Forum	2	
Audit Committee	3	
Annual Report /Oversight Committee	3	

2.8 COMMUNICATION

2.8.1 FUNCTIONS OF THE SECTION

The Communication Section must assure quality service that meets the information needs of all people in the language they understand through an accessible medium of communication. It must also maintain a clear and consistent corporate identity to assist the public in recognising, accessing and assessing the policies, programmes, services and initiatives of the CWDM.

The Communication Sub-directorate must:

- Ensure that communication planning forms an integral part of programme and policy initiatives, and that communication requirements are fully accounted for within budgets and financial plans.
- Ensure that the public environment, particularly the views and needs of people is assessed at all stages of an initiative and reflected in communication plans.
- Develop precise communication strategies for communication campaigns.
- Ensure that communication plans and strategies for policies, programmes, services and initiatives are developed collaboratively, with input from responsible managers,
- Reflect CWDM themes and messages in communication plans and strategies,
- Track the performance of communication products and measure results achieved against objectives set in communication and business plans,
- Evaluate the effectiveness, including cost-effectiveness, of communication programmes and campaigns developed in support of policy or programme initiatives, and make improvements or adjustments as needed to ensure the efficacy of plans, strategies and activities,

2.8.2 COMMUNICATION STAFF

- The communication team manages corporate identity, advertising, publishing, marketing, environment analysis, public opinion research, media relations, event participation and other communication activities,
- They are also involved in overseeing the website content to ensure that it meets communication standards,

- The communication staff may be involved in the planning, management and evaluation of policies, programmes, services and initiatives – providing communication advice and support in all phases of operation.
- The Deputy Director: Communication must ensure that the activities of the communication staff conform to the requirements of this policy.
- The communication team carries out all duties associated with the communication function.
- Advocating on behalf of those who will or should receive information, they ensure the clarity and utility of information for the end user.
- They work collaboratively with other key personnel, providing communication advice and support.

2.8.3 ACTIVITIES UNDERTAKEN IN THE 2008/09 FINANCIAL YEAR

- Media campaigns around significant days, e.g. Heritage Day, Youth Day and Women's Day
- Design, layout and printing 60 000 copies of the external newspaper, *The Grapevine*
- Branding and marketing material

2.8.4 ACTIVITIES PLANNED FOR THE 2009/2010 FINANCIAL YEAR

- Media campaigns around significant days, e.g. Heritage Day, Youth Day and Women's Day
- Design, layout and printing 80 000 copies of the external newspaper, *The Grapevine* (English, Afrikaans and isiXhosa)
- Develop branding and marketing material for the CWDM
- Raise the profile of the CWDM and the new executive mayor through an interactive media campaign
- Revamp the website
- Build better networks and relations with key media partners

2.9 INFORMATION COMMUNICATION TECHNOLOGY (ICT)

2.9.1 FUNCTIONS OF THE SECTION

The Information Communication Technology (ICT) Section renders information communication technology services to CWDM employees and councillors, which include:

- Data storage
- Networking
- Email
- Internet access
- User support
- Hardware and software installation
- Maintenance and support and licensing

2.9.2 ACTIVITIES UNDERTAKEN IN THE 2008/09 FINANCIAL YEAR

- Legacy networking hardware was replaced in some offices in an ongoing exercise of renewal to increase productivity
- All outdated computers were replaced

2.9.3 ACTIVITIES PLANNED FOR THE 2009/2010 FINANCIAL YEAR

Further renewal of outdated computers and networking equipment is an ongoing exercise

2.10 INTEGRATED DEVELOPMENT PLAN (IDP)

2.10.1 INTRODUCTION

The CWDM has a legal obligation to prepare an Integrated Development Plan (IDP) every five years. This plan, together with all sector plans, is reviewed annually and the multi-year budget is amended in accordance with applicable laws.

After a series of consultation meetings with stakeholders in the district, the revised 2009/2010 IDP, dedicated to the rural poor and vulnerable in the district, presents a clear focus on the medium to long term future of the district.

The Local Government: Municipal Systems Act, 2000 set out the legislative framework for the IDP process in Section 25(1) that gives the mandate to every municipal council to adopt a single, inclusive and strategic plan for the development of the municipality.

Section 34 (a)(i) and (ii) of the Municipal Systems Act compel municipal councils to review their IDP “annually in accordance with an assessment of its performance measurements...to the extent that changing circumstances so demand” (23). The review process inculcates the elements of revised needs of communities and stakeholders in the district, changes in legislation and changes in powers and functions that have taken place to date. The Cape Winelands District Strategic Management Framework, as approved by all municipalities in the district, forms the basis of the IDP process.

2.10.2 THE IDP REVIEW PROCESS

a) Preparing for the IDP Review Process

In terms of the Municipal Systems Act (Act 32 of 2000) each council has to adopt a process, set out in writing, for the planning, formulation, adoption and revision of the IDP.

This Strategic IDP Management Framework that the district municipality must adopt has to:

- Include a programme setting out the timeframes for the various planning phases
- Determine and describe sufficient mechanisms, processes and procedures for consultation of and participation by local communities, government bodies and other role-players in the formulation/review of the IDP
- Identify planning and planning requirements which in terms of national and provincial legislation are binding on the municipality concerned

The Cape Winelands District IDP Strategic Management Framework was adopted by the Council of the CWDM and approved by the District Coordinating Forum. The most important implication of the latter approval was subjecting all municipalities in the district, including the CWDM, to the time schedule for the adoption of their IDP and budget, allowing sufficient time for credible alignment processes. In retrospect, this commitment was compromised by the general elections that took place on 22 April 2009, as well as amendments made by the local municipalities to their process plans.

b) The Baseline for Developmental Planning

The CWDM embarked on an environmental scan to determine the possible changes that had taken place since the adoption of the 2008/09 (revised) IDP and MTREF for 2008/09, 2009/10 and 2010/11.

These included updating the socio-economic profile of the district. A number of socio-economic and research studies have been undertaken that will provide accurate information to ensure the promotion of local economic development.

These include the Cape Winelands Investment Strategy and other studies commissioned in pursuit of the achievement of objectives contained in the Cape Winelands Growth and Development Strategy. The CWDM is in the process of investigating the feasibility of these projects.

These studies are:

- Feasibility study for establishing an agricultural support centre
- Feasibility study for establishing a customs clearance centre
- Feasibility study for establishing a wine incubator
- Biofuels/bio-energy feasibility study
- Cape Winelands district informal sector study
- Business retention and expansion study
- GDS review study that has unfolded in a thorough consultative process with stakeholders to interrogate the findings and their influence on possible amendments to the strategy

Consultants were appointed to perform a water and sanitation backlog study for the entire CWDM. The objective was firstly to determine the extent of the water and sanitation backlog in each local municipality and compile a backlog for the district as a whole. Secondly, it aimed to identify technical solutions to supply a basic level of service in these areas affected by backlogs. Thirdly, it estimated the cost of future infrastructure required to supply this basic service for all households.

A disaster risk assessment was done for the Cape Winelands as a first step in preparing disaster management plans. The latter assessment has been refined and the process is now completed.

During the past two years the CWDM commissioned a number of social research projects which centred on profiling the current status of people with disabilities, the elderly, the youth and women. The main purpose was to enable the district municipality and its partners to identify meaningful strategies that can be developed and implemented in the future.

A general complaint of municipalities in the Western Cape had been the lack of credible information to influence and guide priorities and the identification of appropriate interventions based on our current reality as a district community. It was agreed among the municipalities and the provincial government that more intense efforts would be made to provide accredited information to municipalities.

The CWDM plans to consolidate its development planning approaches, research methodologies, data analysis and the actual utilisation of available information to guide integrated development planning, including sector plan development.

The 2009/2010 IDP and budget present the exciting opportunity to deepen strategic integration within our own institution and better cooperate with other spheres of government. There is definite room for improvement in our collaboration and shared planning in the CWDM's executive offices.

c) Documenting Legislative, Policy and Strategic Changes

During the 2008/09 financial year, the IDP Directorate commissioned a study on the status of women in the Cape Winelands.

Project name
Gender Equality
Project description
Conduct research on the status of gender equality in the district. Development of a gender strategy for the Cape Winelands.
Impact of the project on its beneficiaries
The CWDM and its local municipalities have a broad understanding of the inequities that still exist in communities and government institutions. This understanding allows for better planning and interventions to improve the status of women in the district.

Challenges
Government departments and some municipalities were reluctant to provide statistical information like their employment equity status.
Number of CWDM personnel involved in project
One
Quantifiable outputs
Research report available to inform future plans

d) Assessing the Changes in Functions since the Previous Review and Updating the Progress of Others

Although not radical, some policy directives have been amended or are in the process of being deliberated on, *inter alia*, an investigation into the “optimal” location of the disaster management function, within district, metropolitan and provincial government in South Africa

e) Recording Stakeholder Input through Public Participation Processes

Inputs were captured, analysed, prioritised and aligned with the IDP and budget priorities as they were raised during these engagements. Submissions were made to the CWDM.

IDP road map for public participation (2008/09 review)			
Municipality	Date	Time	Venue
Witzenberg			
Economic development	08/09/2009	09:00	Village Restaurant
Civil society	08/09/2008	14:00	Ceres Town Hall
Breede Valley			
Economic development	09/09/2008	09:00	Nekkies Conference Facilities
Civil society	09/09/2008	14:00	Nekkies Conference Facilities

Breede River Winelands			
Economic development	10/09/2008	09:00	Grande Hotel, Robertson
Civil society	10/09/2008	14:00	Ashton Town Hall
Drakenstein			
Economic development	11/09/2008	09:00	Lemoenkloof Restaurant
Civil society	11/09/2008	14:00	Mbekweni Community Hall
Stellenbosch			
Economic development	15/09/2008	14:00	Stellenbosch Lodge
Civil society	15/09/2008	18:00	Stellenbosch Town Hall
District-wide plenary	15/04/2009	18:00	Worcester Town Hall
District ward committee summit	23/06/2009	09:00	Kleinplasia Museum, Worcester

f) Development Stages of Statutory Sector Plans, including Revision

- Spatial Development Framework
- Disaster Management Plan
- Water Services Development Plan
- Integrated Waste Management
- Integrated Transport Plan
- Integrated Infrastructure Plan
- Comprehensive Infrastructure Plan
- Integrated Human Settlement Strategy
- Area Based Land Sector Plan
- Integrated Energy Planning
- Environmental Implementation Management Plan
- District Growth and Development Strategy

g) Achievements of the Past 5 Years

During the last financial year, the CWDM:

- Established a specialised unit, the Department of Rural and Social Development, to focus on rural and social issues
- Provided basic lighting and hot water to 73 farm dweller households
- Issued co-financing to 50 crèches to advance early childhood development
- Upgraded water and sanitation systems at 7 schools to improve health and hygiene standards
- Introduced tourism as a career opportunity 145 schools
- In collaboration with the Green Point Visitor's Centre, we broadened the horizons and exposed 545 farm-school children to opportunities and the excitement of the build-up to the 2010 FIFA Soccer World Cup in Cape Town; we also took 1 500 students to a soccer match
- Provided 90 computer literacy training and 46 driver's license opportunities to matriculants
- Issued bursaries to 178 deserving first-year students, 54 to second-year students, 28 to third-year students and 9 to final-year or post-graduate students in the district
- Provided seed funding to 49 entrepreneurs and small businesses to boost employment
- Provided 190 training opportunities and business support to 56 entrepreneurs to ensure the sustainability of their businesses
- Entered into a memorandum of understanding with the Graham & Rhona Beck Centre to provide life skills training for 100 farm worker women in desperate need of alternative opportunities
- Modified buildings to allow disabled and wheelchair access to municipal offices and facilities

h) Reporting on the Progress made with Institutional Transformation

- **Employment equity:** The implementation of the Employment Equity Plan was evaluated in October 2009 by the CWDM council, as it was its fifth year of implementation.
- **Training and development:** The CWDM annually submits a Workplace Skills Plan (WSP), bi-annual- implementation reports and quarterly reports to the Local Government SETA.

- **IDP learnership:** The LG-SETA embarked on the IDP learnership in March 2009, starting with 35 IDP practitioners in the Western Cape, most of them IDP managers; the IDP director participates in this learnership.
- **Road construction learnership:** The CWDM participates in this learnership, which commenced in September 2008, at NQF level 2, having targeted employees at elementary level.
- **Student Assistance Policy:** This policy affords young people the opportunity to undertake workplace experience in areas such as finance, communication, engineering, planning, human resource management, environmental health and local economic development.
- **Mayoral Bursary Fund Policy:** The municipality offered bursaries to 246 (in the year ending 30 June 2008) deserving students who are residents of the district, in areas where skills are scarce.
- **Occupational health and safety:** Implementation of the Occupational Health and Safety Act.
- **Industrial relations:** The CWDM promotes a sound and dynamic labour relations environment by continuously facilitating an atmosphere of collective bargaining in the workplace and employer-employee participation through local labour forums which meet on a monthly basis and other relevant structures which foster sound workplace relations.
- **Individual performance management:** Since their inception, individual scorecards have continued to facilitate an interactive atmosphere between the supervisor and supervisee.
- **HIV and Aids:** The CWDM is implementing an HIV and Aids Workplace Programme.
- **Steering committee on minimum competency levels:** The steering committee has been already established and has held several meetings.
- **Macro and micro structure:** After a strategic organisational assessment on departmental performance, a new macro structure was approved on 6 December and was followed by a new micro structure.

2.10.3 GOVERNMENT'S ALIGNMENT CHALLENGE

In terms of Section 25(1)(c) of the Municipal Systems Act municipalities must ensure that IDPs are “compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation”. The district’s IDP needed to be reviewed to reflect its contribution to the target of growing the economy to 6% through becoming a truly integrated plan that is able to coordinate/integrate implementation and become an expression of the actions of all three spheres of government.

a) National Spatial Development Perspective

The national spatial development perspective confronts local government with two key questions:

- To address poverty and the challenge of economic growth and job creation, where should the district direct its investment and development initiatives to ensure sustainable and maximum impact?
- What kinds of spatial forms and arrangements are more conducive to the achievement of our objectives of democratic nation building and social and economic inclusion?

b) Western Cape Provincial Growth and Development Strategy

The objectives of the Western Cape Provincial Growth and Development Strategy are:

- Building human capital with emphasis on the youth
- Micro-economic strategy (MES)
- Building social capital with emphasis on the youth
- Strategic infrastructure investment
- A spatial development framework (SDF)
- Co-ordination and communication
- Improving financial governance
- Provincialisation of municipal rendered services

(iKapa elihlumayo: The Western Cape Policy Framework:2004:1-4)

These objectives are linked to the CWDM’s key objectives and can be seen reflected in the budget.

c) LG-MTEC: IDP Engagement for Credible IDPs

This process is seriously flawed and needs review. Engagement with provincial government should be based on a mutual understanding of the objectives and outcomes of the process.

d) Medium-term Expenditure Framework of Government

This important guide to national government's future approaches to financing its programmes, including local government programmes, requires that all three spheres of government conduct three-year budget projections. The different spheres of government are assisted to establish three-year budgets with actual commitments for year 1 and indicative figures for the following two years. Its purpose is to increase the scope for longer term planning and more coherent delivery over a number of years. The three-year MTEF process is now policy for local government. It takes its detail from the five year financial plan of the IDP and the annual IDP reviews.

e) IDP/Budget/Performance Management Alignment

The financial management mechanisms are given significant structure by the IDP. However, it cannot ensure implementation through structuring the total financial management system. To achieve this planning and structuring in addition to the IDP is needed.

The support of good financial planning and management is at the heart of the contribution of IDP process and particularly the integration it forges with:

- Project costing
- Fiscal planning
- Five-year financial plan
- Capital and operational budget development

The performance management guide for municipalities (DPLG), stipulates that the IDP process and the performance management process should appear to be seamlessly integrated. Integrated development planning fulfils the planning stage of performance management. Performance management fulfils the implementation management, monitoring and evaluation of the IDP process.

f) Sector Plans

The alignment of sector plans remain challenging and concerted efforts will be made during the 2009/2010 financial year to further entrench the principles of the NSDP, PGDS and other guiding perspectives and policies to enable us to make appropriate development decisions.

2.10.4 SHARED SERVICES

Municipalities need to focus on citizens and their requirements, not only on technology. The business processes in these organisations need to be tuned, in order to provide service in the most efficient yet secure way possible, tailored to the needs and capabilities of citizens. In short, the citizen should drive every aspect of the municipalities business. Implementing shared services is the optimal method of responding to the challenges facing local government in South Africa today. Shared services have a clear role to play in driving efficiencies by enabling collaborative operations between different municipalities, thereby improving efficiencies and reducing cost.

a) Defining Shared Services

Shared services consist of identifying non-core functions that are fundamentally the same across different municipalities. Services are delivered to each of the municipalities from one location. The theory of shared services is to centralise and consolidate functions, resulting in less duplication, greater effectiveness and a lower cost to the citizen.

By employing the shared services model, multiple municipalities benefit from sharing costs and best practice business processes. This methodology will empower authorities to employ the best solutions and people to assist them in delivering the optimal service to citizens.

Shared services are a globally proven methodology that will assist local government in transforming itself to meet citizens' expectations. Once again, it is important to remember that, while technology is a crucial part of the process, it is just a tool to support the citizen, who is ultimately the focus of government's services.

The CWDM has embarked on a strategic initiative to provide an integrated approach to support local municipalities to be in a position to meaningfully fulfil its Section 83(3)(c) functions in terms of the Municipal Structures Act. Departmental support could significantly enhance through the formation of a dedicated strategic shared service section which is institutionalised in the municipality.

Goals of the CWDM Shared Services Section:

- Ensure strategic alignment
- Appropriate utilisation of resources
- Capacitate local municipalities

The aim is that government as a whole will be responsive, adaptable, efficient and effective in the demarcated area of the CWDM.

Current projects						
	CWDM	Stellenbosch	Drakenstein	Witzenberg	Breede Valley	Breede River Winelands
Collaborator	X	X			X	X
PMS	X			X	X	X
SDBIP Support				X	X	X
Vehicle Tracking	X			X	X	X
IDP Support				X	X	X
Ward Committee Support				X	X	X
ID Campaign	X	X	X	X	X	X
Data Collection	X	X	X	X	X	X
IGR	X	X	X	X	X	X

CHAPTER 3

3.1 HUMAN RESOURCES OVERVIEW

Human Resource Management (HRM) in the CWDM is aimed at establishing a representative, competent and well-managed workforce, committed to delivering quality services to the people of the Cape Winelands.

The HRM Directorate provides the following support services for line management:

- Industrial relations: Promotes the right to fair labour practice and advances the spirit of the Labour Relations Act and other relevant legislation.
- Recruitment and selection: Attracts potential job applicants from the available labour force.
- Human resource administration: Ensures updated records, fully informed personnel and adherence to conditions of services, policies and procedures.
- Occupational health and safety: Ensures 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: Works towards the optimum quantity and quality workforce.

3.2 ORGANISATIONAL STRUCTURE

3.2.1 MACRO AND MICRO ORGANOGRAMS

The CWDM's macro structure was approved on 6 December 2007 with the following departments:

- Corporate Services
- Financial Management Services
- Engineering and Infrastructure Services
- Community and Developmental Services
- Regional Development and Planning Services

Subsequently, on 29 May 2008, an additional department – Rural and Social Development Services – was approved. The micro structure was approved on 1 September 2008.

3.2.2 EMPLOYMENT

a) Workforce Profile

NOTE: A=AFRICAN, C=COLOURED, I=INDIAN AND W=WHITE

Occupational categories	Male			Female				White Male	Foreign Nationals		Total
	A	C	I	A	C	I	W	W	Male	Female	
2009/2010											
Legislators, senior officials and managers	2	7	0	2	3	0	0	9	0	0	23
Professionals	3	10	0	0	1	0	3	10	0	0	27
Technicians and associate professionals	6	32	0	4	15	0	2	53	0	0	112
Clerks	3	9	0	12	28	0	19	3	0	0	74
Service and sales workers	9	34	0	7	3	0	2	2	0	0	57
Skilled agricultural and fishery workers	0	2	0	0	0	0	0	0	0	0	2
Craft and related trades workers	4	22	0	0	0	0	7	0	0	0	33
Plant and machine operators and assemblers	15	29	0	0	0	0	1	1	0	0	46
Elementary occupations	55	54	0	20	34	0	1	5	0	0	169
TOTAL	108	192	0	53	84	0	28	93	0	0	558

b) Councillors

NOTE: A=AFRICAN, C=COLOURED, I=INDIAN AND W=WHITE

Occupational categories	Male			Female				White Male	Foreign Nationals		Total
	A	C	I	A	C	I	W	W	Male	Female	
2009/2010											
Legislators, senior officials and managers	1	13	0	6	3	0	0	12	1	0	36

3.2.3 EMPLOYMENT EQUITY

The principal goal of the CWDM's Employment Equity (EE) 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 the CWDM to derive maximum benefit of individuals' diverse skills and talents, and thereby improve service delivery.

The CWDM submits an EE report annually on the first working day of October to the Department of Labour, as required by the Employment Equity Act (Act 55 of 1998).

The report as submitted for 2007, and updated up to 30 June 2008, showed some degree of progress regarding representation, especially on the occupational levels, but 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 an opportunity to assess and monitor the progress (see the table on the next page):

a) Occupational Categories

NOTE: A=AFRICAN, C=COLOURED, I=INDIAN AND W=WHITE

Occupational categories	Male			Female				White Male	Foreign Nationals		Total
	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%
Current Status 2007/8											
Legislators, senior officials and managers	8,3%	29,1%	0%	12,5%	12,5	0%	0%	37,5%	0%	0%	100%
Professionals	11,1%	37,0%	0%	0%	3,7%	0%	11,1%	37,0%	0%	0%	100%
Technicians and associate professionals	5,1%	28,2%	0%	3,4%	16,2%	0%	1,7%	45,2%	0%	0%	100%
Clerks	4,6%	10,4%	0%	15,1%	43%	0%	23,4%	3,4%	0%	0%	100%
Service and sales workers	15,7%	59,6%	0%	12,2%	5,2%	0%	3,5%	3,5%	0%	0%	100%
Skilled agricultural and fishery workers	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Craft and related trades workers	11,7%	64,7%	0%	0%	0%	0%	0%	23,5%	0%	0%	100%
Plant and machine operators and assemblers	32,6%	63,0%	0%	0,0%	0,0%	0,0%	2,1%	2,1%	0%	0%	100%
Elementary occupations	32,3%	32,3%	0,0%	11,7%	20,0%	0,0%	0,5%	2,9%	0%	0%	100%
TOTAL	17,4%	35,7%	0,0%	8,3%	17,2%	0%	5,1%	16,1	0%	0%	100%

b) Occupational Levels

NOTE: A=AFRICAN, C=COLOURED, I=INDIAN AND W=WHITE

Occupational levels	Male			Female				White Male	Foreign Nationals		Total
	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%
Current Status 2007/8											
Top management	16,6%	16,6%	0%	16,6%	16,6%	0%	0%	33,3%	0%	0%	100%
Senior management	5,5%	33,3%	0%	11,1%	11,1%	0%	0%	38,8%	0%	0%	100%
Professionally qualified and experienced specialists and mid-management	8,8%	33,5%	0%	0%	8,8%	0%	4,4%	42,2%	0%	0%	100%
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	18,8%	30,9%	0%	8,7%	16,6%	0%	6,4%	31,5%	0%	0%	100%
Semi-skilled and discretionary decision-making	18,0%	44,6%	0%	6%	18,6%	0%	10,0%	2,6%	0%	0%	100%
Unskilled and defined decision-making	31,7%	33,5%	0%	11,5%	19,6%	0%	0,5%	2,8%	0%	0%	100%
Total	17,4%	35,7%	0%	8,3%	17,2%	0%	5,1%	16,1%	0%	0%	100%

3.3 EDUCATION, TRAINING AND DEVELOPMENT

The CWDM annually submits a Workplace Skills Plan (WSP), bi-annual implementation reports and quarterly reports to the Local Government SETA. The 2009/2010 WSP was submitted to the SETA on 30 June 2009 and the LGSETA is currently processing claims for the financial year 2008/2009. In 2008/09, 510 employees and councillors participated in various training and skills development programmes including but not limited to: Adult Basic Education and Training (ABET), administration, computer literacy, corporate, legal and support, financial, information technology, life skills, management/leadership, occupational health and safety, policy development and project management at a total cost of R713 023,85.

One 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 the council's staff establishment. In compliance with this policy, among others the CWDM ensured that 100% of employees who applied for study aid in various fields in the 2008/09 financial year were assisted to a total cost of R322 247,00.

The CWDM has committed itself to a vision of "*Growing, sharing, delivering and innovating together*". Central to this vision, the CWDM acknowledges that youth development is 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 on the youth, addresses the development of human capabilities, abilities, knowledge and know-how to meet the ever-growing needs for goods and services, improve living standards and quality of life.

It is against this background and the district's commitment to a better life for all, that 265 deserving students, both financially and academically, were awarded bursaries in various fields including, but not limited to: commerce, accounting, agriculture, tourism, engineering, business management, farming management, public management and human resource management, with a total cost of R1 000 000 in the 2008/09 financial year.

The CWDM is currently offering work experience (in-service training, internships and learnerships) to various students who live in the district, in fields such as finance, engineering, environmental health, communication, human resource management, local economic development, and land-use and spatial planning.

In compliance with the Municipal Finance Management Act, the CWDM has established a steering committee tasked with ensuring that all officials as prescribed by the municipal finance management regulations meet the financial management competency levels prescribed by January 2013. This process will be expedited in the next financial year. Some of the delays in the implementation process have been as the result of either the National Treasury or Local Government SETA.

3.4 INDIVIDUAL PERFORMANCE MANAGEMENT

The 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. Currently the municipality is in the process of improving the systems, especially regarding non-office-based employees who work in teams.

3.5 OCCUPATIONAL HEALTH AND SAFETY

During the past year, the CWDM focused on ensuring employee health and safety, as prescribed in the Occupational Health and Safety Act (Act 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 their respective departments.

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

Other functions performed by the Health & Safety Section include 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.

The current challenge is filling the vacancy of occupational health and safety officer.

3.6 INDUSTRIAL RELATIONS

The CWDM constantly promotes a sound labour relations environment by facilitating an atmosphere of collective bargaining in all matters of collective bargaining as enshrined in the organisational rights agreement, the latter resulting from the main collective agreement. The local labour forum proves to be the most viable vehicle in facilitating the promotion of employer-employee relations.

The municipality adopted an open door policy regarding employer-employee relations. We are excited by the level of interaction between the council as the employer and labour. We will continue to endeavour to be the employer of choice in many regards.

3.7 HIV AND AIDS

On 17 February 2002 Nobel laureate and former South African president Nelson Mandela 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."*

This is one of the most famous statements that keep us going in our HIV and Aids Workplace Programme. The CWDM has implemented this programme in collaboration with the Department of Provincial and Local Government (DPLG). It includes promoting a non-discriminatory working environment, Voluntary Counselling and Testing (VCT), confidentiality and disclosure, a safe workplace and enhancing awareness among the staff.

Part of the implementation of our HIV and Aids Workplace Programme was the VCT programme on 9 October 2008. Councillors and employees participated and it can be reported with confidence that all those tested on the day were HIV negative. We must however not be complacent, as we need to advance our programme to reach as many employees as possible during the 2009/2010 financial year.

3.8 CONTINGENT LIABILITIES AND RISKS

a) Medical Aid Schemes (Section 57 employees included)

Medical scheme	Members currently employed	Continued members
Keyhealth	56	33
Bonitas	129	4
LA Health	77	96
Prosano	2	7
Hosmed	77	11
Samwumed	45	0
Fedhealth	1	0
Discovery Health	1	0

b) Pension/Retirement Funds (Section 57 employees included)

Fund	Members currently employed
Cape Joint Pension Fund	28
Cape Joint Retirement Fund	480
SAMWU National Provident Fund	38

3.9 KEY FUNCTIONS PERFORMED BY HUMAN RESOURCE MANAGEMENT TEAM

Human Resource Management in the CWDM is aimed at establishing a representative, competent and well-managed workforce, committed to delivering quality services to the people of the Cape Winelands district.

3.9.1 HR TEAM'S KEY FUNCTIONS

a) Industrial Relations

Promotes the right to fair labour practice and advance the spirit of the Labour Relations Act and other relevant legislative arrangements in the workplace.

b) Recruitment and Selection

Attracts potential job applicants from the available labour force.

c) Human Resource Administration

Ensures that records are updated, personnel are fully informed and adhere to conditions of service, policies and procedures of the CWDM.

d) Occupational Health and Safety

Ensures a healthy workforce and a safe working environment.

e) Training and Development

Ensures a competent and productive workforce.

f) Individual Performance Management

Ensures the best possible results.

g) Organisational Work Study

Ensures optimum quantity and a quality workforce.

3.9.2. KEY ISSUES FOR 2009/10

- Evaluation of 5-year EE plan implementation
- Advance the CWDM's implementation of HIV and Aids workplace programme
- Implement TASK results
- Implement municipal finance regulations training
- Continue with Adult Basic Education and Training (ABET) programme
- Complete road construction learnership
- Improve and innovate individual performance management system
- Continue improving human resource management administration
- Create a workplace that is safe and healthy

3.10 NUMBER AND COST TO EMPLOYER OF ALL MUNICIPAL STAFF EMPLOYED

Level	Number	R
Top management	6	4 204 165
Senior management	17	6 300 689
Professionally qualified and experienced specialist and mid-management	45	12 816 091
Skilled technically and academically qualified workers, junior management, supervisors, foreman and superintendents	162	30 926 128
Semi-skilled and discretionary decision-making	141	14 330 222
Unskilled and defined decision-making	172	11 515 700

Note: Total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above; total cost to include total salary package.

3.11 KEY PERFORMANCE AREAS

Key Performance Indicator	Current	Target
Development and implementation of Anti-corruption Policy	Approved	Approved
EE consultative meetings (Local Labour Forum)	12 meetings	12 meetings
Submission of Workplace Skills Plan (WSP) to LGSETA by 30 June	Submitted	Submitted
Skills development of personnel in the organisation	95%	65%
Training consultative meeting (training committee)	12 meetings	12 meetings
Occupational health and safety (monthly reporting to LLF)	12 meetings	12 meetings
EE (percentage of appointed female staff in departments = 6/11 appointments)	54%	51%
EE (percentage of appointed staff with disabilities in the department = 1/11 appointments)	9%	2%
Percentage of funded posts in the department organogram (68/84 posts)	81%	80%
Promotion of individual performance management (percentage of individuals who have entered into individual performance agreements)	79%	80%

CHAPTER 4

4.1 FINANCIAL STATEMENTS



CAPE WINELANDS DISTRICT

MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

CAPE WINELANDS DISTRICT MUNICIPALITY
Annual financial statements
for the year ended 30 June 2009

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

General Information

Mayoral committee

Executive Mayor

Cllr. C.W. JOHNSON (Up to 30/06/2009)
Cllr. B.J. CHAABAN (Executive Mayor from 01/07/2009)

Cllr. C.C.BRINK
Cllr. C.G. DU PLESSIS

Cllr. Z.J. MTHINI
Cllr. S. SWANGAZA
Cllr. N.D. HANI (Speaker)

Councillors

Cllr. E.N. BUSHWANA
ALD. (Dr.) N.E. KAHLBERG

Ald. D.J. OOSTHUIZEN
Cllr. A.M. DU TOIT

Cllr. A.N. MHLAMBENI
Cllr. C. PHILANDER

Cllr. C.A. DE BRUYN
Cllr. C.G. DU PLESSIS

Cllr. E.J. VAN ZYL
Cllr. H.J. SMIT

Cllr. H.M. JANSEN
Cllr. J. THOMAS

Cllr. J.F. NEL
Cllr. J.I.K. GAGIANO

Cllr. J.J. ABRAHAMS
Cllr. L. RICHARDS

Cllr. L. SIWAKAMISA
Cllr. L.N. MBESHU

Cllr. M.M. SMITH
Cllr. P.B.B. DU TOIT

Cllr. P.W. BISCOMBE
Cllr. P.X. SWANGAZA

Cllr. R. BRAND
Cllr. S. GELDENHUYS

Cllr. S. ROSS
Cllr. S.W. VAN EEDEN

Cllr. A. TITUS
Cllr. B.E. VOS

Grading of local authority

GRADE 9

Accounting Officer

M MGAJO

Chief Finance Officer (CFO)

J. G. MARAIS

Registered office

46 ALEXANDER STREET
STELLENBOSCH
7600

Business address

46 ALEXANDER STREET
STELLENBOSCH
7600

Postal address

P.O. BOX 100

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

General Information

	STELLENBOSCH 7599
Bankers	ABSA
Auditors	AUDITOR GENERAL

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

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MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are responsible for reporting on the fair presentation of the annual financial statements.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP).

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2010 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the government grants for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the government has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on pages xx to xx.

The annual financial statements set out on pages 5 to 63, which have been prepared on the going concern basis, were approved by the accounting officer on 28 August 2009 and were signed on its behalf by:

Accounting Officer

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Statement of Financial Position

Figures in Rand	Note(s)	2009	2008
Assets			
Current Assets			
Inventories	8	1,551,426	1,947,780
Other financial assets	5	41,241	61,687
Other Debtors	9	10,322,423	9,749,382
Other receivables from non-exchange transactions, including taxes and transfers		3,548,097	926,305
Consumer debtors	10	628,347	457,901
Cash and cash equivalents	11	351,387,867	327,524,263
		367,479,401	340,667,318
Non-Current Assets			
Property, plant and equipment	4	172,795,574	164,383,852
Other financial assets	5	-	192,911
		172,795,574	164,576,763
Total Assets		540,274,975	505,244,081
Liabilities			
Current Liabilities			
Finance lease	14	175,632	98,314
Creditors	18	13,814,848	24,562,754
Unspent conditional grants and Receipts	15	9,014,373	15,092,628
Current Portion: Medical Aid Liability	16	10,843,000	9,916,819
		33,847,853	49,670,515
Non-Current Liabilities			
Finance lease	14	111,796	45,104
Medical Aid Liability	16	81,591,945	79,955,288
Provisions	17	3,703,195	3,728,801
		85,406,936	83,729,193
Total Liabilities		119,254,789	133,399,708
Net Assets		421,020,186	371,844,373
Net Assets			
Reserves			
Revaluation reserve	12	120,815,895	101,882,386
Accumulated surplus	13	300,204,291	269,961,987
Total Net Assets		421,020,186	371,844,373

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Statement of Financial Performance

Figures in Rand	Note(s)	2009	2008
Revenue			
Property rates	22	926,987	824,705
Service charges	23	1,327,935	3,973,783
Property rates - penalties imposed and collection		72,589	57,631
Rental Income		105,121	73,982
Interest received		4,625	340,204
Income from agency services		5,426,603	4,495,727
Government grants	24	250,159,400	222,286,325
Contribution from Surplus		11,679,024	-
Deferred Income		4,431,882	302,450
Other income	41	7,791,732	7,123,034
Interest received - investment	30	45,638,005	38,128,613
Total Revenue		327,563,903	277,606,454
Expenditure			
Employee related costs	26	(80,924,544)	(69,986,578)
Remuneration of councillors	27	(6,140,707)	(5,878,941)
Medical Aid Liability	28	(2,752,000)	(4,924,253)
Depreciation and amortisation	31	(35,320,547)	(8,096,272)
Finance costs	32	(10,113,016)	(10,015,131)
Debt impairment	29	-	(1,473,873)
Repairs and maintenance		(67,458,263)	(62,980,915)
General Expenses	25	(107,221,175)	(87,319,894)
Total Expenditure		(309,930,252)	(250,675,857)
Gains on disposal of assets		-	1,317,210
Surplus for the year		17,633,651	28,247,807

CAPE WINELANDS DISTRICT MUNICIPALITY

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Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Balance at 01 July 2007	99,627,397	235,105,909	334,733,306
Changes in net assets			
Surplus for the year	-	28,247,807	28,247,807
PPE purchased (CRR)	-	(10,191,621)	(10,191,621)
Revaluation of Property	373,241	-	373,241
Offsetting of Depreciation	1,881,748	-	1,881,748
Capital Grants used to purchase PPE (GGR)	-	376,712	376,712
Offsetting of Depreciation (GGR)	-	(220,585)	(220,585)
PPE purchased	-	10,191,621	10,191,621
Grants used to purchase PPE	-	(376,713)	(376,713)
Offsetting Depreciation	-	(1,661,163)	(1,661,163)
Prior Year Adjustments	-	8,490,020	8,490,020
Total changes	2,254,989	34,856,078	37,111,067
Balance at 01 July 2008 (Restated)	101,882,386	269,961,987	371,844,373
Changes in net assets			
Surplus for the year	-	17,633,651	17,633,651
Receipts to NDR	56,459,414	869,026	57,328,440
Transfer to Income Statement	(37,525,905)	(4,356,873)	(41,882,778)
Contributuons Received (CRR)	-	75,000,000	75,000,000
Cash Utilised (CRR)	-	(13,140,858)	(13,140,858)
Transfer to CRR	-	(75,000,000)	(75,000,000)
PPE purchased	-	13,140,858	13,140,858
Offsetting of Depreciaiton	-	37,433,199	37,433,199
Prior year adjustments	-	(14,481,514)	(14,481,514)
Other	-	(11,211,740)	(11,211,740)
Actuarial Gain	-	4,356,555	4,356,555
Total changes	18,933,509	30,242,304	49,175,813
Balance at 30 June 2009	120,815,895	300,204,291	421,020,186
Note(s)	12		

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Cash Flow Statement

Figures in Rand	Note(s)	2009	2008
Cash flows from operating activities			
Cash (used in) generated from operations	34	(2,329,364)	23,056,774
Interest income		45,638,005	38,128,613
Interest received		4,625	340,204
Finance costs		(3,914,117)	-
Net cash from operating activities		39,399,149	61,525,591
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(17,158,847)	(10,902,577)
Sale of property, plant and equipment	4	1,312,277	(5,667,392)
Net cash from investing activities		(15,633,213)	(15,912,344)
Cash flows from financing activities			
Movement in provisions		(25,606)	-
Finance lease payments		123,274	-
Net cash from financing activities		97,668	-
Total cash movement for the year		23,863,604	45,613,247
Cash at the beginning of the year		327,524,263	281,911,016
Cash and cash equivalents at the end of the year	11	351,387,867	327,524,263

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) prescribed by the Minister of Finance in terms of Notices 991 and 992 in Government Gazette 28095 and notice 516 in Government Gazette 31021.

The standards are summarised as follows:

Standard of GRAP

GRAP 1	Presentation of financial statements
GRAP 2	Cash flow statements
GRAP 3	Accounting policies, changes in accounting estimates and errors
GRAP 4	The effects of changes in foreign exchange rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate financial statements.
GRAP 7	Investments in associates
GRAP 8	Investments in joint ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current Asset held for sale and discontinued operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP standards have been developed in accordance with Paragraphs 7, 11 and 12 of GRAP 3. Where a standard of GRAP that has been issued by the Accounting Standards Board, but for which an effective date has not yet been determined by the Minister of Finance, accounting policies were developed based on the relevant GRAP standard.

In the process of applying the Municipality's accounting policies, management has made the following significant accounting judgments, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Municipality as lessor

Should the Municipality should enter into commercial property leases on its investment property portfolio, the Municipality has determined that it retains all the significant risks and rewards of ownership of these properties, and so accounts for them as operating leases.

Pension and other post-employment benefits

The cost of defined benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of trade receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

Property, plant and equipment

The useful lives of assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

expectation where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions, and when measuring contingent liabilities, as set out in Note 17. Provisions are discounted where the effect of discounting is material using actuarial valuations.

Held-to-maturity financial assets

Management has reviewed the held-to-maturity financial assets in the light of its capital management and liquidity requirements, and has confirmed the positive intention and ability to hold those assets to maturity.

1.1 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 in respect of RSC Levy Replacement Grant. See note 24 at *:

2007/2008 Financial Year R143 203 000
2008/2009 Financial Year R161 122 430
2009/2010 Financial Year R177 491 000
2010/2011 Financial Year R182 783 000

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.

1.2 Housing development fund

Should Council establish a Housing Development Fund, it should be accounted for as set out below:

The Housing Development Fund was established in terms of the Housing Act (Act No. 107 of 1997)

Sections 15(5) and 16 of the Housing Act, (Act 107 of 1997), which came into operation on 1 April 1998, required that the municipality maintain a separate housing operating account. This legislated separate operating account is known as the Housing Development Fund.

The Housing Act also requires in terms of Section 14(4)(d)(ii)(aa), read with, inter alia, Section 16(2), that the net proceeds of any letting, sale or alienation of property, previously financed from government housing funds, be paid into a separate operating account, and be utilised by the Municipality for housing development in accordance with the National Housing Policy.

The following provisions are set for the creation and utilisation of the Housing Development Fund:

- The Housing Development Fund is cash backed, and invested in accordance with the investment policy of the municipality.
- The proceeds in this fund are utilised for housing development in accordance with the National Housing Policy, and also for housing development projects approved by the MEC for Housing.
- Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.
- Interest earned on the investments of the fund is disclosed as interest earned in the Statement of Financial Performance.

1.3 Internal Reserves

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of a Council resolution. A corresponding

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.3 Internal Reserves (continued)

amount is transferred to a designated CRR bank. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

- 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.

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 issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

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

Donations and public contributions reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/deficit to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

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

Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment 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 revalued amounts, are credited or charged to the Statement of Financial Performance.

1.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, or at fair value where assets have been acquired by grant or donation.

Heritage assets, which are culturally significant resources and are shown at cost, are not depreciated, owing to the uncertainty regarding their estimated useful lives.

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

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.4 Property, plant and equipment (continued)

Land is also not depreciated, as it is deemed to have an indefinite life.

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

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the assets are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance, and is expensed.

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

Depreciation and impairment losses

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:

Item	Average useful life
Buildings	30-40
Specialist plant & equipment	10-15
Furniture and Fittings	5-10
Other vehicles	5-10
Office equipment & Air Conditioners	3-5
Other Plant & Equipment	5-10
Specialised vehicles	10-15

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

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its intended use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where shorter, the term of the relevant lease.

Impairment of property, plant and equipment

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

1.5 Investment property

Investment properties are held to earn rental income, and for capital appreciation, and are stated at cost less accumulated depreciation. Investment properties are written down for impairment where considered necessary. Investment property excludes owner-occupied property that is used in the production or supply of goods or services, or for administrative purposes, or property held to provide a social service.

1.6 Intangible assets

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.

CAPE WINELANDS DISTRICT MUNICIPALITY

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Accounting Policies

1.6 Intangible assets (continued)

The Municipality recognises computer development software costs as intangible assets if the costs are clearly associated with an identifiable and unique system controlled by the Municipality, and have a probable benefit exceeding one year. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Direct computer software development costs recognised as assets are amortised on the straight-line basis over the useful lives of the assets estimated at three to five years.

1.7 Non - current assets held - for - sale

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition applies only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition. Assets classified as held-for-sale are measured at the lower of the asset's carrying amount or fair value less cost to sell.

1.8 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through surplus or deficit - held for trading
- Held-to-maturity investment
- Loans and receivables
- Available for sale financial assets

The classification depends on the purpose for which the financial asset is acquired, and is as follows:

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity, where the Municipality has the positive intent and ability to hold the investment to maturity. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

Loans and receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

Available-for-sale financial assets are financial assets that are designated as available for sale, and are subsequently measured at fair value at Statement of Financial Position date, except for investments in equity instruments that do not have quoted market price in an active market, and whose fair value cannot be reliably measured, which shall be measured at cost. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

Held-for-trading financial assets include derivative financial instruments used by the Municipality to manage its exposure to fluctuations in interest rates attached to certain of its external borrowings interest swap agreements. Any fair value adjustment is recorded in the Statement of Financial Performance in the period in which it arises. To the extent that a derivative instrument has a maturity period of longer than a year, the fair value of these instruments will be reflected as a non-current asset or liability, and is subsequently measured at fair value at Statement of Financial Position date.

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

Initial recognition and measurement

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in profit or loss.

Financial instruments are recognised when the Municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the Statement of Financial Performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.8 Financial instruments (continued)

transferred, and the Municipality has transferred substantially all risks and rewards of ownership, or when the enterprise loses control of contractual rights that comprise the assets. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expire.

Impairment of trade receivables

Trade and other receivables are recognised initially at fair value, and subsequently stated at amortised cost, less provision for impairment. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off in the year in which they are identified as irrecoverable, subject to the approval of the necessary dedicated authority. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Interest is charged on overdue amounts.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

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 investment in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on facility utilized. Finance charges on bank overdrafts are expensed as incurred.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

Financial liabilities and equity instruments

The Municipality measures all financial liabilities, including trade and other payables, at amortised cost, using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and trade and other payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis.

1.9 Inventories

Inventories consist of raw materials, work in progress, consumables and finished goods, which are valued at the lower of cost, determined on the weighted average basis, and net realisable value, except for plants and compost, which are valued at the tariffs charged. Where it is held for distribution or consumption at no charge or for a nominal amount, inventories are valued at the lower of cost and current replacement value.

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

Redundant and slow moving inventories are identified and written down to their estimated net realisable values. Consumables are written down according to their age, condition and utility.

1.10 Revenue Recognition

Revenue excluding value-added taxation where applicable is derived from a variety of sources which include rates levied in

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.10 Revenue Recognition (continued)

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.

Revenue from exchange transaction

- The Regional Establishment Levy and Regional Services Levy are recognized at the time of receipt. Levies that must be recognised are calculated as a percentage of turnover and remuneration. RSC Levies have been abolished at June 2006, however legislation was issued to allow municipalities to recover all outstanding RSC Levies until 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. The DMA has been transferred to certain local municipalities as determined by the Demarcation Board, therefore council will not account for Revenue from Rates as from the 01 July 2009.
- 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 licenses and permits.
- Various services are provided on a prepayment basis, in which case no formal billing takes place, and revenue is recognised when received.
- Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
 - The Municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
 - The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.
 - The amount of revenue can be measured reliably.
 - The costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Prepaid electricity sold is only recognised as income once the related units are consumed.

Revenue from non-exchange transactions

- Donations are recognised on a cash receipt basis, or at fair value, or where the donation is in the form of property, plant and equipment, when the risks or rewards of ownership have transferred to the Municipality.
- Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003), and is recognised when the recovery thereof from the responsible councillors or officials is probable.

1.11 Offsetting

Financial assets and liabilities are offset and the net amount reported on the balance sheet when there is a legally enforceable right to set off the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.12 Conditional Grants and receipts

Income received from conditional grants, donations and subsidies is recognised 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 and funds 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.

Grants and receipts of a revenue nature

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.12 Conditional Grants and receipts (continued)

Income is transferred to the Statement of Financial Performance as revenue to the extent that the criteria, conditions or obligations have been met.

Grants and receipts of a capital nature

Income is transferred to the Statement of Financial Performance to the extent that the criteria, conditions or obligations have been met.

1.13 Provisions and contingencies

A provision is recognised when the Municipality has a present legal or constructive obligation as a result of a past event, and it is probable 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.

When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost.

Provision for Performance Bonuses

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

Provision for Bonuses

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

1.14 Environmental Rehabilitation Provisions

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the Municipality's policy, taking into account current technological, environmental and regulatory requirements.

The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

1.15 Employee Benefits

Short-term employee benefits

The cost of all short-term employee benefits, such as leave pay, is recognised during the period in which the employee renders the related service. The Municipality recognises the expected cost of performance bonuses only when the Municipality has a present legal or constructive obligation to make such payment, and a reliable estimate can be made.

The Municipality provides long-term incentives to eligible employees, payable on completion of years of employment. The Municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of Financial Performance.

Post-retirement pension funds

Pension contributions in respect of employees who were not members of a pension fund are recognised as an expense when incurred. Staff provident funds are maintained to accommodate personnel who, due to age, cannot join or be part of the various pension funds. The Municipality contributes monthly to the funds.

These contributions are charged to the operating account when employees have rendered the service entitling them to the contribution. Actuarial valuation of the liability is performed on an annual basis. The projected unit credit method has been used to value the liabilities.

The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation, together with adjustments for the unrecognised actuarial gains and losses, and past service costs.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.15 Employee Benefits (continued)

Actuarial gains or losses are accounted for using the 'corridor method'. Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10% of the present value of the gross defined benefit obligations in the scheme. Actuarial gains and losses exceeding 10% are spread over the expected average remaining working lives of the employees participating in the scheme. Actuarial valuations are performed annually.

Medical aid: continued members

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable.

Defined benefit plans are post-employment benefit plans other than defined contribution plans. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year they become payable.

Other post retirement obligations

The Municipality provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff. According to the rules of the medical aid funds with which the Municipality is associated, a member (who is on the current conditions 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% of the medical aid membership fee, and the Municipality for the remaining 70%. Under an accrued rights position agreed to by Council, the age of internally appointed staff under the Municipality's new conditions of service determines, on a sliding-scale basis, the post-retirement subsidy for medical aid. External appointments do not qualify for a post-retirement medical aid subsidy.

These contributions are charged to the operating account when employees have rendered the service entitling them to the contribution. In addition, the Municipality will contribute annually for the next five years, with effect from 1 July 2003, towards funding the unrecognised transitional liability that was calculated by means of the projected unit credit actuarial valuation method.

The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation, together with adjustments for the unrecognised actuarial gains and losses, and past service costs.

Actuarial gains or losses are accounted for using the 'corridor method'. Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10% of the present value of the gross defined benefit obligations in the scheme. Actuarial gains and losses exceeding 10% are spread over the expected average remaining working lives of the employees participating in the scheme. Actuarial valuations are performed annually.

1.16 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

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

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.

Municipality as lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.16 Leases (continued)

Operating leases – lessee

Operating leases are those leases that do not fall within the scope of the above definition. Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease.

1.17 Grants-In-Aid

The Municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the Municipality 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 Statement of Financial Performance as expenses in the period that the events giving rise to the transfer occurred.

1.18 Tax

The Municipality accounts for value-added tax on the payment basis.

1.19 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted for, 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.

1.20 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), and the Public Office Bearers Act (Act No. 20 of 1998), or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.21 Fruitless and wasteful expenditure

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

1.22 Translation of foreign currencies

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 balance sheet date by applying the exchange rate at that date. Exchange differences arising from 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 income or as expenses in the period in which they arise. Council is considering the necessity to take out forward cover before entering into foreign exchange transactions in order to avoid possible losses due to fluctuation in exchange rates.

1.23 Borrowing costs

Borrowing costs are capitalised against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalised over the period during which the asset is being acquired or constructed, and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Further borrowing costs are charged to the Statement of Financial Performance.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.24 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.

1.25 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.

1.26 Comparative figures

Comparative figures are re-classified or restated as necessary to afford a proper and more meaningful comparison of results, as set out in the affected notes to the financial statements.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand	2009	2008
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2. Changes in accounting policy

Council implemented GAMAP/ GRAP in 2004/2005. Since then no changes were made that had a material impact on the annual financial statements.

3. New standards and interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

3.2 Standards and interpretations not yet effective

The municipality has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2009 or later periods:

3.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2009 or later periods but are not relevant to its operations:

IFRIC 12 (AC 445) Service Concession Arrangements

The interpretation addresses the accounting by private sector operators involved in the provision of public sector infrastructure assets and services, such as schools and roads. The interpretation states that for arrangements falling within its scope (essentially those where the infrastructure assets are not controlled by the operator), the infrastructure assets are not recognised as property, plant and equipment of the operator. Rather, depending on the terms of the arrangement, the operator will recognise:

- A financial asset where the operator has an unconditional right to receive a specified amount of cash or other financial asset over the life of the arrangement, or
- An intangible asset where the operator's future cash flows are not specified, for example where they will vary according to usage of the infrastructure asset, or
- Both a financial asset and an intangible asset where the operator's return is provided partially by a financial asset and partially by an intangible asset.

The effective date of the interpretation is for years beginning on or after 01 April 2008.

The municipality has adopted the interpretation for the first time in the 2009 annual financial statements.

The impact of the interpretation is not material.

IFRIC 14 (AC 447) IAS 19 - The Limitation on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The interpretation addresses the limitation of a defined benefit asset in accordance with paragraph 58 of IAS 19 (AC 116) Employee Benefits. The interpretation provides guidance in the determination of the amount of economic benefits available in the form of refunds and reductions in future contributions, which will affect the maximum amount which may be measured as a defined benefit asset.

The effective date of the interpretation is for years beginning on or after 01 April 2008.

The municipality has adopted the interpretation for the first time in the 2009 annual financial statements.

IAS 32 (AC 125) Financial Instruments: Presentation and IAS 1 (AC 101) Presentation of Financial Statements Amendment: Puttable Financial Instruments and obligations Arising on Liquidation

The revision requires that certain puttable financial instruments and other instruments that impose on the entity an obligation to deliver a pro rata share of the net assets of the entity on liquidation should be classified as equity if certain conditions are met. Any classifications of such items are to be disclosed in the financial statements, together with information concerning the entity's objectives and policies with regards to managing such obligations.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

The effective date of the standard is for years beginning on or after 01 April 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

May 2008 Annual Improvements to IFRS's: Amendments to IFRS 7 (AC 144) Financial Instruments: Disclosures

The amendment relates to changes in the Implementation Guidance of the Standard. 'Total interest income' was removed as a component of finance costs from paragraph IG13. This was to remove inconsistency with the requirement of IAS 1 (AC 101) Presentation of Financial Statements which precludes the offsetting of income and expenses.

The effective date of the amendment is for years beginning on or after 01 April 2008.

The municipality has adopted the amendment for the first time in the 2009 annual financial statements.

The impact of the amendment is set out in note 2 Changes in Accounting Policy.

May 2008 Annual Improvements to IFRS's: Amendments to IAS 19 (AC 116) Employee Benefits

With regards to curtailments and negative past service costs clarification has been made that:

- When a plan amendment reduces benefits, the effect of the reduction for future service is a curtailment and the effect of any reduction for past service is a negative past service cost;
- Negative past service cost arises when a change in the benefits attributable to past service results in a reduction in the present value of the defined benefit obligation; and
- A curtailment may arise from a reduction in the extent to which future salary increases are linked to the benefits payable for past service.

The definition of 'return on plan assets' has also been amended to require the deduction of plan administration costs only to the extent that such costs have not been reflected in the actuarial assumptions used to measure the defined benefit obligation.

The term "fall due" in the definition of "short term employee benefits" has been replaced with "due to be settled"

The effective date of the amendment is for years beginning on or after 01 April 2008.

The municipality has adopted the amendment for the first time in the 2009 annual financial statements.

The impact of the amendment is set out in note 2 Changes in Accounting Policy.

May 2008 Annual Improvements to IFRS's: Amendments to IFRS 7 (AC 144) Financial Instruments: Disclosures; IAS 32 (AC 125) Financial Instruments: Presentation; IAS 28 (AC 110) Investments in Associates and IAS 31 (AC 119) Interests in Joint Ventures

The amendment adjusted the disclosure requirements of investments in associates and interests in joint ventures which have been designated as at fair value through profit or loss or are classified as held for trading. The amendment provides that only certain specific disclosure requirements of IAS 28 (AC 110) Investments in Associates and IAS 31 (AC 119) Interests in Joint Ventures are required together with the disclosures of IFRS 7 (AC 144) Financial Instruments: Disclosures; IAS 32 (AC 125) Financial Instruments: Presentation.

The effective date of the amendment is for years beginning on or after 01 April 2008.

The municipality has adopted the amendment for the first time in the 2009 annual financial statements.

The impact of the amendment is set out in note 2 Changes in Accounting Policy.

May 2008 Annual Improvements to IFRS's: Amendments to IAS 36 (AC 128) Impairment of Assets

The amendment requires disclosures of estimates used to determine the recoverable amount of cash-generating units containing goodwill or intangible assets with indefinite useful lives. Specifically, the following disclosures are required when discounted cash flows are used to estimate fair value less costs to sell:

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

- The period over which management has projected cash flows;
- The growth rate used to extrapolate cash flow projections; and
- The discount rate(s) applied to the cash flow projections.

The effective date of the amendment is for years beginning on or after 01 April 2008.

The municipality has adopted the amendment for the first time in the 2009 annual financial statements.

The impact of the amendment is set out in note 2 Changes in Accounting Policy.

May 2008 Annual Improvements to IFRS's: Amendments to IAS 39 (AC 133) Financial Instruments: Recognition and Measurement

IAS 39 (AC 133) prohibits the classification of financial instruments into or out of the fair value through profit or loss category after initial recognition. The amendments set out a number of changes in circumstances that are not considered to be reclassifications for this purpose.

The amendments have also removed references to the designation of hedging instruments at the segment level.

The amendments further clarify that the revised effective interest rate calculated when fair value hedge accounting ceases, in accordance with paragraph 92 IAS 39 (AC 133) should be used for the remeasurement of the hedged item when paragraph AG8 of IAS 39 (AC 133) is applicable.

The effective date of the amendment is for years beginning on or after 01 April 2008.

The municipality has adopted the amendment for the first time in the 2009 annual financial statements.

The impact of the amendment is set out in note 2 Changes in Accounting Policy.

IAS 36 (AC 128) Impairment of Assets: Consequential amendments

Under certain circumstances, a dividend received from a subsidiary, associate or joint venture could be an indicator of impairment. This occurs when:

- Carrying amount of investment in separate financial statements is greater than carrying amount of investee's net assets including goodwill in consolidated financial statements or
- Dividend exceeds total comprehensive income of investee in period dividend is declared.

The effective date of the amendment is for years beginning on or after 01 April 2008.

The municipality has adopted the amendment for the first time in the 2009 annual financial statements.

The impact of the amendment is set out in note 2 Changes in Accounting Policy.

IFRS 3 (AC 140) (Revised) Business Combinations

The revisions to IFRS 3 (AC 140) Business combinations require:

- Acquisition costs to be expensed.
- Non-controlling interest to either be calculated at fair value or at their proportionate share of the net identifiable assets of the acquiree.
- Contingent consideration to be included in the cost of the business combination without further adjustment to goodwill, apart from measurement period adjustments.
- All previous interests in the acquiree to be remeasured to fair value at acquisition date when control is achieved in stages, and for the fair value adjustments to be recognised in profit or loss.
- Goodwill to be measured as the difference between the acquisition date fair value of consideration paid, non-controlling interest and fair value of previous shareholding and the fair value of the net identifiable assets of the acquiree.
- The acquirer to reassess, at acquisition date, the classification of the net identifiable assets of the acquiree, except for leases and insurance contracts.
- Contingent liabilities of the acquiree to only be included in the net identifiable assets when there is a present obligation with respect to the contingent liability.

The effective date of the standard is for years beginning on or after 01 April 2008.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

IAS 12 (AC 102) Income Taxes – consequential amendments due to IAS 27 (AC 132) (Amended) Consolidated and Separate Financial Statements

The amendment is as a result of amendments to IAS 27 (AC 132) Consolidate and Separate Financial Statements. The amendment refers to situations where a subsidiary, on acquisition date, did not recognise a deferred tax asset in relation to deductible temporary differences, because, for example, there may not have been sufficient future taxable profits against which to utilise the deductible temporary differences. If the deferred tax asset subsequently becomes recognisable, the amendment now requires that the deferred tax asset should be recognised against goodwill (and profit or loss to the extent that it exceeds goodwill), only if it results from information in the measurement period about circumstances that existed at acquisition date. No adjustment may be made to goodwill for information outside of the measurement period.

The effective date of the amendment is for years beginning on or after 01 April 2008.

The municipality has adopted the amendment for the first time in the 2009 annual financial statements.

The impact of the amendment is set out in note 2 Changes in Accounting Policy.

IAS 39 (AC 133) Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items

The amendment provides clarification on two hedge accounting issues:

- Inflation in a financial hedged item and
- A one sided risk in a hedged item.

The effective date of the amendment is for years beginning on or after 01 April 2008.

The municipality has adopted the amendment for the first time in the 2009 annual financial statements.

The impact of the amendment is set out in note 2 Changes in Accounting Policy.

Amendment to IAS 39 (AC 133) and IFRS 7 (AC 144): Reclassification of Financial Assets

The amendment permits an entity to reclassify certain financial assets out of the fair value through profit or loss category if certain stringent conditions are met. It also permits an entity to transfer from the available for sale category to loans and receivables under certain circumstances. Additional disclosures are required in the event of any of these reclassifications.

The effective date of the amendment is for years beginning on or after 01 April 2008.

The municipality has adopted the amendment for the first time in the 2009 annual financial statements.

The impact of the amendment is set out in note 2 Changes in Accounting Policy.

GRAP 4: The Effects of Changes in Foreign Exchange Rates

The initial application of GRAP 4 will have no impact on the annual financial statements.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, requires retrospective application on the initial adoption of the Standard except for the acquisition of foreign operations.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard.

The effective date of the standard is for years beginning on or after 01 July 2008.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 5: Borrowing Costs

This Standard allows entities, in the exceptionally rare cases, to expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. This applies when it is inappropriate to capitalise borrowing costs.

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirement of an entity directly to the nature of the expenditure to be funded i.e. capital or current. In such cases, an entity shall expense those borrowing costs related to a qualifying asset directly to the statement of financial performance.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires that the Standard will only apply to borrowing costs incurred on qualifying assets where the commencement date for capitalisation is on or after the effective date of the Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires that the Standard will only apply to borrowing costs incurred on qualifying assets where the commencement date for capitalisation is on or after the effective date of the Standard.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires only prospective application of the Standard and only will apply to borrowing costs incurred on qualifying assets where the commencement date for capitalisation is on or after the effective date of the Standard.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 6: Consolidated and Separate Financial Statements

GRAP 6 includes specific guidance on whether control exists and on power conditions to determine whether control exists in a public sector context – public sector entities need to consider impact of this guidance to determine whether an investment should be accounted for in accordance with GRAP 6.

GRAP 6 includes specific guidance and explanatory material on the accounting of special purpose entities adopted from SIC 12 – SA specific public sector amendment. Public sector entities need to consider impact of this guidance to determine whether an investment should be accounted for in accordance with GRAP 6.

The initial application of GRAP 6 will have no impact on the annual financial statements.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, requires retrospective application of the Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard for separate annual financial statements. For consolidated annual financial statements the result of initially adopting the Standard shall be recognised in the economic entity as an adjustment to the opening balance of accumulated surplus or deficit and comparative information need not be restated for the economic entity.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard for separate annual financial statements. For consolidated annual financial statements the result of initially adopting the Standard shall be recognised in the economic entity as an adjustment to the opening balance of accumulated surplus or deficit and comparative information need not be restated for the economic entity.

CAPE WINELANDS DISTRICT MUNICIPALITY

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Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 7: Investments in Associates

An associate is an entity in which the investor has significant influence and which is neither a controlled entity nor a joint venture of the investor.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies. The investor must exercise judgement in the context of all available information to determine if it has significant influence over an investee.

An investor accounts for investments in associates in the consolidated annual financial statements using the equity method.

The initial application of GRAP 7 will have no impact on the annual financial statements.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, requires retrospective application of the Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard for separate annual financial statements. Any adjustments required to annual financial statements as a result of initially applying the equity method shall be recognised as an adjustment to the opening balance of accumulated surplus or deficit of the period in which the Standard is adopted. Comparative information need not be restated in these annual financial statements.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard for separate annual financial statements. Any adjustments required to annual financial statements as a result of initially applying the equity method shall be recognised as an adjustment to the opening balance of accumulated surplus or deficit of the period in which the Standard is adopted. Comparative information need not be restated in these annual financial statements.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 8: Interests in Joint Ventures

GRAP 8 uses a different definition for joint venture and joint control – contractual arrangement has been replaced by binding arrangement (public sector amendment) – public entities need to review current arrangements to determine whether they fall within the scope of GRAP 8 as a result of the public sector amendment.

Applying the definition of joint control as defined in this Standard may result in the identification of other entities that are also jointly controlled ventures in addition to those identified by complying with applicable legislation.

GRAP 8 incorporates guidance adopted from SIC13 on Non-monetary Contributions by ventures issued by the IASB i.e. provisions for accounting for non-monetary contributions to a jointly controlled entity in exchange for an equity interest in the jointly controlled entity that is accounted for using either the equity method or proportionate consolidation. (Par.57-62).

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, requires retrospective application of the Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard for separate annual financial statements. Any adjustments required to annual financial statements as a result of initially applying

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

the equity or proportionate consolidation method shall be recognised as an adjustment to the opening balance of accumulated surplus or deficit of the period in which the Standard is adopted. Comparative information need not be restated in these annual financial statements.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard for separate annual financial statements. Any adjustments required to annual financial statements as a result of initially applying the equity or proportionate consolidation method shall be recognised as an adjustment to the opening balance of accumulated surplus or deficit of the period in which the Standard is adopted. Comparative information need not be restated in these annual financial statements.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 9: Revenue from Exchange Transactions

The definition of revenue in terms of GRAP 9 incorporates the concept of service potential. Revenue is the gross inflow of economic benefits or service potential when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Entities may derive revenue from exchange or non-exchange transactions.

An exchange transaction is one in which the entity receives resources or has liabilities extinguished, and directly gives approximately equal value to the other party in exchange.

Non-exchange revenue transaction is a transaction where an entity receives value from another entity without directly giving approximately equal value in exchange.

An entity recognises revenue when it is probable that economic benefits or service potential will flow to the entity, and the entity can measure the benefits reliably.

GRAP 9 clarifies that this Standard only applies to revenue from exchange transactions.

Other than terminology difference, no affect on initial adoption of Standard on GRAP 9.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires retrospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 10: Financial Reporting in Hyperinflationary Economies

GRAP 10 includes additional guidance as adopted from Financial Reporting in Hyperinflationary Economies (IFRIC 7) on Applying the Restatement Approach.

The initial application of GRAP 4 will have no impact on the annual financial statements.

The effective date of the standard is for years beginning on or after 01 July 2008.

CAPE WINELANDS DISTRICT MUNICIPALITY

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Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 11: Construction Contracts

The definition for "construction contract" was expanded by including a binding arrangement that do not take the form of a legal contract within the scope of the Standard.

Definition for "cost plus or cost based contract" has been expanded to include commercially-based contract.

The scope has been expanded to include cost based and non-commercial contracts.

Public entities need to review contracts to determine whether they fall within the scope of the Standard based on the above changes.

GRAP 11 incorporates the concept of service potential in the condition to determine whether the outcome of a construction contract can be estimated reliably. The requirement to recognise an expected deficit on a contract immediately when it becomes probable that contract costs will exceed total contract revenue applies only to contracts in which it is intended at the inception of the contract that contract costs are to be fully recovered from the parties to that contract (par.47).

Other than the above requirements, there is no other affect on initial adoption of GRAP 11.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires retrospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospect application of the Standard.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 12: Inventories

GRAP 12 includes the definition of current replacement costs as the cost the entity would incur to acquire the asset on the reporting date. GRAP 12 also includes the principal of service potential associated with the item that will flow to the entity as part of recognition criteria for inventories as well as the concept of goods purchased or produced for distribution at no charge or for a nominal consideration, which is specific to the public sector.

Initial measurement is required at cost (an exchange transaction) and where inventories are acquired at no cost or nominal consideration (non-exchange transaction), their cost shall be their fair value at acquisition date.

Subsequent measurement shall be at lower of cost and net realisable value except if inventories are held for:

- distribution at no charge or for a nominal charge, or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

If the above applies then subsequent measurement shall be at the lower of cost or current replacement cost.

The retail method of measurement of cost is excluded from GRAP 12.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires retrospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard. However, entities are not required to measure inventories in accordance with the requirements of the Standard for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 13: Leases

GRAP 13 incorporates additional guidance on the concept of substance and legal form of a transaction, to illustrate the difference between lease and other contracts and on operating lease incentives.

In certain circumstances, legislation may prohibit the entering into certain types of lease agreements. If the entity has contravened these legislative requirements, the entity is still required to apply the requirements of GRAP 13.

Other than the abovementioned requirements, there is no other impact on the initial adoption of GRAP13.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires retrospective application of the Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment, the recognition requirements of the Standard would not apply to such items until the transitional provision in that Standard expires.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment or the Standard of GRAP on Agriculture, the recognition requirements of the Standard would not apply to such items until the transitional provision in that Standard expires.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 14: Events after the reporting date

An event, which could be favourable or unfavourable, that occurs between the reporting date and the date the annual financial statements are authorised for issue.

GRAP 14 requires the date of authorisation for issue is the date on which the annual financial statements have received approval from management to be issued to the executive authority or municipal council.

Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

An entity shall adjust the amounts recognised in its annual financial statements to reflect adjusting events after the reporting date.

An entity shall not adjust the amounts recognised in its annual financial statements to reflect non-adjusting events after the reporting date.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 16: Investment Property

Investment property includes property held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of an entity's operations.

GRAP 16 states that the use of property to provide housing as a social service does not qualify as investment property even though rentals are earned.

At initial recognition, investment property is measured at cost including transaction costs. However, where an entity acquires investment property through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

After initial recognition, entities can carry investment property at either the fair value (fair value model) or cost less accumulated depreciation and accumulated impairment (cost model).

An entity is required to disclose the fair value of investment property if the cost model is used. When an entity carries investment properties at fair value, the fair value needs to be determined at every reporting date. Gains or losses arising from changes in fair value are included in surplus or deficit for the period in which they arise.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires retrospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard. However, entities are not required to measure investment properties in accordance with the requirements of the Standard for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 17: Property, Plant and Equipment

GRAP 17 does not require or prohibit the recognition of heritage assets but if an entity recognises heritage assets the entity needs to comply with GRAP 17 disclosure requirements.

Additional commentary has been included in to clarify the applicability of infrastructure assets to be recognised in terms of GRAP17.

Where an entity acquires an asset through a non-exchange transaction, i.e. for a nominal or no consideration, its cost is its fair value as at the date of acquisition.

The disclosure requirement for temporarily idle, fully depreciated property, plant and equipment and for property, plant and equipment that are retired from active use is required in GRAP 17 whereas IAS 16 only encourages this disclosure.

The following Directives also need to be considered:

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires retrospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard. However, entities that applied the transitional provisions in the Standard of GAMAP on Property, Plant and Equipment may continue to take advantage of those transitional provisions until they expire.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard. However, entities that applied the transitional provisions in the Standard of GAMAP on Property, Plant and Equipment may continue to take advantage of those transitional provisions until they expire. Entities are also not required to measure classes of Property, Plant and Equipment in accordance with the requirements of the Standard for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the entity. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the entity's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, states that no comparative segment information need to be presented on initial adoption of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment, recognition requirements of this Standard would not apply to such items until the transitional provision in that Standard expires.

Directive 4 – Transitional provisions for medium and low capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions on the Standard of GRAP on Property, Plant and Equipment and the Standard of GRAP on Agriculture, the recognition requirements of the Standard would not apply to such items until the transitional provision in that standard expires.

The effective date of the standard is for years beginning on or after 01 July 2011.

The municipality expects to adopt the standard for the first time in the 2011 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 19: Provisions, Contingent Liabilities and Contingent Assets

GRAP 19 exclude from its scope those provisions and contingent liabilities arising from social benefits for which it does not receive consideration that is approximately equal to the value of goods and services provided directly in return from the recipients of those benefits.

For the purpose of GRAP 19, social benefits refers to goods, services and other benefits provided in the pursuit of the social

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

policy objective of a government. This Standard includes guidance on the accounting of these social benefits.

Outflow of resources embodying service potential also needs to be considered in when assessing if a present obligation that arises from past events exists or not.

The Standard includes accounting for obligations to make additional contributions to a fund. This is similar to the requirements of IFRIC5 (AC438).

It further includes the accounting for the changes in existing decommissioning, restoration and similar liabilities. This is similar to the requirements of IFRIC1 (AC434).

GRAP 19 give specific guidance regarding restructuring by way of transfers that will take place under a government directive and will not involve binding agreements. An obligation exists only when there is a binding transfer agreement.

Additional disclosure for each class of provision regarding reductions in the carrying amounts of provisions that result from payments or other outflows of economic benefits or service potential made during the reporting period and reductions in the carrying amounts of provisions resulting from remeasurement of the estimated future outflow of economic benefits or service potential, or from settlement of the provisions without cost to the entity.

If an external valuation is use to measure a provision the information relating to the valuation can usefully be disclosed.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires retrospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard. However, where items have not been recognised as a result of transitional provisions under the Standard on Property, Plant and Equipment, the recognition requirements of the Standard on Provisions, Contingent Liabilities and Contingent Assets would not apply to such items until the transitional provisions in that Standard expire.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard. However, where items have not been recognised as a result of transitional provisions under the Standard on Property, Plant and Equipment, the recognition requirements of the Standard on Provisions, Contingent Liabilities and Contingent Assets would not apply to such items until the transitional provisions in that Standard expire.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 23: Revenue from Non-exchange Transactions

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the entity.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised as recognise an amount equal to that reduction.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2009.

The municipality expects to adopt the standard for the first time in the 2009 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

GRAP 24: Presentation of Budget Information in the Financial Statements

Subject to the requirements of paragraph .19, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- the approved and final budget amounts;
- the actual amounts on a comparable basis; and
- by way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

Where an entity prepares its budget and annual financial statements on a comparable basis, it includes the comparison as an additional column in the primary annual financial statements. Where the budget and annual financial statements are not prepared on a comparable basis, a separate statement is prepared called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the annual financial statements adjusted to be comparable to the budget.

A comparable basis means that the budget and annual financial statements:

- are prepared using the same basis of accounting i.e. either cash or accrual;
- include the same activities and entities;
- use the same classification system; and
- are prepared for the same period.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2011.

The municipality expects to adopt the standard for the first time in the 2011 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 100: Non-current Assets Held for Sale and Discontinued Operations

GRAP 100 includes in its scope the reference to non-cash generating assets. It further includes definitions relevant to the understanding of the Standard e.g. "Non-cash-generating assets" are assets other than cash-generating assets and "value in use of a non-cash-generating asset" is the present value of the asset's remaining service potential.

GRAP 100 excludes from the description of a discontinued operation reference to a subsidiary acquired exclusively with a view to resale.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires prospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires prospective application of the Standard. However, the Standard would not apply to those items that have not been recognised as a result of the transitional provisions under the Standard of Property, Plant and Equipment until the transitional provision in that Standard expires.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires prospective application of the Standard. However, the Standard would not apply to those items that have not been recognised as a result of the transitional provisions under the Standards of GRAP on Inventories, Investment Property, Property, Plant and Equipment, Agriculture and Intangible Assets until the transitional provision in that Standard expires.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 101: Agriculture

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

GRAP 101 excludes guidance on accounting for non-exchange revenue from government grants related to a biological asset as GRAP 23 on Revenue from Non-Exchange Transactions will provide such guidance.

Recognition requirement includes the concept of the probable flow of service potential.

Biological assets acquired at no or for a nominal value shall be measured on initial recognition and at each reporting date at its fair value less estimated point-of-sale costs.

Additional disclosure is required of biological assets for which the entity's use or capacity to sell is subject to restrictions imposed by regulations that have a significant impact on their total fair value less estimated point-of-sale costs.

In the reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period it is also required to disclose increases or decreases due to transfers.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires retrospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires any adjustments required to the previous carrying amounts of assets and net assets shall be recognised as an adjustment to the opening balance of accumulated surplus or deficit in the period that the Standard initially adopted. Comparative information is not required to be restated on initial adoption of this Standard.

Directive 4 - Transitional provisions for medium and low capacity requires any adjustments required to the previous carrying amounts of assets and net assets shall be recognised as an adjustment to the opening balance of accumulated surplus or deficit in the period that the Standard is initially adopted. Comparative information is not required to be restated. Entities are not required to recognise biological assets and/or agricultural produce for reporting periods beginning on or after a date within three years following the date of initial adoption of this Standard.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 102: Intangible Assets

GRAP 102 excludes guidance on accounting for intangible assets acquired as part of an entity combination and in-process research and development costs acquired in an entity combination.

Recognition requirement includes the concept of the probable flow of service potential.

GRAP 102 distinguishes between impairment loss of cash generating and non-cash-generating assets.

Intangible assets acquired at no or for a nominal cost shall be measured on acquisition date at its fair value.

In GRAP 102 the identifiability criterion in the definition of an intangible asset has been expanded to include contractual rights arising from binding arrangements, and to exclude rights granted by statute.

Additional guidance included in GRAP 102 to explain that distinction should be made between assets associated with the item of property, plant and equipment and the intangible asset.

Guidance on web site costs has been included in GRAP 102 from SIC Interpretation 32 Intangible Assets – Web Site Costs.

Guidance on intangible assets that may be acquired in exchange for non-monetary assets, where the exchange transaction lacks commercial substance has not been included in GRAP 102 as guidance to be included in GRAP 23.

GRAP 102 does not state "gains shall not be classified as revenue" as GRAP term "income" has a broader meaning than the term "revenue".

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires retrospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard. Where entities have, on initial adoption of the Standard, accumulated and retained sufficient information about costs and the future economic benefits or service potential related to intangible assets that may have been expensed previously, those intangible assets should be recognised in accordance with the Standard.

Directive 4 - Transitional provisions for medium and low capacity requires retrospective application of the Standard. Where entities have, on initial adoption of the Standard, accumulated and retained sufficient information about costs and the future economic benefits or service potential related to intangible assets that may have been expensed previously, those intangible assets should be recognised in accordance with the Standard. Entities are not required to measure intangible assets for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Intangible Assets.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

IGRAP1: Interpretation of GRAP: Applying the Probability Test on Initial Recognition of Exchange Revenue

An entity assesses the probability of each transaction on an individual basis when it occurs. Entities shall not assess the probability on an overall level based on the payment history of recipients of the service in general when the probability of revenue is assessed at initial recognition.

The full amount of revenue will be recognised at initial recognition. Assessing impairment is an event that takes place subsequently to initial recognition. Such impairment is an expense. Revenue is not reduced by this expense.

The effective date of the interpretation is for years beginning on or after 01 April 2009.

The municipality has early adopted the interpretation for the first time in the 2009 annual financial statements.

The impact of the interpretation is set out in note 2 Changes in Accounting Policy.

IPSAS 21: Impairment of Non Cash-Generating Assets

The method of measurement of value in use of a non-cash-generating asset under this Standard is different to that applied to a cash generating asset.

Asset should be measured by reference to the present value of the remaining service potential of the asset.

Determining value in use (present value of remaining service potential) of a non-cash-generating asset, may be the depreciated replacement cost approach, restoration cost approach and service units approach.

This Standard does not require entities to apply an impairment test to property, plant and equipment carried at revalued amounts.

This Standard does not include a decrease in market value significantly greater than would be expected as a result of the passage of time or normal use as a minimum indication of impairment. This indication is included as an additional indication that impairment may exist.

The effective date of the standard is for years beginning on or after 01 April 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

IPSAS 20: Related Party Disclosure

IPSAS 20 specifically excludes any consideration provided to key management personnel solely as a reimbursement for expenditure incurred by those individuals for the benefit of the reporting entity.

The effective date of the standard is for years beginning on or after 01 April 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand

2009 2008

4. Property, plant and equipment

	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land and Buildings	156,939,629	(27,753,668)	129,185,961	-	-	-
Infrastructure	3,186,788	(462,265)	2,724,523	3,140,227	(611,038)	2,529,189
Community	-	-	-	30,187,565	(4,157,480)	26,030,085
Other property, plant and equipment	68,721,612	(32,235,238)	36,486,374	155,446,202	(22,706,894)	132,739,308
Capital work in progress	(26,361)	(10,334)	(36,695)	22,340	10,334	32,674
Heritage	3,048,575	(1,558,183)	1,490,392	3,048,575	-	3,048,575
Work in Progress	2,934,685	10,334	2,945,019	4,021	-	4,021
Total	234,804,928	(62,009,354)	172,795,574	191,848,930	(27,465,078)	164,383,852

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand

2009 2008

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2009

	Opening Balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Depreciation	Impairment loss	Total
Land and Buildings	-	2,751,343	(1,445,671)	120,510,084	45,587,278	(3,071,016)	(799,743)	(34,346,314)	129,185,961
Infrastructure	2,529,189	1,740,013	12,835	(1,508,326)	72,735	(8,163)	(35,770)	(77,990)	2,724,523
Community	26,030,085	-	-	(26,030,085)	-	-	-	-	-
Other property, plant and equipment	132,739,308	9,759,168	120,559	(92,028,020)	97,000	(39,689)	(14,161,952)	-	36,486,374
Capital work in progress	32,674	-	-	(69,369)	-	-	-	-	(36,695)
Heritage	3,048,575	-	-	-	-	-	-	(1,558,183)	1,490,392
Work in Progress	4,021	2,908,323	-	32,675	-	-	-	-	2,945,019
	164,383,852	17,158,847	(1,312,277)	906,959	45,757,013	(3,118,868)	(14,997,465)	(35,982,487)	172,795,574

Reconciliation to Depreciation and Amortisations (Note 31)

Depreciation (Note 4)	14,997,465
Impairment Loss (Note 4)	35,982,487
Prior Year Adjustments (Residual Value/ Other Assets)	(13,324,345)
Prior Year Adjustments (Residual Value Vehicle and asset transfer)	(4,654,002)
Revaluation Depreciation	2,319,125
	35,320,730

Reconciliation of property, plant and equipment - 2008

	Opening Balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Total
Infrastructure	91,990,215	372,500	-	(89,729,960)	-	(103,566)	2,529,189
Community	23,092,091	1,409,031	(270,339)	(2,156,774)	-	3,956,076	26,030,085
Other property, plant and equipment	29,997,083	9,117,970	(412,092)	97,272,485	266,150	(3,502,288)	132,739,308
Capital work in progress	-	-	-	32,674	-	-	32,674
Heritage	8,467,000	-	-	(5,418,425)	-	-	3,048,575
Work in Progress	945	3,076	-	-	-	-	4,021
	153,547,334	10,902,577	(682,431)	-	266,150	350,222	164,383,852

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CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand	2009	2008
4. Property, plant and equipment (continued)		
Assets subject to finance lease (Net carrying amount)		
Land	(799,743)	-
Other property, plant and equipment	255,510	128,453
	(544,233)	128,453

Revaluations

The effective date of the revaluations was 30 June 2009. Revaluations were performed by independent valuer, Mr. C.S. Dockel, of Dockel Sibanda & Associates. Dockel Sibanda & Associates is not connected to the municipality.

Land and buildings are re-valued independently every 3 years.

The valuation was performed using the Capitalisation of Income Method, Comparable Sales Method and the Depreciated Replacement Cost Method.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. Two housing schemes was transferred from the Department Public Works to council to do further upgrading and development. During the 2008/2009 financial year several erven in these housing projects were disposed at no cost to the beneficiaries. Although these transactions is reflected as a loss on sale in the Income Statement, but there was no cash implications to the municipality in this regard.

The additions amount in Appendix B, C and E (2) includes the revaluation amount of R 45 757 012.62.

5. Other financial assets

Loans and receivables

Loans and receivables	41,241	254,598
Total other financial assets	41,241	254,598

Non-current assets

Loans and receivables	-	192,911

Current assets

Loans and receivables	41,241	61,687
	41,241	254,598

6. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2009

	Loans and receivables	Total
Other financial assets	41,241	41,241
Other debtors	10,322,423	10,322,423
Cash and cash equivalents	351,387,867	351,387,867
Consumer Debtors	628,347	628,347
	362,379,878	362,379,878

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand	2009	2008
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6. Financial assets by category (continued)

2008

	Loans and receivables	Total
Other financial assets	61,687	61,687
Other debtors	9,749,382	9,749,382
Cash and cash equivalents	327,524,263	327,524,263
Consumer Debtors	457,901	457,901
	337,793,233	337,793,233

7. Retirement benefits

Defined benefit plan

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.

Cape Joint Pensionfund, which is a defined benefit fund and is governed by the Pension funds 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 %, 9% 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 R 3 251 953 on 30 June 2007. The funding level of the fund was 107.2% on 30 June 2007. The 2008/2009 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, Council 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.

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 6 692 055 on 30 June 2006. The funding level of the Pensions Account was 137.4%. Financial Statements for the 2008/2009 financial year are not available yet.

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.

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.

8. Inventories

Consumable stores	1,551,426	1,947,780
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CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand	2009	2008
9. Other Debtors		
Insurance claims	14,183	5,272
*Other receivable	10,308,240	9,744,110
	10,322,423	9,749,382
*Other Receivable		
Accrued Interest	7,119,995	8,409,542
Recoverable Grouplife	993,219	993,219
Outstanding Department of Water Affairs- claims	1,083,385	-
Deposits	132,861	97,861
Suspense vote Conditional Grant	869,235	-
Task	-	102,383
Other debit balances	109,545	141,105
	10,308,240	9,744,110
10. Consumer debtors		
Gross balances		
Rates	589,029	454,112
Other	199,695	105,668
	788,724	559,780
Less: Provision for bad debts		
Rates	129,999	82,648
Other	30,378	19,231
	160,377	101,879
Net balance		
Rates	459,030	371,464
Other	169,317	86,437
	628,347	457,901
Rates		
Current (0 -30 days)	19	-
121 + Days	589,010	454,112
	589,029	454,112
Other (specify)		
Current (0 -30 days)	85,995	34,045
31 - 60 days	46,958	2,630
61 - 90 days	1,689	452
91 - 120 days	954	-
121+ Days	64,099	68,541
	199,695	105,668
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	18,548	10,436
31 - 60 days	20,944	1,797
61 - 90 days	954	452
91 - 120 days	954	-
121 + Days	653,109	522,279

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Figures in Rand	2009	2008
10. Consumer debtors (continued)		
	694,509	534,964
Less: Provision for bad debts	(160,377)	(97,363)
	534,132	437,601
National and provincial government		
Current (0 -30 days)	67,466	23,609
31 - 60 days	26,013	1,207
61 - 90 days	735	-
	94,214	24,816
Less: Provision for bad debts	-	(4,517)
	94,214	20,299
Total		
Current (0 -30 days)	86,014	34,045
31 - 60 days	46,957	3,004
61 - 90 days	1,689	452
91 - 120 days	954	-
121 + Days	653,109	522,279
	788,723	559,780
Less: Provision for bad debts	(160,377)	(101,880)
	628,346	457,900
Less: Provision for debt impairment		
Current (0 -30 days)	(19,009)	(6,113)
31 - 60 days	(10,378)	(1,019)
61 - 90 days	(373)	-
91 - 120 days	(618)	(94,748)
121 + Days	(129,999)	-
	(160,377)	(101,880)
<p>Council does not have any trade services therefore it is not easy to determine payment trends on debtors. However, over the past four years an average of 22.07% (2007/2008 - 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 22.07% (2007/2008 - 18.2%)</p> <p>Legal action are in progress on all Levy Debtors, however, a provision for bad debt was based on matters that were opposed (objections filed, special pleas, pleas, affidavits opposing summary judgment, summons, disputing relevant financial details, etc.).</p>		
Reconciliation of bad debt provision		
Balance at beginning of the year	101,880	18,400,239
Contributions to provision	151,374	-
Bad debts written off against provision	(92,877)	(465,582)
Reversal of provision	-	(17,832,777)
	160,377	101,880
11. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	5,090	5,090
Bank balances	4,085,303	1,505,730
Short-term Investments (See note 35)	347,297,474	326,013,443
	351,387,867	327,524,263

CAPE WINELANDS DISTRICT MUNICIPALITY

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Figures in Rand	2009	2008
12. Revaluation reserve		
Opening Balance	101,882,386	99,627,398
Receipts/ Additions to NDR	56,459,414	-
Revaluation of Property	-	373,240
Offsetting of Depreciation	-	1,881,748
TRF. to Income Statement Depreciation	(37,525,905)	-
	120,815,895	101,882,386

13. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2009

	Capital replacement reserve	Actuarial Gains/ Losses	Government grant reserve	Total
Opening balance	21,255,016	-	5,616,241	26,871,257
Property, plant and equipment purchases	(13,140,858)	-	-	(13,140,858)
Receipts to NDR	-	-	869,025	869,025
Transfer to Income Statement	-	-	(4,356,873)	(4,356,873)
Contributions Received	75,000,000	-	-	75,000,000
Gain for Financial Year	-	4,356,555	-	4,356,555
	83,114,158	4,356,555	2,128,393	89,599,106

Ring-fenced internal funds and reserves within accumulated surplus - 2008

	Capital replacement reserve	Government grant reserve	Total
Opening balance	31,446,636	5,460,113	36,906,749
Property, plant and equipment purchases	(10,191,620)	-	(10,191,620)
Capital grants used to purchase property, plant and equipment	-	376,712	376,712
Offsetting Depreciation	-	(220,584)	(220,584)
	21,255,016	5,616,241	26,871,257

Reconciliation of Accumulated surplus

Opening Balance	269,961,994	235,105,909
Actuarial Gains/ Losses	4,356,555	-
Contributions Received (CRR)	75,000,000	-
Cash Utilised (CRR)	(13,140,858)	(10,191,621)
Transfer to Income Statement (GGR)	(4,356,873)	(220,585)
Capital Grants used to purchase PPE (GGR)	869,026	376,713
Transfer to CRR	(61,859,142)	10,191,621
Capital Grants used to purchase PPE	-	(376,713)
Transfer to Offset Depreciation	37,433,199	(1,661,163)
Other	(11,211,740)	(1)
Prior Year Adjustments	(14,481,514)	8,490,020
Net income/loss for the period	17,633,660	28,247,814
	300,204,307	269,961,994

CAPE WINELANDS DISTRICT MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2009	2008
14. Finance lease		
Opening Balance	143,418	-
Capitalised lease liabilities	242,325	163,832
Payments during the year	(98,314)	(20,414)
	287,429	143,418
Less short term portions transferred to current liabilities	(175,632)	(98,314)
Long term liabilities	111,797	45,104

It is the policy of the council to lease cellphones under finance leases.

The lease term is 24 months.

Interest rates are linked to prime through the lease term.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note .

Depreciation and interest paid will be added to and disclosed together with the other depreciation and interest paid of the municipality.

15. Unspent conditional grants and Receipts

Deferred income comprises:

Conditional grants and receipts

PAWC and State Funds: Various Projects	9,014,373	15,092,628
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See Appendix F for reconciliation of grants from National/Provincial Government.

16. Liabilities

Reconciliation of liabilities - 2009

	Opening Balance	Additions	Total
Medical Contribution	89,872,107	2,562,838	92,434,945

Reconciliation of liabilities - 2008

	Opening Balance	Additions	Utilised during the year	Total
Medical Contribution	80,586,110	11,774,071	(2,488,074)	89,872,107

16.1 FUTURE MEDICAL AID LIABILITY

Reconciliation of Net liability recognized in the Statement of Financial Position:

Opening balance	89,872,108	80,586,110
Medical Aid Liability - Current Service cost	2,752,000	3,067,000
Interest paid on to Future Medical Aid Liability	7,241,000	6,849,819
Medical Aid Liability - Transitional Liability Recognised	-	1,857,253
Actuarial Gain	(4,356,555)	-
	95,508,553	92,360,182
Expected Employer Benefit Payments	(3,073,608)	(2,488,074)
	92,434,945	89,872,108

Reconciliation of Unrecognised Transitional Liability

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Figures in Rand	2009	2008
16. Liabilities (continued)		
Closing Unrecognized Transitional Liability	-	-
Transitional Liability at Date of adopting AC116	-	62,553,000
	-	62,553,000
Reconciliation of Assets and Liabilities Recognised in the Statement of Financial Position		
Fair Value of Plan Assets	-	89,872,108
Present Value of Unfunded Obligations	-	89,872,108
Net Liability in Statement of Financial Position	-	89,872,108
Reconciliation of Assets and Liabilities Recognised in the Statement of Financial Position		
Opening balance	89,872,108	80,586,110
Interest paid on to Future Medical Aid Liability	7,241,000	6,849,819
Medical Aid Liability - Current Service Cost	2,752,000	4,924,253
Expected Employer Benefit Payments	(7,430,163)	(2,488,074)
	92,434,945	89,872,108

16.2 VALUATION METHODOLOGY AND ASSUMPTIONS

16.2.1 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.

16.2.2 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.

Financial Assumptions

The main financial assumptions are as follows:

Medical Aid inflation rate	7.5 %
Investment return	8.5 %

Accounting Standard IAS 19 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

CAPE WINELANDS DISTRICT MUNICIPALITY

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Figures in Rand

2009

2008

16. Liabilities (continued)

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.

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.

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.

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.

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

Withdrawal Rate

Age	Male	Female
20	16.00 %	24.00 %
25	12.00 %	18.00 %
30	10.00 %	15.00 %
35	8.00 %	10.00 %
40	6.00 %	6.00 %
45	4.00 %	4.00 %
50	2.00 %	2.00 %
55	- %	- %

Health Retirement Rates

Age	Male	Female
25	- %	- %
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 %

Early Retirement Rates

Age	Male	Female
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 %

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand	2009	2008
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16. Liabilities (continued)			
	63	4.00 %	4.00 %
	64	5.00 %	5.00 %

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 50% 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.

After Retirement the actual number of qualifying children was taken into account up to a maximum of three. It was assumed that Child Dependant status ceases at age 25.

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

16.3 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:

Funds received	-		213,352
Expenditure	-		(94,131)
Trasfers	-		(119,221)
	-		-

17. Provisions

Ex Gratia Pension Provision

Opening Balance	3,728,801		-
Movements	(25,606)		3,728,801
	3,703,195		3,728,801

18. Creditors

Trade payables	-		12
Payments received in advance	7,970		275,594
Retentions	1,465,817		2,126,728
Accrued leave pay	5,498,285		7,420,531
Accrued bonus	4,694,623		4,334,832
Other creditors	2,148,153		10,405,057
	13,814,848		24,562,754

19. Taxes and transfers payable

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

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand	2009	2008
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20. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2009

	Financial liabilities at amortised cost	Fair value through surplus or deficit - held for trading	Fair value through surplus or deficit - designated	Total
Creditors	1,513,793	-	-	1,513,793
Taxes and Transfers Payable	38,869,898	-	-	38,869,898
	40,383,691	-	-	40,383,691

2008

	Financial liabilities at amortised cost	Fair value through surplus or deficit - held for trading	Fair value through surplus or deficit - designated	Total
Creditors	24,562,742	-	-	24,562,742
Taxes and transfers payable	39,945,156	-	-	39,945,156
	64,507,898	-	-	64,507,898

21. Revenue

Rendering of services	2,327,511	4,856,119
Rental Income	105,121	73,982
Interest received	4,625	340,204
Income from agency services	5,426,603	4,495,727
Government grants	250,159,400	222,286,325
Contribution from Surplus	11,679,024	-
	269,702,284	232,052,357

22. Property Rates

Rates received

Commercial	926,987	824,705
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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.

23. Service charges

Building Plan Scrutiny Fees	34,616	15,403
Fire Fighting Services	1,293,319	3,958,380
	1,327,935	3,973,783

CAPE WINELANDS DISTRICT MUNICIPALITY

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Figures in Rand	2009	2008
25. General expenses		
Accounting fees	53,072	32,833
Advertising	1,209,781	682,818
Assessment rates & municipal charges	2,997	12,015
Auditors remuneration	1,343,924	922,743
Bank charges	81,979	83,222
Cleaning	294,456	248,222
Public Participation	327,727	278,558
Voluntary Fire Service	1,303,535	708,571
Consulting and professional fees	2,205,597	2,166,555
Consumables	327,015	254,393
Debt collection	80,776	274,224
Study Bursary Fund	1,000,000	880,710
Entertainment	216,300	124,087
Flowers	15,504	1,926
Insurance	1,508,065	1,493,743
Community development and training	-	565,962
Conferences and seminars	299,617	222,329
IT expenses	20,696	22,793
Equipment: General Items	601,586	584,933
Office Rentals	879,641	1,336,708
Marketing	556,794	524,407
Levies	22,609	19,971
Magazines, books and periodicals	6,270	5,306
Medical expenses	11,839	18,461
Motor vehicle expenses	2,551,080	1,534,607
RSC 5	-	7,200,000
Refreshments and Tea	218,353	181,525
Fuel and oil	7,687,318	5,734,639
Placement fees	78,845	39,145
Postage and courier	59,122	35,794
Printing and stationery	1,442,746	1,220,864
Promotions	827,258	693,230
Protective clothing	85,733	8,964
Project Expenditure	58,824,769	51,606,696
Security (Guarding of municipal property)	378,785	351,790
Software expenses	704,286	639,550
Subscriptions and membership fees	755,435	681,479
Telephone and fax	3,356,983	3,182,689
Transport and freight	3,428,804	2,535,563
Training	3,530,396	3,351,125
Travel	2,786,684	2,318,876
Loss on sale of Assets	12,014,680	-
Title deed search fees	3,459	10,591
Exhibitions and Events	2,421,782	1,552,299
Electricity	933,716	810,491
Sewerage and waste disposal	111,041	113,840
Water	137,246	376,405
Refuse	46,053	44,909
Uniforms	1,079,921	986,358
Tourism development	416,353	320,249
Co- Operational Agreements	180,173	459,869
Stock Write-Off	55,969	-
Workshop Cost (Internal)	4,035,138	3,445,143
Ex Gratia Pension Fund	-	3,728,801
Audit and Risk Support Services	365,822	279,632
Expenditure Debited Elsewhere	(41,205,900)	(41,676,772)
Departmental Chargers	17,048,904	15,531,627
Fire fighting special events	4,516,930	3,339,570
Venue expenses	156,595	239,880

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Figures in Rand	2009	2008
25. General expenses (continued)		
Billing charges	31,203	40,323
Chemicals	180,646	140,978
Other expenses (See footnote)*	4,909,674	4,152,387
Property only	695,393	641,288
	107,221,175	87,319,894
* Items included in other expenses greater than R 100 000		
Contingencies	522,153	203,459
Emergency Aid	568,448	130,214
Contribution Academy of Learning	563,050	171,526
Herbicides	142,147	25,956
NGO Services	465,501	500,000
Payment in Advance	-	172,022
Public Functions	248,834	182,442
Relocation Cost	282,938	273,619
Task post evaluation	4,959	245,299
Translation	240,929	258,194
Water/ food samples testing	571,321	533,650
Workshop/ training	21,711	117,499
Year end function	212,654	34,717
Payment in Advance	-	172,022
* Other expenses less than R 100 000	1,065,029	1,131,768
	4,909,674	4,152,387

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Figures in Rand	2009	2008
26. Employee related costs		
Basic	45,759,873	37,495,263
Bonus	4,048,370	6,784,944
Medical aid - company contributions	4,483,586	3,626,843
UIF	412,686	345,955
WCA	456,059	478,598
Leave pay provision charge	(17,560)	3,479,925
Other short term costs	2,708,263	-
Post-employment benefits - Pension - Defined contribution plan	7,811,863	6,397,636
Travel, motor car, accommodation, subsistence and other allowances	7,999,802	6,260,523
Overtime payments	1,487,609	1,003,112
Long-service awards	6,500	2,000
Housing benefits and allowances	2,507,186	1,399,098
Other Allowance	2,159,628	1,608,335
Group Schemes	728,190	589,753
Telephone	69,314	2,221
Performance Bonus	303,175	512,372
	80,924,544	69,986,578
Remuneration of municipal manager (K. Chetty)		
Annual Remuneration	-	136,785
Contributions to UIF, Medical and Pension Funds	-	35,890
Computer Allowance	-	3,414
Study Allowance	-	4,096
	-	180,185
Remuneration of municipal manager (M. Mgajo)		
Annual Remuneration	675,635	523,684
Car Allowance	65,000	53,905
Performance Bonuses	76,157	88,758
Contributions to UIF, Medical and Pension Funds	156,486	130,926
Other	14,201	-
	987,479	797,273
Remuneration of executive director (Corporate and Strategic Services)		
Annual Remuneration	569,831	468,818
Car Allowance	70,000	107,500
Performance Bonuses	50,891	90,246
Contributions to UIF, Medical and Pension Funds	123,789	117,984
Other	59,036	-
	873,547	784,548

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Notes to the Annual Financial Statements

Figures in Rand	2009	2008
26. Employee related costs (continued)		
Remuneration of chief finance officer		
Annual Remuneration	578,531	544,144
Car Allowance	30,000	18,000
Performance Bonuses	50,891	90,246
Contributions to UIF, Medical and Pension Funds	149,749	151,262
Other	10,085	-
	819,256	803,652
Remuneration of executive director (Regional Development and Planning Services)		
Annual Remuneration	561,507	500,372
Car Allowance	76,000	46,000
Performance Bonuses	50,891	95,634
Contributions to UIF, Medical and Pension Funds	109,494	97,573
Other	23,279	91,120
	821,171	830,698
Remuneration of executive director (Community and Developmental Services)		
Annual Remuneration	678,760	157,790
Car Allowance	62,000	15,500
Contributions to UIF, Medical and Pension Funds	6,840	1,710
Other	25,940	3,695
	773,540	178,695
Remuneration of executive director (Rural and Social Development)		
Annual Remuneration	234,783	-
Car Allowance	83,000	-
Contributions to UIF, Medical and Pension Funds	56,018	-
Other	20,105	-
	393,905	-
Remuneration of executive director (Engineering and Infrastructure Services)		
Annual Remuneration	666,520	477,500
Car Allowance	60,000	48,327
Performance Bonuses	50,891	90,246
Contributions to UIF, Medical and Pension Funds	31,760	103,170
Other	58,942	-
	868,113	719,243

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Figures in Rand	2009	2008
26. Employee related costs (continued)		
Remuneration of executive director (Councillor Support)		
Annual Remuneration	-	260,069
Performance Bonuses	-	40,068
Contributions to UIF, Medical and Pension Funds	-	67,704
	-	367,841
Remuneration of executive director (Economic Development and Tourism)		
Annual Remuneration	-	2,743
Performance Bonuses	-	87,664
Other	-	1,029
	-	91,436
27. Remuneration of councillors		
Executive Major	378,636	416,569
Deputy Executive Mayor	360,158	299,142
Mayoral Committee Members	1,569,569	1,757,278
Speaker	371,652	328,162
Councillors	1,615,473	1,320,049
Councillors' pension contribution	504,941	492,887
Travelling Expenses	1,002,521	946,206
Allowances: Other	337,757	318,648
	6,140,707	5,878,941
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.		
28. Medical Aid Liability		
Medical Aid Liability - Current Service cost	2,752,000	3,067,000
Medical Aid Liability - Transitional Liability Recognised	-	1,857,253
	2,752,000	4,924,253
29. Debt impairment		
Bad debts	-	1,473,873
30. Investment revenue		
Interest revenue		
Other interest	45,638,005	38,128,613

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand	2009	2008
31. Depreciation and amortisation		
Property, plant and equipment	35,320,547	8,096,272
32. Finance costs		
Interest paid on to Future Medical Aid Liability	7,241,000	6,849,819
Finance leases	20,736	6,943
Interest paid on Unspent Grant and Funds	2,851,280	3,158,369
	10,113,016	10,015,131
33. Auditors' remuneration		
Fees	1,343,924	922,743
34. Cash (used in) generated from operations		
Surplus before taxation	17,633,651	28,247,807
Adjustments for:		
Depreciation and amortisation	35,320,547	8,096,272
Interest Finance Lease	(20,736)	(6,943)
Corrections PPE	-	6,589
Prior year transactions	2,613,348	1,067,392
Current Service Cost of Medical Aid Liability	-	3,067,000
Contribution to bad debt provision	-	5,586,054
Interest income	(4,625)	(340,204)
Interest received - Investments	(45,638,005)	(38,128,613)
Finance costs	3,914,117	10,015,131
Movements in non- cash transactions	(709,141)	(16,637,472)
Actuarial Gains/ Losses	4,356,555	-
Changes in working capital:		
Inventories	396,354	(733,240)
Other Debtors	(573,041)	(3,249,552)
Consumer debtors	(170,447)	(22,603,377)
Creditors	(10,747,894)	6,314,607
VAT	(2,621,792)	40,193,254
Unspent conditional grants and Receipts	(6,078,255)	2,162,069
	(2,329,364)	23,056,774

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand	2009	2008
35. Short-term Investments		
Invested as at 30 June 2009 at the following A1 banks as precribed by Council's Investment Policy.		
ABSA Call Account		
OORGEDRA	11,013,443	15,069,386
JTD TRANSAKSIES	3,284,031	(4,055,943)
	14,297,474	11,013,443
ABSA		
OORGEDRA	60,000,000	60,000,000
JTD TRANSAKSIES	5,000,000	-
	65,000,000	60,000,000
FNB		
OORGEDRA	70,000,000	30,000,000
JTD TRANSAKSIES	(7,000,000)	40,000,000
	63,000,000	70,000,000
INVESTEC		
OORGEDRA	50,000,000	55,000,000
JTD TRANSAKSIES	30,000,000	(5,000,000)
	80,000,000	50,000,000
NEDCOR		
OORGEDRA	65,000,000	65,000,000
JTD TRANSAKSIES	(15,000,000)	-
	50,000,000	65,000,000
STANDARD BANK		
OORGEDRA	70,000,000	60,000,000
JTD TRANSAKSIES	5,000,000	10,000,000
	75,000,000	70,000,000
Total Short-term Investments (See note 11)	347,297,474	326,013,443
Bank/ Cash - Absa		
Bank balances	4,085,303	1,510,820
	351,382,777	327,524,263
Future Obligations and Reserves linked to investments.		
Medical Contribution	92,434,945	89,872,107
Capital replacement reserve	83,114,158	21,255,016
Future Depreciation	-	27,429,697
Government grant reserve	2,128,393	5,616,241
Unspent conditional grants and Reciepts	9,014,373	15,092,628
Accrued leave pay	5,498,285	7,420,531
Retentions	1,465,817	2,126,728
Other creditors	2,148,153	10,680,652
Provision for Bad Debt	-	1,473,873
Working Capital	155,578,653	146,556,790
	351,382,777	327,524,263

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand 2009 2008

36. Contingencies

Contingent Asset

(i) Council rendered a Primary Health care service on an agency basis for the Provincial Government. The Department of Health refuse to accept responsibility for the difference between the amounts claimed by the Council and the amounts paid to Council as a debt (R8 676 504) in their books. This issue is still subject to legal opinion.

(ii) The municipality has a challenge regarding the recovery of debt amounting to R459,162,782 arising from the levying of RSC levies. It is unlikely that the municipality will recover a major part of these levies. Currently 40 of the 108 cases are being disputed and these cases would have to be settled in a court of law and will result in legal costs of approximately R300 000 to contest each case. Objections were raised by levy payers with SARS, as SARS is the only authority that can make the adjustments. A formal letter was sent by the council's legal section to the Commissioner of SARS on 16 July 2009 to confirm the adjusted amounts.

Legal fees in this respect amounted to R548,523 for the year under review.

(iii) The municipality has outstanding fire accounts of R 9 828 310. Currently 185 cases has been handed over for legal action.

Municipalities	2,287,089	1,893,221
Organs of State	3,268,411	1,109,238
Other	4,272,810	4,536,965
	9,828,310	7,539,424

Contingent liabilities

(i) 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 currently available from the fund.

(ii) Guarantees to Building Societies and Banks in respect of housing loans to employees.	118,580	184,080
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(iii) The obligation to implement task was phased out, because personnel are being remunerated according to the posts they were placed in although the Task Job Evaluation process has not been completed yet.

(iv) During December 2005 mountain fires caused extensive damage to various properties in the district. The fire started at approximately 15:24 on the 25th December 2005 above "Groendal" informal settlement near Franschoek. The fire rapidly spread upslope in extreme weather conditions, (hot, dry and windy). Although the response was quick the fire was beyond reach by the time the resources arrived. The fire spread to inaccessible mountain terrain, fanned by strong, gusty winds. It spread towards Wemmershoek dam and Du Toitskloof. A number of farms, buildings, vineyards, orchards and plantations were threatened. Fire fighters battled under extremely difficult and dangerous conditions to save lives and property. On the 2nd of January 2006, it was necessary to close both the N1 toll road and the Du Toitskloof pass due to heavy smoke and fire in close proximity to the traffic. The fire was brought under control and finally extinguished on the 5th January 2006. The area destroyed by the fire was ±12 380 hectares (123,8m²) which consists mainly of fynbos and damage to some orchards. No structural damage has been reported. It must be noted that Stellenbosch Municipality is the first defendant on this case. The plaintiff (Cape Nature) sues the first defendant (Stellenbosch Municipality) or second defendant (Cape Winelands District Municipality) for R 10 706 557.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand	2009	2008
37. Related parties		
Only the known related parties was disclosed. An forensic investigation is currently being conducted, therefore the related parties might change. See Appendix G and Appendix I (Study Bursaries).		
38. Restatement of corresponding figures		
Certain corresponding figures as at 30 June 2008 have been restated as a result of an error discovered in the financial statements of the municipality as at 30 June 2009 and for the year ended 30 June 2008.		
(i) Debtor denies the existence of the debt in its entirety		
(dr) Provision for bad debts	8,696,956	-
(cr) Other Debtors	(8,696,956)	-
	-	-
(ii) Inclusion of the Valuation Roll in Property, Plant and Equipment		
(dr) Provision for depreciation	539,029	-
(cr) Property, Plant and Equipment	(539,029)	-
	-	-
(iii) Finance Lease (in respect of cell phones)		
(dr) Property, Plant and Equipment	255,510	-
(cr) Prior year adjustment	(255,510)	-
	-	-
(iv) Government grants incorrectly disclosed		
(dr) Government grant	66,379,376	-
(cr) Income from agency services	(66,379,376)	-
	-	-
(v) Challenge regarding the RSC levy debts		
(dr) Contingent Asset – Prior year adjustment	459,162,782	-
(cr) Regional Services Levies	(459,162,782)	-
	-	-
(vi) Challenge regarding the Regional Services Council (RSC levy) levy debts		
(dr) Contingent Asset – Prior year adjustment	457,498,961	-
(cr) Provision for bad debts	(457,498,961)	-
	-	-
(vii) Challenge regarding the Regional Services Council levy (RSC levy) debts (reversal of interest)		
(dr) Provision for bad debts	35,003,427	-
(cr) Interest on debtors	(35,003,427)	-
	-	-
(viii) Challenge regarding the Regional Services Council levy (RSC levy) debts (reversal of interest)		
(dr) Prior year adjustments	88,576,510	-
(cr) Interest on debtors	(88,576,510)	-
	-	-
(ix) Reversal of overprovision for leave		

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand	2009	2008
38. Restatement of corresponding figures (continued)		
(dr) Leave provision	2,026,323	-
(cr) Prior year adjustment	(2,026,323)	-
	<u>-</u>	<u>-</u>

39. Risk management

Interest rate risk

The Council has no outstanding loans as at 30 June 2009. The increases in interest rates will therefore have no effect on the liquidity of Council.

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.

Foreign exchange risk

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

RELIANCE ON NATIONAL GOVERNMENT FOR FUNDS (INCOME)

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

POLITICAL RISK

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

DISCLOSURE ON COLLATERAL

Refer to note 36

40. Deviation from supply chain management regulations

See Appendix G.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand	2009	2008
41. Other Income		
Task Refund	-	646,359
Recoverable Personell	198,946	345,107
Seta Refund	1,224,385	256,756
Tourism	149,565	80,711
Roads	35,096	3,886,265
Comprehensive Health	111,596	5,567
Environmental Services	-	52,632
Recovery of Tax on Group Life	-	975,370
Fire Fighting Services	2,499	10,368
Admin: Work for Water	355,022	296,828
Boland College Glass Blowing	100,000	-
City of Cape Town	570,000	-
Income Received from Insurance	171,404	-
Shop Steward Refund	4,540	-
Other income	276,660	-
Contribution from Medical Aid Liability	3,073,608	-
Other	1,518,411	567,071
	7,791,732	7,123,034

42. Fair Value

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. Therefor every material line item in the financial instruments carrying value approximates the fair value.

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

Councils surplus funds are not managed by external asset management service providers.

43. Pension Fund Liability

Net Assets Available for benefits: R 3 626 285 000

The market value of the assets for benefits, for the purpose of comparison with the actuarial present value of promised retirement benefits:

- Defined Benefit Section: R 3 251 953 000
- Defined Contribution Section: R 374 332 00

The actuarial value of of promised retirement benefits:

Defined Benefit Section

Active and paid-up members liabilities: R 895 689 000

Pensioners: R 1 925 459 000

Defined contribution Section

Active Members Shares: R 362 299 000

Reserve account balances:

Defined Benefit investment reserve: R 248 072 000

Defined Contribution investment reserve: R 12 033 000

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:

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand	2009	2008
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The value of the assets has been presented at market value with separate provision for an "investment reserve" in the Defined Benefit Section. The principle of consistency between the value of the assets and the value of liabilities is thus maintained.

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

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

The value of the Defined Benefit investment reserve has been determined by discounting the expected future investment proceeds generated by a notional portfolio of assets at the valuation rate of interest. The investment reserve is determined as the market value of the assets less the discounted value of the assets. The notional portfolio aims to reflect the investment strategy of the fund.

Provisions have been made for expected future improvements in pensioner mortality. Both active member and pensioner liabilities allow for a 1.5 % p.a. improvement in post retirement mortality. In the previous valuation as at 30 June 2007, an allowance for mortality improvements was provided for in separate solvency reserve. In the current valuation as at 30 June 2008, the allowance for mortality improvement has been included in the active member and pensioner liabilities.

Provisions have been made for expected future improvements in pensioner mortality. Both active member and pensioner liabilities allow for a 1.5 % p.a. improvement in post retirement mortality. In the previous valuation as at 30 June 2007, an allowance for mortality improvements was provided for in separate solvency reserve. In the current valuation as at 30 June 2008, the allowance for mortality improvement has been included in the active member and pensioner liabilities.

Details of the actuarial assumptions adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary report.

Interest Rate	10 % p.a.	8 % p.a.
Pension Increases	3.6 % p.a.	2 % p.a.
Interest rate net of pension increases	6.18 % p.a.	6% p.a.
Price Inflation	6 % p.a.	4 % p.a.
Dividend growth	6.5 % p.a.	4.5 % p.a.
Mortality of pensioners	PA 90 - 2 years and 1.5% p.a. improvement	PA 90 - 2 years and 1.5% p.a. improvement
Mortality of ill- health pensioners	PA 90 + 8 years and 1.5% p.a. improvement	PA 90 + 8 years and 1.5% p.a. improvement
Husband's age greater than wife	4 years	4 years
Portion married: Active retirement	90 %	90 %
Portion married: Pensioners qualifying for spouse's pension	80 %	80%

Financial Condition: Defined Benefit Section

Market Value of Assets	R 3 251 953	R3 445 815
Active Service members	R 895 476	R 835 952
Paid- up members	R 213	R7 349
Pensioner liabilities	R 1 925 459	R 1 853 551
Solvency reserve	0	R 75 368
Investment reserve	R 248 072	R 473 386
Surplus/ (Deficit)	R 182 733	R 200 209
Funding level (DB Section)	106.5 %	107.2 %

Financial Condition: Defined Contribution Section

Market value of assets	Declared 3 % p.a.	Declared 19.3% p.a.
	R 374 332	R 404 032

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand	2009	2008
Members Shares	R 362 299	R 383 812
Investment reserve	R 12 033	R 20 220
Funding level (DC Section)	103.3 %	105.3%
	-	-

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 3% p.a. for the DC Section. Pension increases of 6.4% effective 1 January 2008. A pensioner bonus of 75% of monthly pension bonus was granted in December 2007

The Fund is in a sound financial condition as at 30 June 2008.

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.

44. Commitments

Future commitments	25,073,629	9,002,663
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See Appendix H for detail on future commitments

CAPE WINELANDS DISTRICT MUNICIPALITY

APPENDIX B for the period ended 30 June 2009
June 2009

GOVERNMENT TEMPLATE: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009
Accumulated Depreciation

	Yearly										
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Carrying Value	Budget Additions
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Land/ Heritage											
Historical Buildings	3,048,575	-	-	-	3,048,575	-	1,558,183	-	1,558,183	1,490,392	-
Painting & Art Galleries	-	-	-	-	-	-	-	-	-	-	-
Buildings	3,048,575	-	-	-	3,048,575	-	1,558,183	-	1,558,183	1,490,392	-
Buildings	18,568,640	3,130,129	-	-	21,698,769	1,418,772	11,526,026	16,905	12,927,893	8,770,876	-
Care Centres	101,778	-	-	-	101,778	3,402	98,376	-	101,778	-	-
Community Centre	2,219,468	119,000	-	42,549	2,295,919	470,501	72,150	108,241	434,410	1,861,509	-
Clinics/ Hospitals	4,896,202	-	-	-	4,896,202	1,959,752	119,067	-	2,078,819	2,817,383	-
Hostel Workers	1,916,143	(54,860)	-	66,199	1,795,084	298,264	940,365	127,595	1,111,034	684,050	-
Housing Schemes	20,007,347	982,371	2,908,324	13,695,728	10,202,314	1,688,936	1,055,136	2,234,377	509,695	9,692,619	-
Informal Housing	859,192	-	-	-	859,192	-	-	-	-	859,192	-
Laboratories	274,468	-	-	234,296	40,172	239,991	1,339	234,296	7,034	33,138	-
Office building	31,080,645	1,348,587	-	2,450,517	29,978,715	1,483,086	9,161,602	2,669,421	7,975,267	22,003,448	-
Other Land	31,564,723	39,087,711	-	-	70,652,434	140,517	11,592,072	11,732,589	7,975,267	70,652,434	-
Outdoor Sports	19,621	-	-	-	19,621	4,580	654	-	5,234	14,387	-
Parks	196,211	-	-	-	196,211	45,800	6,540	-	52,340	143,871	-
Public Conveniences	533,255	(18,708)	-	295,723	218,824	295,281	202,564	348,431	149,414	69,410	-
Workshops/ Depots	13,690,240	3,744,392	-	541,912	16,892,720	(1,646,537)	2,656,686	(1,590,602)	2,400,751	14,491,969	-
Correction	-	-	-	-	-	-	-	-	-	-	-
Leasehold property	125,927,933	48,338,622	2,908,324	17,326,924	159,847,955	6,202,345	37,432,577	15,881,253	27,753,669	132,094,286	-
Sewerage Mains & Purify	-	-	-	-	-	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-	-	-	-	-	-
IT equipment	-	-	-	-	-	-	-	-	-	-	-
Computer software	-	-	-	-	-	-	-	-	-	-	-
Housing Develop Fund	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Car Parks	189,800	-	-	-	189,800	40,086	6,327	-	46,413	143,387	-
Fencing	-	-	-	-	-	-	-	-	-	-	-
Water meters	11,547	-	-	-	11,547	8,162	1,271	-	9,433	2,114	-

CAPE WINELANDS DISTRICT MUNICIPALITY

APPENDIX B for the period ended 30 June 2009
June 2009

GOVERNMENT TEMPLATE: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009
Accumulated Depreciation

	Yearly										
	Opening Balance Rand	Additions Rand	Under Construction Rand	Disposals Rand	Closing Balance Rand	Opening Balance Rand	Additions Rand	Disposals Rand	Closing Balance Rand	Carrying Value Rand	Budget Additions Rand
Office Buildings	-	-	-	-	-	-	-	-	-	-	-
Paving	84,632	84,284	-	-	168,916	84,632	-	-	84,632	84,284	-
Power Stations	255,946	72,735	-	-	328,681	81,270	86,589	12,835	155,024	173,657	-
Purification	-	-	-	-	-	-	-	-	-	-	-
Airports/ Radio	832,114	-	-	-	832,114	139,027	27,737	-	166,764	665,350	-
Security System	-	-	-	-	-	-	-	-	-	-	-
Water mains	-	-	-	-	-	-	-	-	-	-	-
Mains Electric	-	2,028,229	-	-	2,028,229	-	-	-	-	2,028,229	-
	1,374,039	2,185,248	-	-	3,559,287	353,177	121,924	12,835	462,266	3,097,021	-

CAPE WINELANDS DISTRICT MUNICIPALITY

APPENDIX B for the period ended 30 June 2009
June 2009

GOVERNMENT TEMPLATE: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009
Accumulated Depreciation

	Yearly										
	Opening Balance Rand	Additions Rand	Under Construction Rand	Disposals Rand	Closing Balance Rand	Opening Balance Rand	Additions Rand	Disposals Rand	Closing Balance Rand	Carrying Value Rand	Budget Additions Rand
Community	-	-	-	-	-	-	-	-	-	-	-
Other property, plant and equipment											
Access Control	6,300	-	-	-	6,300	-	210	-	210	6,090	-
Agency Services	2,089,059	-	-	-	2,089,059	(2,958)	-	-	(2,958)	2,092,017	-
Air Conditioner	365,812	-	-	-	365,812	281,529	66,117	-	347,646	18,166	-
Audio Equipment	632,901	113,991	-	-	746,892	537,808	71,107	-	608,915	137,977	-
Bulk Containers	35,500	154,395	-	-	189,895	1,770	7,984	-	9,754	180,141	-
Cabinets/ Cupboards	687,277	51,580	-	-	738,857	627,692	18,740	-	646,432	92,425	-
Canopy	32,114	-	-	-	32,114	15,210	4,056	-	19,266	12,848	-
Chairs	1,168,014	112,447	-	-	1,280,461	1,046,666	34,758	-	1,081,424	199,037	-
Computer Hardware	8,047,628	1,229,579	-	-	9,277,207	5,730,103	1,283,444	-	7,013,547	2,263,660	-
Conveyors	40,387	-	-	-	40,387	40,387	-	-	40,387	-	-
Drill Concrete	313	-	-	-	313	42	63	-	105	208	-
Equipment/ Apparatus	7,892	211,950	-	-	219,842	787	25,570	-	26,357	193,485	-
Electrical Equipment	303,554	190,444	-	-	493,998	198,704	35,081	-	233,785	260,213	-
Laboratory Equipment	5,054	2,005	-	-	7,059	-	1,088	-	1,088	5,971	-
Radio Equipment	631,804	111,641	-	-	743,445	555,153	49,123	-	604,276	139,169	-
Telecommunication	177,581	-	-	-	177,581	112,968	28,968	-	141,936	35,645	-
Fencing	612,275	440,350	-	-	1,052,625	82,986	110,832	-	193,818	858,807	-
Fire Equipment	1,518,023	711,351	-	-	2,229,374	398,302	185,849	-	584,151	1,645,223	-
Generator	1,231,847	77,170	-	-	1,309,017	326,273	220,719	-	546,992	762,025	-
General Plant	1,228,639	-	-	-	1,228,639	1,004,626	110,401	-	1,115,027	113,612	-
Fire Hoses	36,800	-	-	-	36,800	19,104	10,222	-	29,326	7,474	-
Emergency light	21,850	-	-	-	21,850	8,052	1,439	-	9,491	12,359	-
Miscellaneous	1,401,687	792,288	-	-	2,193,975	871,154	178,259	-	1,049,413	1,144,562	-
Office Machines	3,014,160	756,749	-	-	3,770,909	2,534,424	374,796	-	2,909,220	861,689	-
Pumps	35,197	820	-	-	36,017	15,528	5,428	-	20,956	15,061	-
Water Purification	372,500	-	-	-	372,500	-	16,000	-	16,000	356,500	-
Security System	1,314,487	97,000	-	-	1,411,487	181,808	56,195	-	1,294,042	1,294,042	-
Tables/ Desks	1,195,079	83,589	-	-	1,278,668	1,071,579	42,496	-	1,114,075	164,593	-
Tools	28,621	27,452	-	-	56,073	3,688	7,936	-	11,624	44,449	-
Trailers	1,717,890	455,700	-	-	2,173,590	803,941	188,169	-	992,110	1,181,480	-
Valuation Roll	539,029	-	-	-	539,029	539,029	539,029	-	-	-	-
Vehicles	11,402,091	1,206,598	-	-	12,608,689	7,159,224	(760,780)	-	5,433,790	6,210,245	-
Ambulances	1,202,703	-	-	-	1,202,703	1,171,933	30,770	-	73,448	-	-
Compressors	35,747	-	-	-	35,747	10,857	4,978	-	15,835	19,912	-
Fire Engines	13,568,006	2,282,722	-	-	15,850,728	4,673,717	(729,307)	-	3,944,410	11,906,318	-
Lawnmowers	-	-	-	-	-	-	-	-	-	-	-
Trucks and Bakkies	6,626,728	131,522	-	-	6,758,250	5,567,749	(2,384,021)	-	3,183,728	3,574,522	-
Corrections	-	-	-	-	-	-	(34,411)	-	(34,411)	34,411	-

CAPE WINELANDS DISTRICT MUNICIPALITY

APPENDIX B for the period ended 30 June 2009
June 2009

GOVERNMENT TEMPLATE: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009
Yearly Accumulated Depreciation

Task	Yearly										Carrying Value Rand	Budget Additions Rand
	Opening Balance Rand	Additions Rand	Under Construction Rand	Disposals Rand	Closing Balance Rand	Opening Balance Rand	Additions Rand	Disposals Rand	Closing Balance Rand	Carrying Value Rand		
Cellphones	-	-	-	-	-	(14,028)	-	-	(14,028)	14,028	-	-
	163,832	242,325	-	-	406,157	35,379	115,268	-	150,647	255,510	-	-
Total	61,498,381	9,483,668	-	2,632,938	68,349,111	35,611,186	(622,453)	2,753,496	32,235,237	36,113,874	-	-
Land/ Heritage	3,048,575	-	-	-	3,048,575	-	1,558,183	-	1,558,183	1,490,392	-	-
Buildings	125,927,933	48,338,622	2,908,324	17,326,924	159,847,955	6,202,345	37,432,577	15,881,253	27,753,669	132,094,286	-	-
Leasehold property	-	-	-	-	-	-	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	-	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-	-	-	-	-	-	-
IT equipment	-	-	-	-	-	-	-	-	-	-	-	-
Computer software	-	-	-	-	-	-	-	-	-	-	-	-
Housing Develop Fund	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	1,374,039	2,185,248	-	-	3,559,287	353,177	121,924	12,835	462,266	3,097,021	-	-
Community	-	-	-	-	-	-	-	-	-	-	-	-
Other property, plant and equipment	61,498,381	9,483,668	-	2,632,938	68,349,111	35,611,186	(622,453)	2,753,496	32,235,237	36,113,874	-	-
Total	191,848,928	60,007,538	2,908,324	19,959,862	234,804,928	42,166,708	38,490,231	18,647,584	62,009,355	172,795,573	-	-

CAPE WINELANDS DISTRICT MUNICIPALITY
CAPE WINELANDS DISTRICT MUNICIPALITY
APPENDIX C for the period ended 30 June 2009
June 2009

GOVERNMENT TEMPLATE: SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009											
Accumulated Depreciation											
Cost/Revaluation											
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Carrying Value	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Executive & Council	1,872,276	352,433	-	-	2,224,709	1,619,629	192,640	-	1,812,269	412,440	
Finance & Admin	159,696,754	52,269,833	-	19,959,862	192,006,725	27,675,630	37,873,153	18,647,584	46,901,199	145,105,526	
Planning & Development	2,796,301	1,739,626	-	-	4,535,927	1,136,120	249,360	-	1,385,480	3,150,447	
Health	1,683,941	99,422	-	-	1,783,363	1,004,004	95,920	-	1,099,324	683,439	
Community & Social Services	-	211,290	-	-	211,290	-	118,673	-	118,673	92,617	
Housing	-	-	2,908,324	-	2,908,324	-	-	-	-	2,908,324	
Public Safety	23,067,012	5,103,782	-	-	28,170,794	10,197,294	(87,611)	-	10,109,683	18,061,111	
Sport & Recreation	-	75,288	-	-	75,288	-	2,063	-	2,063	73,225	
Environmental Protection	-	-	-	-	-	-	-	-	-	-	
Waste Management	-	155,864	-	-	155,864	177,353	34,725	-	212,078	2,190,096	
Road Transport	2,246,310	-	-	-	2,402,174	2,057	11,601	-	13,658	21,146	
Water	34,804	-	-	-	34,804	-	-	-	-	-	
Electricity	451,530	-	-	-	451,530	368,647	34,120	-	402,767	48,763	
Other	-	-	-	-	-	-	(34,411)	-	(34,411)	34,411	
Corrections	-	-	-	-	-	(14,028)	-	-	(14,028)	14,028	
Task	-	-	-	-	-	-	-	-	-	-	
	191,848,928	60,007,538	2,908,324	19,959,862	234,804,928	42,166,706	38,490,233	18,647,584	62,009,355	172,795,573	

APPENDIX D

CAPE WINELANDS DISTRICT MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED

30 June 2009

2008	2008		2009		2009	2009	2009
	Actual	Actual Expenditure	Actual Income	Actual Expenditure			
	R	R	R	R	R	R	R
42,314,586	(34,704,696)	7,609,890	56,482,040	(38,397,586)	18,084,455		
528,671,991	(442,714,268)	85,957,722	170,781,654	(84,151,860)	86,629,794		
19,544	(8,174,897)	(8,155,353)	1,943,985	(12,637,968)	(10,693,983)		
2,010,523	(4,597,536)	(2,587,013)	258,518	(1,879,419)	(1,620,901)		
-	(531,848)	(531,848)	2,551,373	(7,140,853)	(4,589,480)		
10,847,722	(26,590,282)	(15,742,560)	6,825,605	(16,994,257)	(10,168,652)		
4,012,248	(28,672,458)	(24,660,210)	1,654,722	(31,959,112)	(30,304,390)		
6,299,838	(29,665,604)	(23,365,767)	12,575,205	(34,415,772)	(21,840,567)		
65,323,461	(66,597,406)	(1,273,945)	74,341,245	(74,973,340)	(632,095)		
80,711	(5,814,357)	(5,733,646)	149,565	(7,380,088)	(7,230,523)		
659,580,623	(648,063,352)	11,517,271	327,563,913	(309,930,255)	17,633,658		
(14,975,700)	14,975,700	-	(17,048,904)	17,048,904	-		
644,604,923	(633,087,652)	11,517,271	310,515,009	(292,881,351)	17,633,658		
		11,517,271			17,633,658		

APPENDIX E(1)
CAPE WINELANDS DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE
2009

REVENUE	2009 Actual (R) R' 000	2009 Budget (R) R' 000	2009 Variance (R) R' 000	2009 Variance (%)
Property rates	927	927	-	0.00%
Property rates - penalties imposed and collection charges	73	40	33	82.50%
Service charges	1,327	153	1,174	767.32%
Regional Services Levies		700	(700)	-100.00%
Rental of facilities and equipment	105	127	(22)	-17.32%
Interest earned - outstanding debtors	5	4	1	25.00%
Interest earned on RSC Levies	-	-	-	0.00%
Income for agency services	5,427	4,886	541	11.07%
Government grants and subsidies	250,159	259,132	(8,973)	-3.46%
Contributions from Surplus	11,679	11,144	535	4.80%
Other income	12,224	5,141	7,083	137.77%
Interest earned - external investments	45,638	35,000	10,638	30.39%
Total Revenue	327,564	317,254	10,310	3.25%
EXPENDITURE				
Employee related costs	(80,924)	(87,261)	6,337	-7.26%
Remuneration of Councillors	(6,141)	(6,788)	647	-9.53%
Debt Impairment	-	(397)	397	-100.00%
Depreciation	(35,321)	(9,345)	(25,976)	277.97%
Repairs and maintenance	(67,458)	(92,185)	24,727	-26.82%
Finance Cost	(10,113)	(3,105)	(7,008)	225.70%
Grants and subsidies paid			-	0.00%
General expenses - other	(109,973)	(118,173)	8,200	-6.94%
Loss on disposal of property, plant and equipment			-	0.00%
Total Expenditure	(309,930)	(317,254)	7,324	-2.31%
NET SURPLUS/(DEFICIT) FOR THE YEAR	17,634	-	17,634	0.00%

CAPE WINELANDS DISTRICT MUNICIPALITY

APPENDIX E(2) for the period ended 30 June 2009
June 2009

GOVERNMENT TEMPLATE: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2009

	Additions		Under Construction Rand	Closing Balance Rand	Budget		Variance		Explanation of Significant Variances greater than 5% versus Budget
	Rand	%			Rand	Rand	Rand	%	
Land/ Heritage	-	-	-	-	-	-	-	-	-
Buildings									
Buildings	3,130,129	-	-	3,130,129	3,123,769	6,360	-	-	-
Care Centres	-	-	-	-	-	-	-	-	-
Community Centre	119,000	-	-	119,000	-	119,000	100	Revaluation of Land and Buildings	-
Clinics/ Hospitals	-	-	-	-	-	-	-	-	-
Hostel Workers	(54,860)	-	-	(54,860)	-	(54,860)	100	-	-
Housing Schemes	982,371	-	2,908,324	3,890,695	3,498,025	392,670	100	Revaluation of Land and Buildings	-
Informal Housing	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Office Building	1,348,587	-	-	1,348,587	-	1,348,587	100	Revaluation of Land and Buildings	-
Other Land	39,087,711	-	-	39,087,711	574,300	38,513,411	99	Revaluation of Land and Buildings	-
Outdoor Sports	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Convenies	(18,708)	-	-	(18,708)	-	(18,708)	100	Revaluation of Land and Buildings	-
Workshops/ Depots	3,744,392	-	-	3,744,392	-	3,744,392	100	Revaluation of Land and Buildings	-
Correction	-	-	-	-	-	-	-	-	-
	48,338,622	2,908,324	2,908,324	51,246,946	7,196,094	44,050,852	86		
Leasehold property	-	-	-	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-	-	-	-
Furniture and fixtures	-	-	-	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-	-	-	-
IT equipment	-	-	-	-	-	-	-	-	-
Computer software	-	-	-	-	-	-	-	-	-
Housing Develop Fund	-	-	-	-	-	-	-	-	-
Infrastructure									
Car Parks	-	-	-	-	-	-	-	-	-
Mains Electrical	2,028,229	-	-	2,028,229	5,152,931	(3,124,702)	(154)	Delays in the instalation of computer network.	-
Meters Water	-	-	-	-	-	-	-	-	-
Paving	84,284	-	-	84,284	84,000	284	-	-	-
Power Stations	72,735	-	-	72,735	-	72,735	100	Revaluation of Land and Buildings	-
Airports/ Radio	-	-	-	-	-	-	-	-	-
Other Roads	-	-	-	-	-	-	-	-	-
Sewers	-	-	-	-	-	-	-	-	-
	2,185,248	-	-	2,185,248	5,236,931	(3,051,683)	(140)		

CAPE WINELANDS DISTRICT MUNICIPALITY

APPENDIX E(2) for the period ended 30 June 2009
June 2009

	Additions		Under Construction	Closing Balance	Budget		Variance		Explanation of Significant Variances greater than 5% versus Budget
	Rand				Rand		Rand	%	
Community	-	-	-	-	-	-	-	-	-
Other property, plant and equipment									
Access Control	-	-	-	-	-	-	-	-	-
Agent Services	-	-	-	-	-	-	-	-	-
Air Conditioner	-	-	-	-	-	-	-	-	-
Audio Equipment	113,991	113,991	-	113,989	2	-	-	-	-
Bulk Containers	154,395	154,395	-	154,395	-	-	-	-	-
Cabinets/ Cupboards	51,580	51,580	-	51,579	1	-	-	-	-
Canopy	-	-	-	-	-	-	-	-	-
Chairs	112,447	112,447	-	141,264	(28,817)	-	(26)	Not all the vacant post was filled.	
Computer Hardware	1,229,579	1,229,579	-	1,425,099	(195,520)	-	(16)	Not all the vacant post was filled.	
Drill- Concrete	-	-	-	-	-	-	-	-	-
Equipment/ Apparatus	211,950	211,950	-	236,400	(24,450)	-	(12)	Apparatus was acquired at a price less than expected.	
Electrical Equipment	190,444	190,444	-	190,443	1	-	-	-	
Laboratory Equipment	2,005	2,005	-	1,998	7	-	-	-	
Radio Equipment	111,641	111,641	-	114,974	(3,333)	-	(3)	-	
Telecommunication	-	-	-	-	-	-	-	-	-
Fencing	440,350	440,350	-	460,051	(19,701)	-	(4)	-	
Fire Equipment	711,351	711,351	-	723,673	(12,322)	-	(2)	-	
Generator	77,170	77,170	-	66,700	10,470	-	14	Retention funds from previous year was paid back.	
General Plant	-	-	-	-	-	-	-	-	-
Fire Hoses	-	-	-	-	-	-	-	-	-
Emergency Light	-	-	-	-	-	-	-	-	-
Miscellaneous Furniture	792,288	792,288	-	1,456,148	(663,860)	-	(84)	Not all budgeted post was filled.	
Office Machines	756,749	756,749	-	774,902	(18,153)	-	(2)	-	
Pumps	820	820	-	820	-	-	-	-	-
Water Purification	-	-	-	-	-	-	-	-	-
Security System	97,000	97,000	-	97,000	-	-	-	100	Revaluation.
Tables/ Desks	83,589	83,589	-	87,201	(3,612)	-	(4)	-	
Tools	27,452	27,452	-	27,451	1	-	-	-	
Trailers	455,700	455,700	-	483,296	(27,596)	-	(6)	Trailers was bought at a lower price as budgeted.	
Valuation Roll	-	-	-	-	-	-	-	-	-
Veehicles	1,206,598	1,206,598	-	1,211,999	(5,401)	-	-	-	
Ambulances	-	-	-	-	-	-	-	-	-
Compressors	-	-	-	-	-	-	-	-	-
Fire Engines	2,282,722	2,282,722	-	2,452,500	(169,778)	-	(7)	Fire Engines was bought at a lower price as budgeted.	
Cellphones	242,325	242,325	-	-	242,325	-	100	Were budgeted under operating expenditure	
Trucks/ Bakkies	131,522	131,522	-	137,999	(6,477)	-	(5)	-	
Total	9,483,668	9,483,668	10,312,881	(829,213)	(9)				

CAPE WINELANDS DISTRICT MUNICIPALITY

APPENDIX E(2) for the period ended 30 June 2009
June 2009

	Additions		Under Construction Rand	Closing Balance Rand	Budget		Variance		Explanation of Significant Variances greater than 5% versus Budget
	Rand				Rand	Rand	Rand	%	
Buildings	48,338,622		2,908,324	51,246,946	7,196,094	44,050,852		86	
Leasehold property	-		-	-	-	-	-	-	
Plant and machinery	-		-	-	-	-	-	-	
Furniture and fixtures	-		-	-	-	-	-	-	
Motor vehicles	-		-	-	-	-	-	-	
Office equipment	-		-	-	-	-	-	-	
IT equipment	-		-	-	-	-	-	-	
Computer software	-		-	-	-	-	-	-	
Housing Develop Fund	-		-	-	-	-	-	-	
Infrastructure	2,185,248		-	2,185,248	5,236,931	(3,051,683)		(140)	
Community	-		-	-	-	-	-	-	
Other property, plant and equipment	9,483,668		-	9,483,668	10,312,881	(829,213)		(9)	
	60,007,538		2,908,324	62,915,862	22,745,906	40,169,956		64	

APPENDIX F

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

DESCRIPTION	FUNDS UNSPENT 01/07/2008	INCOME		TOTAL INCOME	EXPENDITURE 2008/2009	UNSPENT 31/06/2009 (B+E+F)
		RECEIVED 2008/2009	INTEREST			
CONSUMER HOUSING	-20,263	-	-2,296	-2,296	-	-22,559
PROVISION OF WATER TO SCHOOLS	-18,204	-400,000	-	-400,000	418,204	-
PLANNING	-553,596	-	-	-	321,407	-232,189
NON MOTORISED TRANSPORT	-769,452	-	-	-	769,452	-
ROAD SIGNAGE: TOURISME	-24,033	-	-	-	24,033	-
TCTA CONTRIBUTION: FRANSCHOEK	-1,184,180	-	-	-	1,184,180	-
MASIBAMBANE: MEETINGS/ WORKSHOPS	-125,437	-	-6,995	-6,995	69,346	-63,086
MASIBAMBANE: BASE LINE INFO	-568,889	-	-58,778	-58,778	50,107	-577,560
BASE LINE INFO VERIFICATION	-19,564	-	-	-	19,564	-
PERCEPTION SURVEY	-2,868,898	-	-324,568	-324,568	8,510	-3,184,956
COMMUNITY DEVELOPMENT WORKERS	-403,909	-	-48,381	-48,381	352,354	-99,937
TRAINING OF HOUSING OFFICIALS	-24,447	-200,000	-5,491	-205,491	151,568	-78,370
TOURISM DEVELOPMENT FRAMEWORK	-104,108	-	-11,795	-11,795	-	-115,904
MULTI PURPOSE CENTRE	-555,244	-	-7,208	-7,208	562,452	-
PEDESTN/ CYCLE PATH MR 191/ 201	-80,535	-	-	-	80,535	-
UPGRADE REST AREAS & BAINS/ KL	-90,864	-	-	-	90,864	-
IMPROVE SIDEWALKS IMP PEDESTN	-41,437	-	-	-	41,437	-
SIDEWALK SLANGHOEK	-1,043,999	-	-11,950	-11,950	1,055,949	-
PUBLIC TRANSPORT. INFRASTRUCTURE PAWC	-144,530	-	-	-	144,530	-
TOURISM TRAINING- PAWC	-570,422	-	-19,388	-19,388	517,562	-72,248
PUBLIC WORKS: MEERLUST HOUSING	-72,855	-	-8,254	-8,254	-	-81,109
WOLWEKLOOF: CONTRIBUTION PAWC	-680,787	-	-	-	680,787	-
PAWC: ECON. DEV. - MADIBA HOUSE	-228,880	-	-25,932	-25,932	-	-254,812
PAWC: ECON DEV UNIT	-434,952	-	-	-	434,952	-
FINANCE MANAGEMENT GRANT	-3,098,752	-500,000	-	-500,000	1,047,170	-2,551,582
WARD COMMITTEE SUMMIT	-	-100,000	-1,271	-101,271	77,387	-23,884
DEPARTMENT ENVIRONMENTAL AFFAIRS	-	-100,000	-5,618	-105,618	-	-105,618
SPATIAL DEVELOPMENT PLAN	-865,525	-	-29,445	-29,445	894,969	0
BREERVIER STRUKTUURPLAN	-344,316	-	-39,011	-39,011	-	-383,327
MANAGEMENT SUPPORT PROGRAMME	-46,182	-	-5,232	-5,232	-	-51,415
LED- PROGRAM: RURAL TOURISM	-2,260	-	-256	-256	-	-2,516
Public Contribution Water	-	-1,000,000	-113,300	-1,113,300	-	-1,113,300
PIM CENTRE	-106,108	-735,000	-	-735,000	841,108	-
DWAF CONTRIBUTION: FRANSCHOEK	-	-	-	-	-	-
	-15,092,628	-3,035,000	-725,171	-3,760,171	9,838,426	-9,014,373

APPENDIX G

SUMMARY OF EXCEPTIONS / DEVIATIONS:

PPPPA SEC.2(1)(f) - (5 Exceptions = 0.68%)	68,353.00	Preferential Procurement Policy Framework Act, 2000. Sec.2. Framework for implementation of preferential procurement policy.— (1) An organ of state must determine its preferential procurement policy and implement it within the following framework: (f) the contract must be awarded to the tenderer who scores the highest points, unless objective criteria in addition to those contemplated in paragraphs (d) and (e) justify the award to another tenderer.
REG.16(c) WQ. - (684 Exceptions = 21.91 %)	2,221,865.56	SCM Reg.16. Written or verbal quotations.— A supply chain management policy must stipulate the conditions for the procurement of goods or services through written or verbal quotations, which must include conditions stating— (c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer; (Delegated to the Chief Financial Officer)
REG.17(c) FWPO. - (367 Exceptions = 60.19 %)	6,231,944.87	SCM Reg.17. Formal written price quotations.— (1) A supply chain management policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating— (c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer; (Delegated to the Deputy Director: Finance - To report to the CFO by the 3rd working day of the next month)
REG.32(1) - (7 Exceptions = 8.27%)	835,283.57	Procurement of goods and services under contracts secured by other organs of state SCM Reg.32. (1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if – (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state; (b) there is no reason to believe that such contract was not validly procured; (c) there are demonstrable discounts or benefits to do so; and (d) that other organ of state and the provider have consented to such procurement in writing.
DEV-REG.36(1)(a)(i) - (5 Exceptions = 7.30 %)	737,230.36	SCM Reg.36. Deviation from, and ratification of minor breaches of, procurement processes.— (1) A supply chain management policy may allow the accounting officer— (a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only— (i) in an emergency; (ii) if such goods or services are produced or available from a single provider only; (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile; or (iv) acquisition of animals for zoos; or (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and (b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature. (2) The accounting officer must record the reasons for any deviations in terms of subregulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.
DEV-REG.36(1)(a)(ii)	-	
DEV-REG.36(1)(a)(iii)	-	
DEV-REG.36(1)(a)(iv)	-	
DEV-REG.36(1)(a)(v)	-	
	10,094,677.36	
	0.87%	of expenditure excluding salaries.

BREAKDOWN OF PROCUREMENT PER CATEGORY:

No.	Trans.			
10762	<R2000-NO PROCUREMENT:	6,411,420.13	Acquisitions less than R2,000 - no procurement process is followed for small purchases	
2080	3rd PARTY PAYMENT:	123,286,275.93	Transactions where procurement plays no role - contribution payments / S&Ts / etc.	
864	COUNCIL POLICY:	16,384,837.71	Study Bursaries / Sponsorships / Donations / etc.	
5	DEV-PPPPA SEC.2(1)(f)	68,353.00	The supplier selected for the contract/tenderer did not score the highest points	
5	DEV-REG.36(1)(a)	737,230.36	Transactions where no procurement process were followed - Emergencies	
453	DWAF: PRE-PROCURED	8,151,788.78	DWAF Contracts where the CWDM did not do the procurement	
18	PAWC: PRE-PROCURED	822.18	PAWC Contracts where the CWDM did not do the procurement	
265	PETTY CASH:	9,675.36	Mainly small out of pocket refunds	
2718	QUOTATION PROCESS:	25,694,973.77	Acquisitions made in terms of a full quotation process up to R200,000 - minimum three quotes	
59	QUOTES: INVEST/POLICY:	813,000,000.00	Investments are made in terms of council policy - Quotes are obtained from A-Rated Banks	
684	REG.16(C) < 3 WQ	2,221,865.56	Acquisitions where it was not possible to obtain at least three quotations up to R10,000	
367	REG.17(C) < 3 FWPO	6,231,944.87	Acquisitions where it was not possible to obtain at least three quotations between R10,000-R30,000	
7	REG.32 ORGANS OF STATE:	835,283.57	Services contracted through Contracts from Other Organs of State	
1473	SERVICE PROVIDERS:	7,045,276.28	Contracts with service providers - Telkom / Vodacom / municipal services / copy machines / etc.	
190	SERVICE ACCOUNTS:	4,870,216.70	Payments made in terms of contracts/agreements with long-term service providers	
228	STATUTORY PAYMENTS:	17,308,812.56	Prescriptive payments made in terms of legislation - licensing / taxes / membership fees / etc.	
114	SUBSCRIPTIONS:	1,378,518.19	Service provider is selected for the specific service and cannot be procured - sole providers	
17	SUBSIDY:	125,368.03	Mainly seed funding for small farmers / SMI/ES / PDIs per pre-qualification	
15688	TENDER PROCESS:	125,436,529.99	Acquisitions made in terms of a full tender process on amounts above R200,000	
36007	TOTAL:	1,159,199,192.99		

DECLARATIONS IN TERMS OF:-

Regulation 44. Prohibition on awards to persons in the service of the state

NONE

Regulation 45. Awards to close family members of persons in the service of the state

	NAME:	TOTAL AMOUNT	RELATION:
	KLEINPLASIE RESTAURANT	107,808.19	The owner of the restaurant is the spouse of an official working at Council. The official does not work in the Department: Financial Management Services and has no influence over the SCMU

APPENDIX H

FINANCIAL COMMITMENTS

Non-Capital Projects approved and contracted for

Project name	Contractor/Service Provider	Classification	Amount R
Rent of office space	LSW Eiendomme BK	Corporate Services	87,773
Cleaning Services	FD Enterprises	Corporate Services	47,300
Security and Access control	Sondella Security Services CC	Corporate Services	154,968
Security and Access control	Chippa Investment Holdings	Corporate Services	46,787
Security and Access control	Paarl AC Rottweiler Security	Corporate Services	129,766
Security and Access control	Sondella Security Services CC	Corporate Services	120,998
Grass Cutting Service	S & N Instandhouding CC	Corporate Services	3,600
Rent of office space and other services	Breërivier/ Wynland Municipality	Corporate Services	274
Rent of office space and other services	Breërivier/ Wynland Municipality	Corporate Services	365
Rent of office space and other services	Stellenbosch Municipality	Corporate Services	17,147
Rent of office space and other services	Witzenberg Municipality	Corporate Services	580
Rent of office space and other services	Witzenberg Municipality	Corporate Services	1,000
Rent of office space and other services	Drakenstein Municipality	Corporate Services	507
Pedestrian Footpath on Div Road 1398 (Slanghoek) - Phase 2	Mark Darius Civils	Engineering Services	1,500,000
Upgrading of Div. Road 1429 & 1152	Exeo Khokela Civil Engineers	Engineering Services	2,143,805
Rural Water Scheme - Wellington / Hermon	JVZ Construction	Engineering Services	5,500,000
Upgrading of Sandhills Road - De Doorns	Alpha Civil (Pty) Ltd	Engineering Services	1,701,187
Labour Intensive Construction of Sidewalk - Avion Park	Ishen Construction	Engineering Services	1,500,000
Upgrade of Blaauwklippen Rd, Stellenbosch	Kaulani Civil Construction	Engineering Services	12,117,573
			25,073,628.66

APPENDIX I : BURSARIES ALLOCATED DURING FINANCIAL YEAR

MAYORAL BURSARY FUND ALLOCATIONS 2008/9

	Surname	Name		Amount
1	Abdul	Furlin Leigh	Not Related	R 3,500
2	Adam	Francois Monde	Not Related	R 3,000
3	Adam	Grace Phumla	Not Related	R 3,000
4	Adams	Ellouise Chantel	Not Related	R 6,000
5	Adams	Lauren Tracey	Not Related	R 6,000
6	Adonis	Hubert Randolf	Not Related	R 3,000
7	Adonis	Melissa Sandy	Not Related	R 3,000
8	Africa	Wilmot Lionel	Not Related	R 3,000
9	Albertus	Craig Jason	Not Related	R 3,500
10	Allah	Thembelihle	Not Related	R 3,500
11	Andrews	Bianca Lee-Ann	Not Related	R 3,000
12	Andrews	Denielle Runique	Not Related	R 3,500
13	Andrews	Glynis Sinclair	Not Related	R 6,000
14	Anthony	Bianca	Not Related	R 3,000
15	Arendse	Suzette	Not Related	R 3,000
16	Arries	Blane	Not Related	R 3,500
17	Baadjies	Megon	Not Related	R 3,000
18	Bailey	Beaton	Not Related	R 3,500
19	Bailey	Zane	Not Related	R 3,500
20	Bam	Nathan	Not Related	R 3,000
21	Baron	Seldon	Not Related	R 3,000
22	Baxter	Angelique	Not Related	R 3,500
23	Bekeer	Jeunesse	Not Related	R 3,500
24	Bell	Bronwynne Anthea	Not Related	R 3,000
25	Bell	Chenda	Not Related	R 6,000
26	Bells	Kellen	Not Related	R 3,500
27	Begezi	Thandokazi	Not Related	R 3,000
28	Beukes	Quintillian	Not Related	R 6,000
29	Bikitsha	Nokwanda	Not Related	R 3,500
30	Bongwana	Ncebakazi	Not Related	R 3,000
31	Boock	Heinrich Diederich	Not Related	R 3,500
32	Booi	Nomhle	Not Related	R 3,500
33	Booyesen	Christina Jasmina	Not Related	R 3,500
34	Booyesen	David	Not Related	R 3,000
35	Booyesen	Elrico	Not Related	R 3,500
36	Booyesen	Lindelwa	Not Related	R 3,500
37	Bothma	Mandy	Not Related	R 3,000
38	Botman	Delthia	Not Related	R 3,000
39	Botoza	Nesikazi	Not Related	R 3,500
40	Braaf	Lance	Not Related	R 3,500
41	Bunu	Thulisa	Not Related	R 3,000

APPENDIX I : BURSARIES ALLOCATED DURING FINANCIAL YEAR

MAYORAL BURSARY FUND ALLOCATIONS 2008/9

42	Bushwana	Mlungisi	Related	R 3,500
43	Burton	Colleen	Not Related	R 3,000
44	Carolus	Genevieve	Not Related	R 3,500
45	Christiaans	Crusade	Not Related	R 3,000
46	Claasen	Eugene	Not Related	R 3,000
47	Cloete	Monique	Not Related	R 3,500
48	Conradie	Claude	Not Related	R 3,000
49	Cronje	Tian	Not Related	R 6,000
50	Cupido	Chanelle	Not Related	R 3,500
51	Cupido	Denver	Not Related	R 3,500
52	Cupido	Radwyn	Not Related	R 3,000
53	Cyster	Lizahn Charmlynne	Not Related	R 3,500
54	Daniels	Stephanie	Not Related	R 3,000
55	Dauids	Herschell Charles	Not Related	R 3,500
56	Dauids	Thurston	Not Related	R 6,000
57	Demas	Justine	Not Related	R 3,500
58	Denation	Marcha	Not Related	R 3,000
59	De Wet	Bannister	Not Related	R 3,000
60	De Wet	Shernell Linzee	Not Related	R 6,000
61	Dhlamini	Ben	Not Related	R 3,500
62	Du Plessis	Kurt Lester	Not Related	R 3,000
63	Du Plessis	Stacey Lee	Not Related	R 6,000
64	Du Toit	Peter-Jo Alexander	Not Related	R 3,500
65	Du Toit	Zak	Not Related	R 6,000
66	Erasmus	Ulricke Elwina	Not Related	R 3,500
67	Esau	Anja	Not Related	R 3,500
68	Faulding	Bradwin	Not Related	R 3,000
69	Finiza	Nomakhaya	Not Related	R 3,000
70	Flemmit	Johandre	Not Related	R 6,000
71	Fluks	Chrisnick	Not Related	R 6,000
72	Fortuin	Bradley	Not Related	R 3,500
73	Fortuin	Hendrik	Not Related	R 3,000
74	Fortuin	Lezandre	Not Related	R 3,000
75	Fortuin	Mellichan Stephany	Not Related	R 3,000
76	Frans	Marson	Not Related	R 3,500
77	Franse	Evelyn	Not Related	R 3,000
78	Frantz	Mavera	Not Related	R 3,000
79	Fredericks	Angelo	Not Related	R 3,500
80	Gabriel	Adrian	Not Related	R 3,500
81	Gcweka	Luthando	Not Related	R 3,500
82	Geduld	Clinton	Not Related	R 3,000
83	Geldenhuis	Tarren	Not Related	R 3,500
84	George	Stiaan	Not Related	R 3,000

APPENDIX I : BURSARIES ALLOCATED DURING FINANCIAL YEAR

MAYORAL BURSARY FUND ALLOCATIONS 2008/9

85	Geyer	Maryke	Not Related	R 3,000
86	Gimenez	Daniela	Not Related	R 3,000
87	Goliath	Marietha	Not Related	R 3,000
88	Gomomo	Masande	Not Related	R 3,500
89	Haas	Chyronesa	Not Related	R 3,000
90	Haas	Tesna	Not Related	R 6,000
91	Hammers	Porcia	Not Related	R 3,000
92	Hendricks	Elpaucia	Not Related	R 3,000
93	Hendricks	Graig	Not Related	R 6,000
94	Herm`anus	Haley	Not Related	R 3,500
95	Hill	Anver	Not Related	R 3,500
96	Hill	Jesaja John	Not Related	R 3,000
97	Hoffman	Claudine	Not Related	R 3,500
98	Honono	Mzwamadodo	Not Related	R 3,000
99	Ismail	Mugammad	Not Related	R 3,500
100	Ismail	Shameelah	Not Related	R 3,500
101	Ismail	Thaabit	Not Related	R 3,500
102	Jacobs	Derick	Not Related	R 3,500
103	Jacobs	Monique	Not Related	R 6,000
104	Jansen	Anastasia	Not Related	R 3,500
105	Jafthas	Davin	Not Related	R 3,500
106	Jimlongo	Anita Zintombi	Not Related	R 3,000
107	Jimlongo	Khanyisa	Not Related	R 3,500
108	Johannes	William	Not Related	R 3,000
109	Johnson	Divan	Not Related	R 3,000
110	Johnson	Portia	Not Related	R 3,000
111	Jones	Mark	Not Related	R 6,000
112	Jonker	Meagan Tarryn	Not Related	R 3,000
113	Julies	Shandr� Gillian	Not Related	R 6,000
114	Jumat	Melanie Tracey	Not Related	R 3,000
115	Jumat	Remona Juliet	Not Related	R 3,000
116	Kenneth	Romonichia	Not Related	R 3,000
117	Kepu	Tandokazi	Not Related	R 3,000
118	Keyser	Hendrik Gideon	Related	R 6,000
119	Kiewitz	Yudin	Related	R 3,500
120	Kiewitz	Xandr� Istine	Related	R 6,000
121	Klaas	Yolanda	Not Related	R 3,000
122	Klein	Desmond	Not Related	R 3,500
123	Kleintjies	Ancret	Not Related	R 6,000
124	Kleintjies	Lyle	Not Related	R 3,500
125	Kom	Kwanele	Not Related	R 3,500
126	Koopman	Raquel	Not Related	R 3,500
127	Kuhn	Curren	Not Related	R 6,000

APPENDIX I : BURSARIES ALLOCATED DURING FINANCIAL YEAR

MAYORAL BURSARY FUND ALLOCATIONS 2008/9

128	Kula	Sandiswa	Not Related	R 6,000
129	Lamberts	Robin Ronald	Not Related	R 6,000
130	Langeveldt	Aubrey Lyle	Not Related	R 3,500
131	Langeveldt	Laken	Not Related	R 6,000
132	Langeveldt	Mischka	Not Related	R 6,000
133	Laubser	Thoedore Elmar	Not Related	R 6,000
134	Lawrence	Elden	Not Related	R 3,500
135	Lawrence	Kim	Not Related	R 3,500
136	Le Cordeur	Curtis-Ross	Not Related	R 6,000
137	Lekay	Channell	Not Related	R 3,000
138	Lephaila	Selicia	Not Related	R 3,000
139	Louw	Roberto	Not Related	R 3,000
140	Lucas	Francois	Not Related	R 6,000
141	Mackier	Dane Marshall	Not Related	R 3,500
142	Madywabe	Mtulisi	Not Related	R 3,500
143	Magangana	Siphelo	Not Related	R 3,500
144	Majoor	Philip	Not Related	R 3,000
145	Makeleni	Siphokazi	Not Related	R 3,500
146	Makhamba	Sakhumzi Lucas	Not Related	R 3,500
147	Makwekwe	Nonkanyiso	Not Related	R 3,000
148	Makwetu	Nandi	Not Related	R 3,000
149	Malgas	Chad Heinrich	Not Related	R 6,000
150	Malgas	Denay	Not Related	R 3,000
151	Mana	Ntombizandile	Not Related	R 3,500
152	Manuel	Andria	Not Related	R 3,000
153	Maqhina	Nicolas Zolani	Not Related	R 3,000
154	Marais	Anneen	Not Related	R 3,500
155	Marais	Francis	Not Related	R 3,500
156	Marais	Melanie	Not Related	R 3,500
157	Maree	Lehandi	Not Related	R 3,500
158	Marthinussen	Clifford Lyndsey	Not Related	R 3,000
159	Mbelu	Asanda	Not Related	R 3,500
160	Mbovane	Sipho	Not Related	R 3,500
161	McDillon	Venette L	Not Related	R 3,500
162	Menie	Fezeka	Not Related	R 3,500
163	Mentoor	Enslin	Not Related	R 3,500
164	Mentoor	Gaylin Adri	Not Related	R 3,500
165	Metshane	Zukani	Not Related	R 3,500
166	Michaels	Moses	Related	R 3,000
167	Minnaar	Ian Cedric	Not Related	R 6,000
168	Mitas	Friedel Martha	Not Related	R 3,500
169	Mjezu	Lwazi	Not Related	R 3,500
170	Mkabile	Lelethu	Not Related	R 6,000

APPENDIX I : BURSARIES ALLOCATED DURING FINANCIAL YEAR

MAYORAL BURSARY FUND ALLOCATIONS 2008/9

171	Mnikina	Mthetheleli Mzimasi	Not Related	R 3,500
172	Morris	Roscoe	Not Related	R 3,000
173	Mouton	Porchia	Not Related	R 3,000
174	Mqoboka	Nomfundo	Not Related	R 6,000
175	Myataza	Mcebisi	Related	R 3,000
176	Nama	Bulelwa Nicole	Related	R 3,500
177	Ndwanyaza	Andiswa	Not Related	R 3,500
178	Nel	Audrey	Not Related	R 3,000
179	Newman	Maxine Allysa	Not Related	R 3,000
180	Ngcingane	Siyabulela	Not Related	R 3,000
181	Ngcwembe	Inathi	Not Related	R 3,000
182	Ngcofe	Miliswa	Not Related	R 3,500
183	Ngulube	Zinzi	Not Related	R 3,000
184	Ngxabatyana	Zama	Not Related	R 3,500
185	Ngxotha	Makabongwe	Not Related	R 6,000
186	Njipetu	Nonkolio	Not Related	R 3,500
187	Nkebethwana	Nosaziso	Related	R 3,000
188	Noble	Shane	Not Related	R 6,000
189	Nofemela	Khanyisa	Not Related	R 3,500
190	October	Wade	Not Related	R 3,500
191	Ontong	Elana Petru	Not Related	R 3,500
192	O'Ryan	Juanita Heloise	Not Related	R 3,500
193	Paul	Misanda	Not Related	R 3,000
194	Pedersen	Kirsty Elizabeth	Not Related	R 6,000
195	Phondoyi	Olwethu	Not Related	R 3,000
196	Phubaso	Sandiswa	Not Related	R 3,500
197	Pieterse	Edwinah	Not Related	R 3,500
198	Pieterse	Lenay	Not Related	R 3,000
199	Pietersen	Donavan Clyde	Not Related	R 3,500
200	Plaatjies	Chanelle Patton-Lee	Not Related	R 3,500
201	Posthumus	Natasha	Related	R 6,000
202	Pote	Busisiwe	Not Related	R 3,000
203	Qhanqiso	Zamuxolo Salwyn	Related	R 6,000
204	Ramncwana	Andisiwe	Related	R 3,000
205	Ras	Mustapha	Related	R 3,000
206	Roberts	Devon Lucian	Not Related	R 3,000
207	Rodgers	Junaid Fadley	Not Related	R 3,500
208	Rooks	St'Elmo Grant	Not Related	R 3,000
209	Ruiters	Brigette	Not Related	R 3,000
210	Ruthford	Icke Rozanne	Not Related	R 3,500
211	Samaai	Clint Ivan	Not Related	R 3,500
212	Sampson	Monrica Faigan	Not Related	R 3,000
213	Samuels	Bronwen Peter	Not Related	R 3,500

APPENDIX I : BURSARIES ALLOCATED DURING FINANCIAL YEAR

MAYORAL BURSARY FUND ALLOCATIONS 2008/9

214	Sauls	Marchalaine	Not Related	R 3,500
215	Scheepers	Devine	Not Related	R 3,000
216	Schoble	Wilbur Joseph	Not Related	R 3,500
217	September	Sunay Adèle	Not Related	R 3,500
218	Shortles	Enrico	Not Related	R 3,500
219	Sidiena	Nondumisa	Not Related	R 3,000
220	Sikade	Zuko	Not Related	R 3,500
221	Sikhonyana	Nomsisi	Not Related	R 3,500
222	Siphahlanga	Asanda	Not Related	R 3,500
223	Skosana	Nondzondelelo	Not Related	R 3,500
224	Slinger	Luhrén Tarron	Not Related	R 6,000
225	Smith	Lynne Althea	Not Related	R 3,500
226	Solomon	Grant James	Related	R 3,000
227	Solomons	Gloria Faith	Not Related	R 3,000
228	Stephanus	Chuma	Not Related	R 3,500
229	Stofile	Sisanda	Not Related	R 6,000
230	Sulaiman	Rashaad	Not Related	R 3,000
231	Swarts	Kay-Lee	Not Related	R 3,500
232	Swartz	Lyndall William	Not Related	R 3,000
233	Swartz	Shaun Peter	Not Related	R 3,000
234	Thomas	Werner	Not Related	R 3,500
235	Timotheus	John Jonathan	Not Related	R 3,000
236	Toorn	Sanwill Cadian	Not Related	R 3,000
237	Travill	Mirna	Not Related	R 3,000
238	Tshona	Theodore Olwethu	Not Related	R 3,500
239	Tukwayo	Nomakholwa	Not Related	R 3,000
240	Tunce	Sanelise	Not Related	R 3,500
241	Van Eck	Andrea	Related	R 6,000
242	Van Heerden	Sherman	Not Related	R 3,500
243	Van Rooyen	Jeanio Conceille	Not Related	R 3,500
244	Van Schalkwyk	Christoffel	Not Related	R 6,000
245	Van Schoor	Marshalline Tracy	Not Related	R 3,500
246	Vlotman	Andre Jerome	Not Related	R 6,000
247	Wehr	Dawn	Not Related	R 6,000
248	Wessels	Elsabé Bianca Ruth	Not Related	R 3,500
249	WildSchuts	Fredilene Denile	Not Related	R 3,000
250	Willemse	Dominique	Not Related	R 3,000
251	Willemse	Levine Cheryl	Not Related	R 3,000
252	Williams	Junaid	Not Related	R 3,500
253	Williams	Lulama Fezeka	Not Related	R 3,000
254	Williams	Natalie	Not Related	R 3,000
255	Williams	Neigel	Not Related	R 3,500
256	Williams	Tracy Edwina	Not Related	R 3,000

APPENDIX I : BURSARIES ALLOCATED DURING FINANCIAL YEAR

MAYORAL BURSARY FUND ALLOCATIONS 2008/9

257	Williams	Zamangwevu Neliswa	Not Related	R 3,500
258	Wilson	Jamie-Lee Marcia	Not Related	R 3,500
259	Witbooi	Cardia Patricia	Not Related	R 3,500
260	Witbooi	Christell Irene	Not Related	R 3,500
261	Witbooi	Reagan	Not Related	R 3,500
262	Xatoto	Siphosethu	Not Related	R 3,500
263	Zaula	Nolusindiso	Not Related	R 3,500
264	Mdlankmomo	Phumla	Not Related	R 3,000
265	Adams	Jay-Ross	Not Related	R 6,000
				<u>R 986,500.00</u>

Bursaries to Related Parties	R 58,500.00
Bursaries to Other Not Related Parties	R 928,000.00
	<u>R 986,500.00</u>

CHAPTER 4

4.2 REPORT OF THE AUDIT COMMITTEE

REPORT BY THE CHAIRPERSON OF THE CWDM AUDIT COMMITTEE

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

Allow me to congratulate the CWDM fraternity on once again having obtained an unqualified report from the Auditor General for the 2008/2009 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 of CWDM currently consists of 5 members and during the year of review it has met on at least four occasions.

The present committee consists of:

C. Martin (Chairperson)

M. Burger

J. Matsau

B. Jacobs

S.P. Claasen

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.

1. 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 audit function; and
- (b) Answering questions concerning matters falling within the ambit of the Audit Committee.

2. AUDIT COMMITTEE RESPONSIBILITIES

2.1 LIASE WITH THE OFFICE OF THE AUDITOR-GENERAL

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

It pleases me to inform Council that the Auditor-General's representative has been present at all the meetings of the CWDM Audit Committee.

2.2 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 2008/2009 financial statements forwarded to the Auditor-General conforms to these requirements and that the financial statements status of the CWDM is sound.

2.3 INTERNAL CONTROL

The Audit Committee will provide an objective overview of the operational effectiveness of the Council's systems of internal control.

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 recommendations were generally very positive.

2.4 INTERNAL AUDIT

The Audit Committee is to monitor and supervise the effective functioning of the internal audit unit.

Best practice indicates that 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 Council that the Internal Auditor has kept the Audit Committee informed with regard to risk control, governance and effective monitoring of related activities.

The planned audits for 2008/2009 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.

2.5 ETHICS

Statutory Law, Common Law as well as the Municipal Finance Management Act cover the ethical behavior 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 developed and distributed amongst all Councilors and officials. The code of conduct would typically require that Councilors declare the nature and extend of their financial interest, or that municipal officials are not involved in personal business/entrepreneurial ventures.

2.6 PERFORMANCE MANGEMENT AND PERFORMANCE MANAGEMENT SYSTEMS

The Audit Committee will review the Council's and managements' Performance Managements System within the context of the IDP, but more specifically the Key Performance Indicators, the setting of objectives and performance targets as well as to determine the extent to which the objective and targets have been achieved.

It this regard, the following areas will feature prominently on the radar screen of the Audit Committee.

2.6.1 THE TRIPPLE BOTTOM LINE (Economic, Social and Environment Performance)

2.6.2 Nature and extend of its SOCIAL TRANSFORMATION programmes (HIV/AIDS Strategy, Procurement Policy which takes Black Economic Empowerment into account as set out in the Municipal Systems Act of 2000 Schedule 2 (2a).

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

2.6.4 Extend 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 Council that it was equally impressed by the excellent work being performed by the Director of Performance Management.

CONCLUSION

The Audit Committee is furthermore of the opinion that it is functioning within the 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.

C. Martin

Chairman: AUDIT COMMITTEE

CHAPTER 4

4.3 REPORT OF THE AUDITOR-GENERAL

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 2009

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 2009, 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 150 to 233.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) 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, 2008 (Act No.2 of 2008) (DoRA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

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. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. Paragraph 11 et seq. of the Standards 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.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

8. 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 2009 and its financial performance and cash flows for the year then ended, in accordance with the Standards of GRAP 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:

Contingent Asset: Regional Services Council levies

9. As disclosed at note 36(ii) of the financial statements, the municipality has a challenge regarding the recovery of debt amounting to R459 162 782 arising from the levying of Regional Services Council (RSC) levies.

Restatement of corresponding figures

10. As disclosed in note 38 to the financial statements, certain corresponding figures as at 30 June 2008 have been restated as a result of errors discovered in the financial statements of the municipality at 30 June 2009 and for the year ended 30 June 2008.

Other matters

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Unaudited supplementary schedules

11. The supplementary information set out on pages 218 to 233 (appendices C to I) does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

Governance framework

12. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the key governance responsibilities addressed below.

Key governance responsibilities

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

No	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	■	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		■
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	■	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines in section 126 of the MFMA.	■	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	■	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	<ul style="list-style-type: none"> The municipality had an audit committee in operation throughout the financial year. 	■	
	<ul style="list-style-type: none"> The audit committee operates in accordance with approved, written terms of reference. 	■	
	<ul style="list-style-type: none"> The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA. 	■	
7.	Internal audit		
	<ul style="list-style-type: none"> The municipality had an internal audit function in operation throughout the financial year. 	■	
	<ul style="list-style-type: none"> The internal audit function operates in terms of an approved 	■	

No	Matter	Y	N
	internal audit plan.		
	<ul style="list-style-type: none"> The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA. 	■	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	■	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	■	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	■	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 62(1)(c)(i) of the MFMA.	■	
12.	Delegations of responsibility are in place, as set out in section 79 of the MFMA.	■	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	■	
14.	SCOPA resolutions have been substantially implemented.		N/A
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	■	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	■	
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Municipality against its mandate, predetermined objectives, outputs, indicators and targets as set out in section 68 of the MFMA.	■	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	■	

14. With the implementation of the Standards of GRAP, the municipality experienced difficulties in producing financial statements for audit purposes that were free from material errors and omissions. This situation could have led to the qualification of the financial statements had the municipality not adjusted their financial statements during the audit, based on my findings.

15. This is indicative of a situation where ongoing monitoring by the finance department under the control of the chief financial officer is not effective enough to assess the effectiveness of internal control over financial reporting.

16. The next few years will pose greater challenges for the municipality with the ongoing transition to full compliance with the Standards of GRAP and the implementation of additional, approved Standards of GRAP. In order to deal with the prevalence of material misstatements in financial statements that have to be corrected during the audit, the municipality needs to:

- develop a strategy to improve financial management controls relating to compliance with accounting standards and reconciliation and maintenance of underlying accounting records, in order to produce accurate and complete financial statements
- produce monthly financial accounts for review by management
- subject the financial statements to a monthly review before they are submitted for auditing, while the internal audit unit and audit committee can assist with evaluating the adequacy of the design and implementation of controls around the preparation of the financial statements.

Investigations

17. The municipality experienced an incident of possible electronic funds transfer (EFT) fraud during the 2008-09 financial year which identified a need to appoint a service provider to conduct a forensic investigation into the relevant financial controls. The service provider has been appointed and commenced with their investigation on 4 March 2009.

As a result of the investigation done thus far, two officials were suspended with immediate effect, pending the outcome of the investigation. The investigation was still ongoing at the date of this report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

18. I have reviewed the performance information as set out on pages 247 to 379.

The accounting officer's responsibility for the performance information

19. 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).

The Auditor-General's responsibility

20. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

21. In terms of the foregoing my engagement included performing procedures of a review 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.

22. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the review findings reported below.

Findings on performance information

Content of integrated development plan

23. The integrated development plan of the municipality did not include the key performance indicators and performance targets determined in terms of its performance management system, as required by sections 26(i) and 41(1)(b) of the Municipal Systems Act and regulation 12 of the Municipal Planning and Performance Management Regulations, 2001.

APPRECIATION

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

Cape Town

30 November 2009



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

CHAPTER 5

PERFORMANCE REPORT

5.1 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 therefore a management tool in order to measure accountability and the effectiveness of service delivery in local communities.

In developing a performance management system, a municipality must ensure that the system meets the legislative requirements that inform and guide 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 CWDM has therefore prepared a performance management report that summarises:

- The organisational key performance indicators tracked against targets and actual achievement over the relevant financial year
- The overall achievement with regard to projects implemented in the Cape Winelands
- Based on the functions and responsibilities of the CWDM, its contribution to the five key performance areas of national government

5.2 PURPOSE OF A PERFORMANCE MANAGEMENT SYSTEM

The Department of Provincial and Local Government (DPLG) 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 in improving service delivery by channelling its resources to meet performance targets. In doing so, it aims to ensure that the municipality achieves its strategic objectives as contained in its Integrated Development Plan (IDP) and budget.

A performance management system should therefore fulfil the following objectives:

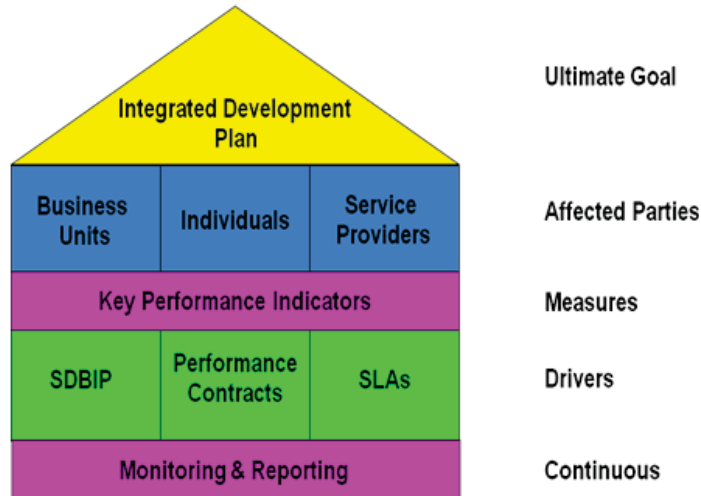
- Facilitate increased accountability
- Facilitate learning and improvement
- Provide early warning signs
- Facilitate decision making

5.3 CWDM'S APPROACH TO PERFORMANCE MANAGEMENT

The CWDM adopted a Performance Management System Framework Policy (PMSFP) in 2004 that outlined the principles which informed its design:

- 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 in the framework of the IDP and budgetary processes
- Frequency of reporting and the lines of accountability
- Relation to the municipality's employee performance management processes

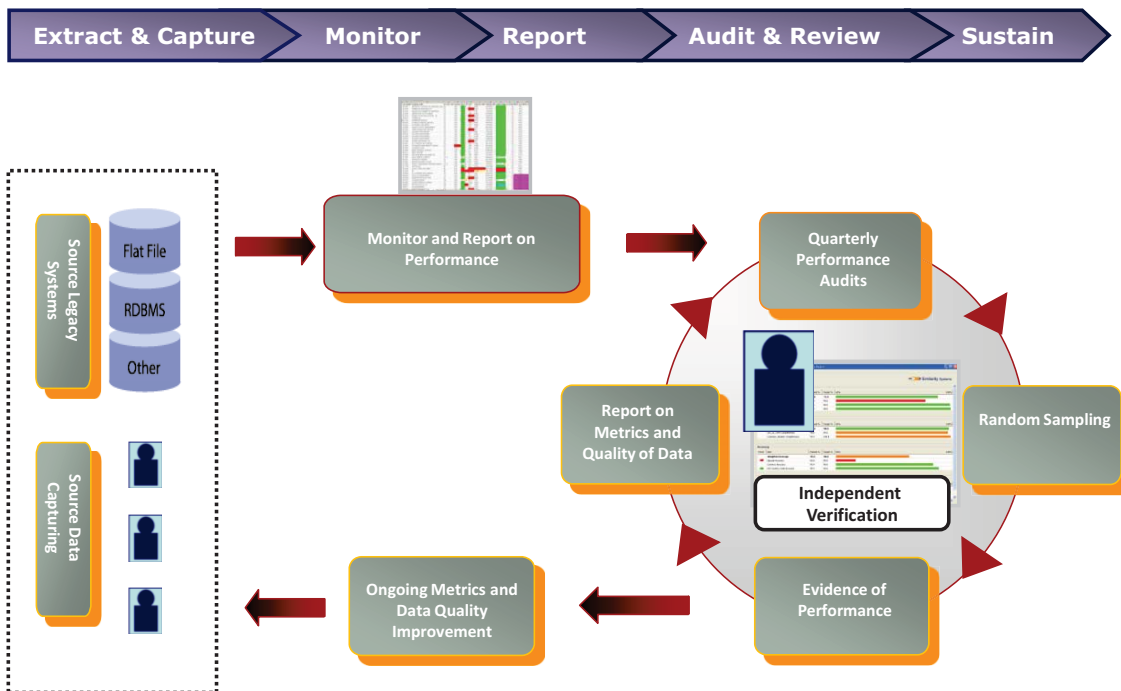
The figure below highlights the relationship between the various entities of monitoring performance to achieve the objectives of the IDP.



5.4 VALIDATION AND VERIFICATION OF PERFORMANCE REPORTING

The CWDM has introduced a system of verifying reports utilising 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 organisational 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 on the next page 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 the internal audit structure and the external service provider, KPMG, prior to submission to the municipality's external Audit Committee and the 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, the internal audit produces an audit report on a quarterly basis, which is submitted to the municipal manager and the 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 the performance of the municipality

5.5 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 IDP and budget.

Community and Developmental Services				
Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Average response time to 70% mountain/veld fire calls	Minutes	35 minutes	30 minutes	In about 85% of incidents, the response time has been less than 35 minutes; average improved to about 30 minutes.
Percentage of mountain/veld fires responded to with a minimum of two fire fighting vehicles with combined human resources of a minimum of four fire fighters	%	70%	100%	Response to fires always with minimum of two fire fighting vehicles and four crew members.

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Does the municipality have a disaster management plan that has been updated and adopted by council in the last year?	Yes/No	Yes	No	Not all departments submitted their corporate disaster management plans; to be noted is that the Disaster Management Framework Policy is currently being drafted with the assistance of North West University, that drafted the Provincial Disaster Management Centre's Framework.
Number of district technical forums for local municipalities organised by the department	Number	4	4	1 and 2: Breede River's water quality improvement working group; 3 and 4: Disaster Management Advisory Forum (7 November 2008 and 24 June 2009); 5 and 6: Planned Joint Fire Services Committee meetings in August 2008 and 17 June 2009 were cancelled by the chairperson, Mr Previn Govender, of the Breede Valley Local Municipality.

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Number of meetings held with respective portfolio councillor	Number	12	10	No meetings were held between July and August 2008 or between February and March, the latter due to pre-election preparations; in September 2008 the portfolio councillor was replaced.
Number and nature of innovations entered into by the CWDM	Number	3	3	1: Mobile water purification unit to be used when there is a critical need of potable water supply during disasters; 2: Informal meat traders working station to improve health and hygiene; 3: Development of a municipal health services training module that has been adopted by the Cape Peninsula University of Technology (CPUT) to be incorporated into formal tuition.

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Is there a monitoring system in place for municipal solid waste management?	Yes/No	Yes	Yes	Routine monthly and ad hoc investigations undertaken; general waste management monitoring done in communities and local municipal landfill sites.
Percentage of municipal waste water treatment facilities that are licensed	%	100%	Unknown	Licensing of facilities is issued by the Department of Water Affairs and Forestry (DWAF); awaiting information/data in this regard.
Percentage of municipal waste water treatment facilities (WWTF) which meet the required effluent standard at least 97% of the time	%	100%	75%	Management of WWTF is a B-municipality responsibility; MHS is consulted and ensures compliance.
Has the municipality instituted a programme of effluent discharge quality sampling in accordance with nationally defined minimum standards?	Yes/No	Yes	Yes	Monthly monitoring programme is in place and ad hoc inspections are done when necessary.

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Has the municipality instituted a programme of drinking water quality sampling in accordance with DWAF and SANS241 requirements?	Fully/ Partially/ Not at all	Fully	Fully	Monthly monitoring programme is in place and ad hoc inspections are done when necessary.
Percentage water quality samples failing the <i>E. coli</i> test	%	0%	19,1 %	This percentage is influenced by samples that are mostly taken in the rural area following complaints received due to the water source being contaminated.

Corporate Services				
Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Total number of council meetings	Number	4	8	
Did the municipality have a functional complaint management system?	Yes/No	Yes	No	Additional systems and development were put on hold until the network infrastructure upgrade and Disaster Recovery System are completed.
Did the municipality have an Anti-Corruption Policy?	Yes/No	Yes	Yes	
Did the municipality implement a Workplace Skills Development Plan?	Yes/No	Yes	Yes	
Number of months where the Employment Equity reports have been submitted to the Local Labour Forum	Number	12	12	
Was the Workplace Skills Development report submitted by 30 June 2009?	Yes/No	Yes	Yes	

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Has the Inter-Governmental Relations Policy been developed?	Yes/No	Yes	Yes	The draft was completed but not approved because there were no Council meetings and a change of Executive Mayors.
Has the International Relations Policy been developed?	Yes/No	Yes	Yes	The draft was completed but not approved because there were no Council meetings and a change of Executive Mayors.
Number of district technical forums for local municipalities organised by the department	Number	4	3	Only three were held due to the elections.
Number of meetings with respective portfolio councillor	Number	12	12	Meeting were held during monthly meetings on the Local Labour Forum Training Committee, as well as informally.
Number and nature of innovations entered into by the CWDM	Number	3	1	Started the process of establishing the District Corporate Services Forum, with Drakenstein and Witzenberg Municipality.

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Number of months where the Occupational Health and Safety reports have been submitted to the Local Labour Forum	Number	12	12	
System downtime for document management server	Minutes	30 minutes	20 minutes	Within target.
System downtime for email server	Minutes	15 minutes	10 minutes	Within target.
System downtime for finance server	Minutes	15 minutes	15 minutes	Within target.
System downtime for HR server	Minutes	15 minutes	20 minutes	Target exceeded.
System downtime for internet access server	Minutes	30 minutes	10 minutes	Within target – the CWDM's internet service is provided by an outsourced company.
System downtime for vehicle tracking	Minutes	30 minutes	20 minutes	Within target – the vehicle tracking service is supported by an outsourced company.

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Average response time to ICT faults/calls logged	Minutes	5 – 480 minutes	5 – 480 minutes	Remote faults are resolved in minimal time, using remote desktop tools and telephonic support.

Engineering and Infrastructure Services				
Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Number of district technical forums for local municipalities organised by the department	Number	4	9	1: Integrated Human Settlement Technical Steering Committee – 30 June 2008; workshop with municipalities and province – 6 March 2009. 2: Housing Consumer Education Steering Committee: four meetings – 6 June 2008, 20 October 2008, 4 February 2009 and 6 May 2009. 3: Technical meeting with B-municipalities – Budget 25 June 2009. 4: Integrated Transport Steering Committee – 24 July 2008 and 5 March 2009.

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Number of meetings held with the respective portfolio councillor	Number	12	6	Meetings were held on 2 July 2008, 28 August 2008 and 1 October 2008 with the portfolio councillor; the portfolio councillor resigned and a new councillor was appointed in March 2009; meetings were held on 17 March 2009, 30 April 2009 and 10 June 2009 with the new councillor.
Has the district-wide Human Settlement Strategy been reviewed, updated and adopted by the council?	Yes/No	Yes	Ongoing	Busy compiling a new Human Settlement Plan; situational analysis was completed; according to the programme the final plan was scheduled to be submitted to the council in October 2009
Is there a reporting system in place for electricity delivery to households?	Yes/No	Yes	Ongoing	The CWDM is not an electricity services authority; each service delivery authority has its own monitoring system; a need for a district monitoring system has been identified after the process of compiling data.

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Is there a reporting system in place for housing delivery?	Yes/No	Yes	Ongoing	The CWDM has a comprehensive backlog study; each B-municipality has its own monitoring system in place; a need for a monitoring system for the whole district has been identified in the Human Settlement Plan; monitoring the system for the whole CWDM will be one of the outcomes of the Human Settlement Plan.
Is there a reporting system in place for the maintenance of streets?	Yes/No	Yes	Ongoing	The Pavement Management System is updated regularly.
Is there a reporting system in place for water delivery to households?	Yes/No	Yes	Ongoing	The CWDM compiles a comprehensive water and sanitation backlog study; the CWDM also has an Information Management Query System (IMQS) in place; data is updated regularly.

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Number and nature of innovations entered into by the CWDM	Number	3	2	<p>1: GPS on board mini-bus taxi surveys – Stellenbosch GPS points fixed of service route, boarding and alighting points as well as actual number of commuters per trip; this method places the CWDM in the position to work with actual figures for the development of an OLS; 2: There are insufficient funds to provide water to rural dwellers, land owners can buy capacity on new rural water distribution lines; reserve capacity on pipelines available to future water users, providing money for the capital cost.</p>

Regional Development and Planning				
Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Has the Strategic Environmental Assessment been implemented in the CWDM?	Yes/No	Yes	Yes	Environmental capacity building training was finalised in June 2009.
Number of district technical forums for local municipalities organised by the department	Number	4	6	Planning forum meetings: 20 March 2009 and 9 June 2009; Local Economic Development managers meetings: 23 March 2009 and 22 May 2009; Local Tourism Association meetings: 25 March 2009 and 25 May 2009.
Number of meetings held with respective portfolio councillor	Number	12	7	22 January 2009; 16 April 2009; 17 April 2009; 4 May 2009; 6 May 2009; 13 May 2009; 5 June 2009.

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Number and nature of innovations entered into by the CWDM	Number	3	3	Feasibility studies have been finalised for an agriculture business support centre, a customs clearance centre, and an incubator.
Percentage of CWDM households able to identify the Cape Winelands brand	%	60%	0%	The department is dependent on the appointment of the service provider for the household satisfaction survey to be done by the performance management directorate.

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Percentage of respondents aware of the Cape Winelands brand, as tested in a brand awareness survey (includes areas outside the CWDM)	%	20%	0%	The department is dependent on the appointment of the service provider for the household satisfaction survey to be done by the performance management directorate; although the Cape Winelands brand has not been finally adopted by council, the tourism department together with the 16 LTAs promote the Cape Winelands tourism brand at all tourism exhibitions, i.e. six international, four local tourism shows and one LED exhibition.
Number of emerging and small businesses supported by the CWDM	Number	44	43	One SMME moved out of the region and could not access the funding.
Number of business partnerships facilitated by the CWDM	Number	9	9	All nine beneficiaries entered into agreements with the CWDM.

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Has the needs analysis for informal businesses been conducted, and presented to the council?	Number	1	1	Needs analysis was completed; The analysis could not be presented due to the postponement of the meeting.
Determine the percentage growth in the gross geographic product (GGP) in the CWDM	%		2,20%	A baseline for future monitoring has been determined.
Determine the percentage growth in gross value add (GVA) in the CWDM	%		1,40%	A baseline for future monitoring has been determined.
Have the 2009/10 IDP, budget and PMS been spatially aligned and linked?	Yes/No	Yes	Yes	The 2009/10 IDP, PMS and budget have been spatially linked.
Determine the Gini coefficient of the CWDM	Index	Range between 0 and 1	0,61	A baseline for future monitoring has been determined.

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Has the Growth and Development Strategy been reviewed?	Yes/No	Yes	Yes	The findings will be presented to council during the 2009/10 financial year.
Has the biosphere reserve Spatial Development Plan been developed for the CWDM?	Yes/No	Yes	Yes	This is a multi-year project, to be finalised during the 2009/10 financial year; all targets were met in terms of the business plan for the 2008/09 financial year.
Has the interim governance structure for the biosphere reserve been put in place?	Yes/No	Yes	Yes	An interim committee was established; this committee will develop into a formal management entity with required portfolios.
Has the district Spatial Development Framework been reviewed?	Yes/No	Yes	Yes	This is a multi-year project, to be finalised during the 2009/10 financial year; all targets were met in terms of the business plan for the 2008/09 financial year.

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
What percentage of the targeted capital and projects spending will be spent in the priority areas identified in the Spatial Development Framework for the 2009/10 financial year?	%	75%	0%	Priority areas will be identified in proposed district SDF; the priority areas are also dependent on the outcomes and recommendations of the proposed Cape Winelands Rural Development Strategy.
Did the municipality have an approved Environmental Management Plan?	Yes/No	Yes	No	Although the project will commence in the 2009/10 financial year, the terms of reference for the Environmental Management Framework were finalised at the end of June 2009.

Rural and Social Development				
Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Number of Early Childhood Development centres receiving toolkits	Number	50	50	A successful toolkit handing over ceremony was held on 1 June 2009.
Number of quorated Development Committee meetings	Number	20	20	
Convening of District Assessment Committee (DAC) meetings	Number	4	5	The original target was four, the achieved target was five meetings convened.
Strategic session to review the DAC's role in rural development	Number	2	2	The first focused on the role and function of the DAC, the other on strategic aspects.
Number of gender awareness programmes	Number	2	2	The first focused on representatives from the three B-municipal areas in the eastern region, the other on representatives from the two B-municipal areas in the western region.
Focus session workshops to realign Health Committee project unit	Number	3	3	

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Number of beneficiaries from Community Support Programme	Number	100	135	The original target was 100, but 135 was achieved.
Number of district technical forums for local municipalities organised by the department	Number	3	3	A well-functioning district planning unit with senior management representatives from all five B-municipalities has been established.
Number of meetings held with respective portfolio councillor	Number	4	6	The target was four, but six sessions were held.
Number and nature of innovations entered into by the CWDM	Number	2	2	The first relates to the establishment of an inter-governmental partnership to tackle poverty auditing in the district; An inter-municipal cluster was formed to ensure integration and alignment in a new function/field called Rural and Social Development.

Financial Management Services				
Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Has the process plan for Service Delivery Budget Implementation Plans been established?	Yes/No	Yes	Yes	
Has the Activity-Based Costing system been implemented?	%	80%	60%	An activity-based costing module had already been developed; based on this module a high level ABC costing programme was developed on the SAMRAS system with the various projects as clients (the total budget has been allocated to the various projects – roads, fire services and environmental health services); discussions to refine the system will happen during the 2009/10 financial year.
Percentage of fixed asset value that has been verified	%	100%	100%	

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Average days to pay a creditor after receipt of required statements	Days	30	4	
Monthly submission of financial reports to Executive Mayor	Number	12	12	
Quarterly submission of financial reports to the Council	Number	4	4	Submitted to Provincial and National Treasury, although not required in terms of the MFMA.
Rand value of inventory turnover per month	Rand	R500 000	R543 607	
Timeous compilation and submission of financial statements to Auditor General	Date	31 August 2008	28 August 2008	
District technical forums for local municipalities organised by the department	Number	4	4	This forum is chaired by the Chief Financial Officer of the Breede River Winelands.
Meetings held with respective portfolio councillor	Number	12	15	

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Number and nature of innovations entered into by the CWDM	Number	3	5	Caseware software (allows monthly statements); electronic procurement system (95% complete); information verification with banks; internal controls; extract info to split BEEs, SMMEs, disabilities, etc; research on electronic asset management system.
To develop a monitoring and co-ordination system for contract management and service level agreements	Yes/No	Yes	Yes	Monitoring via Section 71 monthly report, quarterly report and bi-annual report; in cases where Service Level Agreements exist, monthly reports are obtained to affect future payments.
Rand value of total procurement (contracts and tenders) awarded to BEEs	%	70%	70%	Where contracts were awarded to non-BEEs, non-SMMEs and people who were not disabled, women or youth, the conditions required that it be subcontracted to BEEs, SMMEs, disabled people, women and youth.

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Number of contracts and tenders (procurement) awarded to BEEs	Number	Supporting information in respect of previous KPI	177	
Rand value of total procurement (contracts and tenders) awarded to people with disabilities	%	2%	0,4%	
Number of contracts and tenders (procurement) awarded to people with disabilities	Number	Supporting information in respect of previous KPI	12	
Rand value of total procurement (contracts and tenders) awarded to SMMEs	%	40%	37,9%	
Number of contracts and tenders (procurement) awarded to SMMEs	Number	Supporting information in respect of previous KPI	428	
Rand value of total procurement (contracts and tenders) awarded to women	%	25%	9,8%	

Key Performance Indicator	Measuring unit	Annual target	Achievement in relation to annual target	Comments
Number of contracts and tenders (procurement) awarded to women	Number	Supporting information in respect of previous KPI	155	
Rand value of total procurement (contracts and tenders) awarded to youth	%	10%	1,8%	
Number of contracts and tenders (procurement) awarded to youth	Number	Supporting information in respect of previous KPI	20	
Supply chain management assessment questionnaire for contractors and SLAs of the CWDM	Yes/No	Yes	No	No formal system is in place; all invoices are signed off by the appropriate official for payment.

5.6 PROJECT IMPLEMENTATION

The overall achievement, with regard to the 93 projects implemented in the Cape Winelands, was reflected as weighted percentages of:

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

This 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	84%
Office of the Municipal Manager	64%
Engineering and Infrastructure	91%
Regional Development and Planning	97%
Rural and Social Development	66%
Cape Winelands	75%

The table below reflects the grading of these 93 projects, with 64 projects (69%) achieving a performance level of 75% and higher.

Directorate	Number of projects	0% – 74%	75% – 89%	90% – 100%
Community and Development	14	5	2	7
Office of the Municipal Manager	13	7	4	2
Engineering and Infrastructure	18	8	1	9
Regional Development and Planning	35	1	8	26
Rural and Social Development	13	8	3	2
Cape Winelands	93	29	18	46

- Annexure A lists each of these projects with the comments for achieving the targets as expressed in the business plans provided.
- Annexure B lists each project with the project key performance indicators with target and actual information.
- Annexure K provides the projects linkage to the IDP strategic objectives.
- Annexure L provides a summary of the project key performance indicators for deliverables with target and actual information in support of Annexure B.

5.7 KEY PERFORMANCE AREAS (KPAs) OF NATIONAL GOVERNMENT

The CWDM has taken cognisance with regard to a five-year local government strategic agenda in reviewing its IDP.

The CWDM contributed to the five key performance areas for local government, i.e.:

- Service delivery and infrastructure development
- Local economic development
- Municipal financial viability and management
- Municipal transformation and organisational development
- Good governance and public participation

It should be noted that this is restricted to the powers and functions the CWDM performs.

KPA 1 – Service delivery and infrastructure development		
Roads	Unit	Quantity
Kilometres of road responsible for	km	4 716
Kilometres of roads maintained and rehabilitated	km	4 716
Total amount of operating budget allocated to road maintenance	Rand	R68 360 625
Total amount of operating budget spent on road maintenance	Rand	R67 845 995

KPA 2 – Local economic development		
Economic growth	Unit	Quantity
Total Rand value of contracts awarded	Rand	R136 626 981
Total Rand value of contracts awarded to SMMEs	Rand	R51 820 112
Total Rand value of contracts awarded to BEE suppliers	Rand	R29 780 659
Total Rand value of contracts awarded to women	Rand	R13 432 053

KPA 3 – Municipal financial viability and management		
Financial viability	Unit	Quantity
Cash collected from customers	Rand	R4 015 503
Billings to customers	Rand	R4 590 590
Total operating transfers (grant and subsidy income)	Rand	R255 586 003
Total operating expenditure	Rand	R309 930 252
Capital budget spent in year	Rand	R16 916 524
Council approved capital budget in year	Rand	R22 745 906
Invoices outstanding	Rand	R0
Invoices charged	Rand	R4 590 590
Total outstanding customer debt as at 30 June 2009	Rand	R628 347
Billed revenue	Rand	R4 590 590
Current assets as at 30 June 2009	Rand	R367 479 401
Current liabilities as at 30 June 2009	Rand	R33 847 853
Total revenue	Rand	R327 563 903
Revenue from grants	Rand	R189 206 626
Debt service payments	Rand	R0

KPA 3 – Municipal financial viability and management		
Financial viability	Unit	Quantity
Salaries budget (including benefits)	Rand	R123 167 705
Total operating budget	Rand	R317 254 341
Municipal systems improvement grant (MSIG) allocation	Rand	R735 000
Amount of this allocation utilised	Rand	R735 000
Municipal infrastructure grant allocation	Rand	R3 647 000
Amount of this allocation utilised	Rand	R3 647 000

KPA 4 – Municipal transformation and organisational development		
Organisational design and capacity	Unit	Quantity
Number of posts in the organogram as at 30 June 2009	Number	875
Number of posts in the organogram that were filled as at 30 June 2009	Number	544
Total number of staff employed in the municipality as at 30 June 2009	Number	554
Total number of Section 57 staff employed as at 30 June 2009	Number	7
Number of posts vacant for more than three months during the financial year ending 30 June 2009	Number	335
Number of Section 57 posts vacant for more than three months during the financial year ending 30 June 2009	Number	1

KPA 4 – Municipal transformation and organisational development		
Employment equity	Unit	Quantity
Number of Section 57 staff that were classified as Black (inclusive of African, Asian and Coloured) as at 30 June 2009	Number	5
Number of Section 57 staff that were women as at 30 June 2009	Number	2
Number of staff (out of the total number of staff) in the municipality that were women as at 30 June 2009	Number	169
Number of staff (out of the total number of staff) in the municipality that were classified as disabled as at 30 June 2009	Number	6

KPA 5 – Good governance and public participation		
Council meetings	Unit	Quantity
How many council meetings were held in the 2008/09 financial year?	Number	8
How many open council meetings were held in the 2008/09 financial year?	Number	8
Corporate governance	Unit	Quantity
Number of Section 57 staff that were dismissed	Number	0
Number of Section 57 staff that were suspended	Number	0

5.8 PERFORMANCE REVIEW – 2007/08 VERSUS 2008/09

When comparing the 2008/09 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 65% to 69%. Significant progress was made in job creation with the number of jobs created increasing from 336 (2006/07) to 677 (2007/08) to 2 213 (2008/09).

Annexure J reflects the 2007/08 performance targets and achievements which can be used for comparison purposes with the achievements of 2008/09.

5.9 PERFORMANCE IMPROVEMENT MEASURES

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

- 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.
- 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 were done by external auditors to verify the quality of data and evidence of performance. Audit reports are submitted to management for response and action to address any identified shortcomings. These reports also serve before the Audit Committee for further review.
- Project management support has been provided during 2008/09 in preparation for the 2009/10 financial year.

5.10 PERFORMANCE INDICATORS FOR 2009/10

The performance indicators and targets for 2009/2010 were reviewed after consultations with the political and administrative leadership of the CWDM. The result of this process was a KPI scorecard for each directorate at the CWDM, as per the organisational structure of the municipality.

The municipal scorecard, which is also the scorecard or performance plan for the municipal manager, was 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 2009/10 financial year are summarised in the attached annexures:

- Annexure C: Municipal Scorecard
- Annexure D: Corporate Services
- Annexure E: Financial Management Services
- Annexure F: Engineering and Infrastructure Services
- Annexure G: Community and Developmental Services
- Annexure H: Regional Development and Planning Services
- Annexure I: Rural and Social Development Services

Annexure A

Projects with Comments

Executive Directorate	Project	Comment
Community and Developmental Services	Health and Hygiene Improvement Project in the Informal Meat Sale Industry	This project met all the envisaged objectives and goals, however the donation of the work stations was delayed due to legal and asset management policy requirements that had to be met; these issues have been resolved and the work stations will be handed over to the beneficiaries on 31 August 2009
Community and Developmental Services	Subsidies for Upgrading Water and Sanitation in the Rural Area	This project met all the envisaged objectives and goals; the available budget was spent to provide water and sanitation services on farms and 67 additional toilets were provided in areas of serious concern
Community and Developmental Services	Greening Cape Winelands	Through this project the department planted 10 415 trees, exceeding the original target by 1 415 trees; 100% of the original budget was spent; R500 000 allocated for this purpose as part of the adjustment budget could not be spent due to time constraints
Community and Developmental Services	Guidance – Health and Hygiene	The department exceeded the goals and objectives within the allocated budget
Community and Developmental Services	Breede River Improvement Project	The department exceeded the goals and objectives within the allocated budget.
Community and Developmental Services	Baseline information programme rollout	The goals and objectives were met within the available budget
Community and Developmental Services	Environmental Health Education Programme	The goals and objectives were met within the available budget

Executive Directorate	Project	Comment
Community and Developmental Services	Cape Winelands Clean-up Campaign	The goals and objectives were met within the available budget
Community and Developmental Services	Cape Winelands Waste Recycling Project	Workshops were conducted throughout the district and recycling sites were visited; it was found that the approach to this project had to be revisited and therefore the project was put on hold; the result was that the original objectives for this project were no longer applicable and could not be reached; an additional amount of R150 000 allocated at the adjustment budget could not be spent either due to the aforementioned reasons
Community and Developmental Services	Aligning the district in order to render an air quality monitoring and licensing function	Workshops were held throughout the district and a needs assessment and skills audit was conducted; the failure of the department to execute this business plan can be largely contributed to uncertainty in terms of the legislation and roles and functions between different spheres of government, and the fact that legislation has not yet been promulgated
Community and Developmental Services	Municipal Policing	A political decision was made not to proceed with implementing the project via the community policing forums as initially projected in the activity plan and the report prepared for consideration by the mayoral committee; various implementation routes were explored, but these could not be finalised within the timelines of the project implementation

Executive Directorate	Project	Comment
Community and Developmental Services	Disaster Management Planning	The project was insufficiently budgeted for; the subsequent transfer of appropriate funding delayed the start of the project; there were problems with the stakeholder consultation workshops (rescheduled due to school holidays), poor attendance and the municipal strike action; the final compilation of the Disaster Management Plans is still due for submission
Community and Developmental Services	Compilation of Disaster Management Framework	The consultation process in the development of the framework is completed; a final draft will be submitted to the mayoral committee in due course
Community and Developmental Services	Disaster Management Training	A Disaster Management Training Programme was developed to accommodate all ward councillors and two ward committee members from each ward in the five local municipalities; nine one-day training sessions were scheduled for 273 ward councillors and ward committee members; a two-day session was scheduled for 15 officials from Stellenbosch Municipality; the sessions were attended by 29 ward councillors, 71 ward committee members and 13 officials; although the training programme was well-communicated to the local municipalities, the attendance by certain target groups was poor
Engineering and Infrastructure Services	Hermon Housing: Top structure	The contractor is experiencing financial problems and new contractors have to be appointed
Engineering and Infrastructure Services	Planning: Nieuwedrift Housing Project	Waiting for a year and four months on comments from HWC
Engineering and Infrastructure Services	Upgrading of Rural Roads	Project executed according to plan and budget

Executive Directorate	Project	Comment
Engineering and Infrastructure Services	Fencing La Motte Office	Waiting for approval of additional money
Engineering and Infrastructure Services	Fencing and Paving at Kayamandi Hostel	Project executed according to plan and budget
Engineering and Infrastructure Services	Infrastructure in District Management Area	Project executed according to plan and budget
Engineering and Infrastructure Services	Rural Water Scheme: Wellington/Hermon	Project executed according to plan and budget
Engineering and Infrastructure Services	Provision of Water and Sanitation to Rural Schools	Project executed according to plan and budget
Engineering and Infrastructure Services	Planning: Waste Management Plan	Appointment of consultants not approved by adjudication committee
Engineering and Infrastructure Services	Planning: Pavement Management System	Appointment of consultants not approved by adjudication committee
Engineering and Infrastructure Services	Sidewalk Worcester – TR 30/2	Appointment of contractor was delayed due to unforeseen reasons
Engineering and Infrastructure Services	Access Water	Project executed according to plan and budget
Engineering and Infrastructure Services	Extended Public Works Programme: Gabions	Project executed according to plan and budget

Executive Directorate	Project	Comment
Engineering and Infrastructure Services	Grass Cutting: Clearing of Road Services	Money was allocated very late (during revised budget – March 2009); performance of inexperienced contractors was poor
Engineering and Infrastructure Services	Recreational Area: Planning	Quotations received from consultants were too high – ± R400 000; not enough money was allocated and the project was put on hold
Engineering and Infrastructure Services	Sandhills: Upgrade of Access Road	Money was allocated very late (during revised budget – March 2009); performance of inexperienced contractors was poor
Engineering and Infrastructure Services	Sandhills: Water-related Projects	Money was allocated very late (during revised budget – March 2009); rain delayed construction during June 2009
Engineering and Infrastructure Services	Upgrading of Toilet Facilities	Decided to pilot only three toilets in Drakenstein; project was completed at much lower cost than anticipated
Office of the Municipal Manager	Develop Sectoral Plans	Some of the planned engagements that form part of this project could not take place due to the unavailability of local municipalities to attend; it was learnt before implementation of the government investment footprint that provincial government already started a similar project
Office of the Municipal Manager	Development of Performance Management System	Project executed according to plan and budget
Office of the Municipal Manager	Gender Strategy	Part of the budget for this project was dedicated to the development of a gender strategy, which will be developed as part of the comprehensive social development plan by the department: rural and social development; this prevents duplicate spending on the same objective

Executive Directorate	Project	Comment
Office of the Municipal Manager	IDP Training	Due to MFMA constraints, Section 17(3)J, financial support to the local municipalities was stopped; R100 000 was received from provincial government for the ward committee summit that was on the programme; IDP training was organised and paid for by provincial government's training programme
Office of the Municipal Manager	Implementation of Vehicle Tracking System in the CWDM	Due to MFMA constraints, Section 17(3)j, payments for the projects could only be done during the 2009/10 financial year
Office of the Municipal Manager	Development/review of Objectives, KPAs and KPIs of three B-municipalities	Due to MFMA constraints, Section 17(3)j, payments for the capturing of business plans could only be done during the 2009/10 financial year
Office of the Municipal Manager	Perception Survey	A project manager had been appointed to negotiate and manage the implementation of the survey; it is envisaged that the survey will commence in July 2009
Office of the Municipal Manager	2010 Youth Activation	It is important to note that some of the funds had to be transferred to other budget votes
Office of the Municipal Manager	Branding and International Marketing	Marketing of the region in the Netherlands has already begun; a Dutch publication was produced and distributed throughout the Netherlands; a German version was also done
Office of the Municipal Manager	Exhibition and Expo	This was such a successful event that our joint marketing agreement with OAD was officially received for submission of approval
Office of the Municipal Manager	Newsletter	Due to a lack of funds this project did not materialise
Office of the Municipal Manager	CAF Game	There was a shortfall of R130 000 which was taken from budget number 111045415

Executive Directorate	Project	Comment
Office of the Municipal Manager	Presentation	Due to a lack of funds this project did not materialise
Office of the Municipal Manager	Perspex Stands	The project did not materialise because the quotes received exceeded the available budget
Rural and Social Development Services	Development Committees	In the middle of the financial year it was indicated that the development committees are not implementers, but facilitators, whereas the Service Delivery Budget Implementation Plan (SDBIP) indicated otherwise; the project focused on support, training and capacity of health and development committees
Rural and Social Development Services	Gender	Support gender development programmes and awareness programmes; a service provider, Gab Consulting, was appointed and workshops were held as per the SDBIP business plan
Rural and Social Development Services	HIV/Aids	The project focused on supporting awareness campaigns and World Aids Day; the only achievement was support for World Aids Day
Rural and Social Development Services	Elderly	The project's aims were to support old age institutions and implement awareness programmes in partnership with such institutions; none of these were achieved due to poor planning resulting in late procurement
Rural and Social Development Services	Sustainable Livelihoods	In the middle of the financial year it was indicated that the development committees are not implementers, but facilitators, whereas the SDBIP indicated otherwise; this project focused on support to soup kitchens and the establishment of food gardens through development committees; due to the aforementioned political decision, implementation failed

Executive Directorate	Project	Comment
Rural and Social Development Services	Early Childhood Development	The project focused on providing support to 50 ECD centres with toolkits, and trained 10 ECD centre staff members; both aims were achieved and due to thorough procurement there was a saving on the purchasing of the toolkits
Rural and Social Development Services	People with Disabilities	The project's aims were to support institutions and awareness programmes for people with disabilities and improve their livelihood; none of these were achieved due to poor planning resulting in late procurement
Rural and Social Development Services	Women	The project's aims were to support women development in the district and support awareness programmes; none of these were achieved due to poor planning resulting in late procurement
Rural and Social Development Services	Families and Children	The project's aims were to develop and implement developmental programmes to support development committees in sensitising communities regarding the vulnerable children and destitute families; a service provider was appointed and the project was completed within budget
Rural and Social Development Services	Human Security Projects	In the middle of the financial year it was indicated that the development committees are not implementers, but facilitators, whereas the SDBIP indicated otherwise; the project aimed to support community workers and developmental structures with a communication link and training; work and capacity building sessions were held with development committees and lay health workers; the aforementioned political decision made implementation complicated

Executive Directorate	Project	Comment
Rural and Social Development Services	Youth	Various youth development initiatives providing opportunities to rural and vulnerable youth have been supported, including a successful rural Youth Day event in which 700 rural youth participated; the budget was not spent due to inefficient planning
Rural and Social Development Services	Combating Substance Abuse	The project's aims were to support substance abuse institutions in the district, and support alcohol and drug awareness programmes and campaigns; due to insufficient planning resulting in late procurement very little success was achieved
Rural and Social Development Services	Youth Empowerment	This project was not implemented by the Department of Rural and Social Development, but the directorate IDP
Public Safety and Planning Services	Advertorials	Achieved targets as set out in business plan
Public Safety and Planning Services	Cape Winelands Economic Development Council	The executive committee of the CWEDC is still clarifying its role and function, therefore subcommittees could not be established
Public Safety and Planning Services	Information Management	Achieved targets as set out in business plan
Public Safety and Planning Services	Review of the Growth and Development Strategy	GDS review summit postponed and will take place on 27 November 2009
Public Safety and Planning Services	Research Studies	Achieved targets as set out in business plan
Public Safety and Planning Services	Wine Incubator	Achieved targets as set out in business plan

Executive Directorate	Project	Comment
Public Safety and Planning Services	Stakeholders liaison	Achieved targets as set out in business plan
Public Safety and Planning Services	Biofuels	Achieved targets as set out in business plan
Public Safety and Planning Services	Business Support Coordination Programme	Achieved targets as set out in business plan
Public Safety and Planning Services	Entrepreneurial Seed Fund Programme	Achieved targets as set out in business plan
Public Safety and Planning Services	Small Farmers Support Programme	Achieved targets as set out in business plan
Public Safety and Planning Services	LED Expo	Achieved targets as set out in business plan
Public Safety and Planning Services	Arts and Culture	Project was completed within time frames set and budget was spent; 12 entrepreneurs were trained
Public Safety and Planning Services	Breedekloof Bursary Fund	Project was completed within time frames set and budget was spent
Public Safety and Planning Services	Cape Town Market Outlet	Money was paid over according to the memorandum of understanding (MOU) with Cape Town Routes Unlimited
Public Safety and Planning Services	Freedom Route	Project completed and budget spent
Public Safety and Planning Services	Learnership Training	Money was paid over according to the MOU with CTRU
Public Safety and Planning Services	LTA Projects	Money was paid over according to SLAs with LTAs
Public Safety and Planning Services	Road Signage	Money was spent on removal and replacement of tourism road signs

Executive Directorate	Project	Comment
Public Safety and Planning Services	Schools Tourism Awareness	Money was spent and project completed within set time frames
Public Safety and Planning Services	THD and Community Training Programme	Budget was spent according to SLAs with THDs and identified training needs
Public Safety and Planning Services	Tour Guide Training	Project was completed successfully, 15 tour guides were trained and budget was spent
Public Safety and Planning Services	Tourism Internship Programme	Project was not finished because HR agreed to pay the tourism intern from the HR vote and not the departmental vote
Public Safety and Planning Services	Marketing (educational)	All media educational took place successfully; some product owners offered their services for free
Public Safety and Planning Services	Marketing (exhibitions)	Approval was given for CWDM to attend six international and five domestic shows; allocated budget was sufficient to cover all costs
Public Safety and Planning Services	Marketing (DVD/video)	Budget was spent and project completed within set time frames
Public Safety and Planning Services	Marketing (collateral)	Budget was spent and project completed within set time frames
Public Safety and Planning Services	Marketing (Tourism Month)	Five excursions were undertaken throughout all five municipal areas in the Cape Winelands; some product owners offered their services for free
Public Safety and Planning Services	Cape Winelands Regional Spatial Development Framework	Project was completed within budget and all deliverables were met

Executive Directorate	Project	Comment
Public Safety and Planning Services	Implement Strategic Environmental Assessment	Project was completed within budget and all deliverables were met
Public Safety and Planning Services	Spatial Development Plan: Cape Winelands Biosphere Reserve	Project was completed within budget and all deliverables were met
Public Safety and Planning Services	Marketing (LTB) Liaison	Budget was spent and project completed within set time frames
Public Safety and Planning Services	Marketing (tourism website)	CTRU administers the website on behalf of CWDM, thus required expenditure from CWDM was limited
Public Safety and Planning Services	Marketing (magazines)	Budget was spent and project completed within set time frames
Public Safety and Planning Services	Marketing (events)	CWDM supported 30 tourism events during 2008/09 financial year; budget was spent and project completed within set time frames

Annexure B

Projects with Targets and Actual Information

Cape Winelands District Municipality - 2008/09 Project Key Performance Indicators

Municipality	Quantities	Finance	Employment	Training	Activities	Duration	Overall
Cape Winelands Overall	77%	70%	20%	21%	79%	102%	75%
Directorate	Quantities	Finance	Employment	Training	Activities	Duration	Overall
1. Community and Developmental Services	112%	64%	65%	172%	78%	131%	84%
Project	Quantities	Finance	Employment	Training	Activities	Duration	Overall
	T	T	T	T	T	T	T
1. Aligning the District in order to render an air quality monitoring and licensing function	10	R 500,000			100%	364	8%
	0%	30%			0%	0%	
Project	Quantities	Finance	Employment	Training	Activities	Duration	Overall
	T	T	T	T	T	T	T
2. Baseline Information Program rollout	7	R 100,000	1	48	100%	364	97%
	100%	88%	0%	0%	100%	173%	
Project	Quantities	Finance	Employment	Training	Activities	Duration	Overall
	T	T	T	T	T	T	T
3. Breede River Improvement Project	800	R 693,000			100%	351	92%
	107%	96%			75%	96%	
Project	Quantities	Finance	Employment	Training	Activities	Duration	Overall
	T	T	T	T	T	T	T
4. Cape Winelands Clean-up Campaign	221	R 3,350,000	2,198	2,198	100%	364	70%
	36%	57%	63%	63%	100%	153%	

Cape Winelands District Municipality - 2008/09
Project Key Performance Indicators

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
5. Cape Winelands Waste Recycling Project	2		R 1,150,000		3		3		100%		364		0%
		0%				0%				0%			

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
6. Compilation of Disaster Management Framework	1		R 200,000	R 90,000					100%	85%	364	308	58%
		0%								85%			
				45%							115%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
7. Disaster Management Planning	8		R 300,000	R 487,635					100%	75%	364	248	94%
		100%								75%			
				163%							132%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
8. Disaster Management Training	14		R 350,000	R 309,000			265	113	100%	100%	302	364	74%
		57%						43%		100%			
				88%							79%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
9. Environmental health education programme	80		R 400,000	R 278,018	8	5	14,000	22,800	100%	100%	334	303	89%
		100%						163%		100%			
				70%							109%		

Cape Winelands District Municipality - 2008/09
Project Key Performance Indicators

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
10. Greening Cape Winelands	9,000	10,415	R 1,200,000	R 1,200,033	300	303	5,000	8,929	100%	100%	349	349	100%
	116%		100%		101%		179%		100%		100%		
11. Guidance - Health and Hygiene	60	67	R 241,000	R 179,151	3	5	3,895	10,555	100%	80%	364	321	92%
	112%		74%		167%		271%		80%		112%		
12. Health and Hygiene improvement project in the informal meat sale industry	5	6	R 210,000	R 167,561			40	40	100%	80%	364	364	92%
	120%		80%				100%		80%		100%		
13. Municipal Policing	24		R 600,000		100		60		100%	90%	333	146	32%
	0%		0%		0%		0%		90%		156%		
14. Subsidies for upgrading of water and sanitation in the rural area	56	45	R 1,000,000	R 1,078,987					100%	100%	364	363	95%
	80%		108%						100%		100%		
Directorate	Quantities		Finance		Employment		Training		Activities		Duration		Overall

Cape Winelands District Municipality - 2008/09
Project Key Performance Indicators

2. Engineering and Infrastructural Services	Quantities	174%	86%	142%	85%	75%	113%	91%
	Finance	T	A	T	A	T	A	T

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
1. Access Water	40	50	R 300,000	R 289,767					100%	100%	76	51	99%
	125%		97%						100%		133%		







Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
2. EPWP: Gabions	150	904	R 300,000	R 297,017	30	54			100%	100%	121	120	100%
	603%		99%		180%				100%		101%		






Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
3. Fencing and paving Kayamandi Hostel	80	90	R 175,000	R 190,184					100%	100%	121	100	100%
	113%		109%						100%		117%		






Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
4. Fencing La Motte office	200	219	R 275,000	R 186,960					100%	100%	121	354	67%
	110%		68%						100%		0%		






Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
5. Grass Cutting: Cleaning of road services	300	421	R 2,000,000	R 937,125	40	57			100%	100%	121	121	89%
	140%		47%		143%				100%		100%		






Cape Winelands District Municipality - 2008/09
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Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
6 . Hermon Housing: Top structure	80	73	R 4,517,000	R 4,293,824	40	48			100%	100%	-124	237	97% 
	91% 		95% 		120% 				100% 		391% 		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
7 . Infrastructure DMA	80	298	R 1,350,000	R 1,266,190					100%	100%	364	300	98% 
	373% 		94% 						100% 		118% 		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
8 . Planning: Nieuwedrift housing project	1		R 450,000	R 194,526					100%	90%	364	106	58% 
	0% 		43% 						90% 		171% 		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
9 . Planning: Pavement Management System (PMS)	50		R 200,000						100%	0%	76		0% 
	0% 		0% 						0% 		0% 		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
10 . Planning: Waste Management Plan	1		R 120,000						100%	0%	364		0% 
	0% 		0% 						0% 		0% 		

Cape Winelands District Municipality - 2008/09
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Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
11. Provision of water and sanitation to rural schools	6	9	R 811,000	R 732,777					100%	95%	333	359	94%
	150%		90%						95%		92%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
12. Recreational Area: Planning	1		R 200,000						100%	5%	76	29	26%
	0%		0%						5%		162%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
13. Rural Water scheme: Wellington/Hermon	40	40	R 3,700,000	R 5,135,402	20	20			100%	100%	364	360	100%
	100%		139%		100%				100%		101%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
14. Sandhills: Upgrade of access road	600	750	R 800,000	R 393,251					100%	25%	149	143	69%
	125%		49%						25%		104%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
15. Sandhills: Water related projects	1	1	R 600,000	R 600,000					100%	100%	43	43	100%
	100%		100%						100%		100%		

Cape Winelands District Municipality - 2008/09
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Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
16 . Sidewalk Worcester - TR 30/2			R 3,000,000	R 891,104	100	148	100	85	100%	35%	364	257	70%
			30%		148%		85%		35%		129%		



























Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
17 . Upgrading of Rural Roads	2	4	R 4,500,000	R 4,693,582	8	10			100%	100%	149	148	100%
	185%		104%		125%				100%		101%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
18 . Upgrading of toilet facilities	8	3	R 300,000	R 79,920					100%	100%	107	51	66%
	38%		27%						100%		152%		






Directorate	Quantities	Finance	Employment	Training	Activities	Duration	Overall
3 . Office of the Municipal Manager	24%	33%	0%	375%	60%	130%	64%







Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
1 . 2010 Youth Activation	4,500	2,000	R 393,356	R 393,355					100%	100%	67	50	86%
	44%		100%						100%		125%		




Cape Winelands District Municipality - 2008/09
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Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
2. Branding and International Marketing	2	1	R 400,000	R 347,606					100%	100%	151	151	84% 
	50% 		87% 						100% 		100% 		
3. Develop Sectoral Plans	Quantities		Finance		Employment		Training		Activities		Duration		Overall 69% 
	T	A	T	A	T	A	T	A	T	A	T	A	
	8	5	R 500,000	R 158,246					100%	80%	364	96	
		63% 		32% 						80% 		174% 	
4. Development and review of Strategic Objectives, KPA's and KPI's of three B Municipalities	Quantities		Finance		Employment		Training		Activities		Duration		Overall 84% 
	T	A	T	A	T	A	T	A	T	A	T	A	
	2	2	R 300,000	R 60,741			8	30	100%	100%	333	309	
		100% 		20% 		375% 		100% 		107% 			
5. Development of Performance Management System	Quantities		Finance		Employment		Training		Activities		Duration		Overall 99% 
	T	A	T	A	T	A	T	A	T	A	T	A	
	1	1	R 550,000	R 533,390					100%	100%	364	364	
		100% 		97% 				100% 		100% 			
6. Exhibition and Expo	Quantities		Finance		Employment		Training		Activities		Duration		Overall 73% 
	T	A	T	A	T	A	T	A	T	A	T	A	
	35	20	R 150,000	R 51,456					100%	100%	39	39	
		57% 		34% 				100% 		100% 			






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Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
7. Gender Strategy	1	1	R 350,000	R 190,782					100%	20%	364	28	69% 
													
		100%	55% 						20% 		192% 		






Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
8. IDP Training Community Based Planning Establishment of ward committees Capacity building of ward committees	81	321	R 270,000						100%	65%	364	364	66% 
													
		396% 	0% 						65% 		100% 		






Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
9. Implementation of Vehicle tracking system within CWDM									100%	100%	242	272	94% 
									100% 		88% 		







Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
10. Newsletter	1		R 50,000						100%	0%	90		0% 
		0% 	0% 						0% 		0% 		






Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
11. Perception Survey	2		R 2,000,000	R 8,510					100%	20%	364	364	30% 
		0% 	0% 						20% 		100% 		







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Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
12 . Pespex Stand	4		R 200,000						100%		86		0% 
	0%		0%						0%		0%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
13 . Presentation	5,000		R 70,000						100%		90		0% 
	0%		0%						0%		0%		

Directorate	Quantities	Finance	Employment	Training	Activities	Duration	Overall
4 . Public Safety and Planning Services	92% 	95% 	255% 	143% 	98% 	111% 	97% 

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
1 . Advertorials	3	8	R 88,200	R 222,917					100%	100%	364	360	100% 
	267%		253%						100%		101%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
2 . Arts & Culture	1		R 100,000	R 99,967			12	12	100%	100%	364	315	80% 
	0%		100%				100%		100%		113%		

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Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
3. Biofuels	1	1	R 300,000	R 298,771					100%	100%	333	326	100%

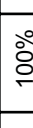



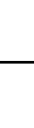
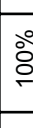



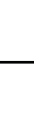

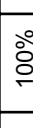



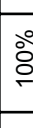



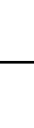

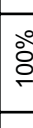



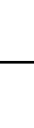
Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
4. Breedekloof Bursary Fund			R 36,600	R 36,600					100%	100%	364	276	100%

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
5. Business Support coordination programme	120	114	R 350,000	R 350,000			120	287	100%	100%	364	353	99%





Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
6. CAPE TOWN MARKET OUTLET			R 191,900	R 191,000					100%	100%	90	16	100%






Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
7. Cape Winelands economic Development Council			R 150,000	R 64,489					100%	55%	333	354	64%






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Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
8 . Cape Winelands Regional Spatial Development Framework.	4	4	R 373,400	R 321,407					100%	100%	350	350	97% 
	100% 		86% 						100% 		100% 		
9 . Entrepreneurial Seed Fund Programme	49	48	R 823,500	R 759,992	49	71			100%	100%	364	358	98% 
	98% 		92% 		145% 				100% 		102% 		
10 . Freedom Route			R 106,000	R 105,961					100%	100%	364	346	100% 
			100% 						100% 		105% 		
11 . Implementation of the CWDM Strategic Environmental Assessment	5	5	R 500,000	R 403,680			100	33	100%	100%	364	364	83% 
	100% 		81% 				33% 		100% 		100% 		
12 . Information management	2,502	4,002	R 274,826	R 265,045					100%	100%	364	353	99% 
	160% 		96% 						100% 		103% 		






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Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
13. LEARNERSHIP TRAINING			R 160,000	R 160,000					100%	100%	364	8	100%
			100%						100%		198%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
14. LED Expo	1	2	R 80,000	R 165,193					60%	60%	26	195	75%
	200%		206%						100%		0%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
15. LTA Projects	6	6	R 106,000	R 105,935					100%	100%	364	364	100%
	100%		100%						100%		100%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
16. Marketing (Collateral)	200,000	180,000	R 530,000	R 556,794					100%	100%	364	364	98%
	90%		105%						100%		100%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
17. Marketing (DVD/Video)	30,000	30,000	R 100,000	R 83,878					100%	100%	364	364	96%
	100%		84%						100%		100%		

Cape Winelands District Municipality - 2008/09
Project Key Performance Indicators

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
18 . Marketing (Educational)	5	5	R 159,000	R 120,302					100%	100%	364	342	94%
	100%		76%					100%		106%			

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
19 . Marketing (Events)	30	25	R 966,925	R 915,208					100%	100%	364	364	94%
	83%		95%					100%		100%			

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
20 . Marketing (Exhibitions)	11	10	R 1,500,000	R 1,504,175					100%	100%	364	357	98%
	91%		100%					100%		102%			

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
21 . Marketing (LTB) Liaison Marketing Subcommittee meeting			R 31,800	R 28,552					100%	100%	364	355	97%
			90%					100%		102%			

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
22 . Marketing (Magazines)	4	4	R 280,000	R 323,530					100%	100%	364	306	100%
	100%		116%					100%		116%			

Cape Winelands District Municipality - 2008/09
Project Key Performance Indicators

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
23. Marketing (Tourism Month)	5	5	R 74,200	R 49,116					100%	100%	364	329	92%
	100%		66%						100%		110%		






Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
24. Marketing (Tourism Website)	1	1	R 10,000	R 720					100%	100%	364	364	77%
	100%		7%						100%		100%		






Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
25. Research Studies	4	4	R 740,000	R 587,714					100%	100%	364	364	95%
	100%		79%						100%		100%		






Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
26. Review of the GDS	2	1	R 300,000	R 369,482					100%	80%	364	339	83%
	50%		123%						80%		107%		






Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
27. Road Signage			R 31,800	R 31,702					100%	100%	364	129	100%
			100%						100%		165%		





Cape Winelands District Municipality - 2008/09
Project Key Performance Indicators

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
28 . Schools Tourism Awareness	120	120	R 320,000	R 319,921					95%	100%	364	351	100% 
	100%		100%						105%		104%		





Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
29 . Small Farmers Support Programme			R 636,000	R 578,295	20	105			100%	100%	364	344	98% 
			91%		525%				100%		105%		





Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
30 . Spatial Development Plan-Cape Winelands Biosphere Reserve	5		R 600,000	R 600,000					100%	85%	364	342	71% 
	0%		100%						85%		106%		






Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
31 . Stakeholders liaison	4	7	R 52,420	R 52,420					100%	100%	302	364	95% 
	175%		100%						100%		79%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
32 . THD & COMMUNITY TRAINING PROGRAMME			R 212,000	R 205,698					100%	100%	364	303	99% 
			97%						100%		117%		






Cape Winelands District Municipality - 2008/09
Project Key Performance Indicators

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
33. Tour Guide Training			R 150,000	R 149,941					100%	100%	364	303	100% 
			100% 						100% 	117% 			






Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
34. TOURISM INTERNSHIP PROGRAMME			R 84,800	R 37,872					100%	100%	364	41	82% 
			45% 						100% 	189% 			







Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
35. Wine Incubator	1	1	R 490,749	R 268,698					100%	100%	303	298	89% 
	100% 		55% 						100% 	102% 			






Directorate	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
5. Rural and Social Development	85% 		33% 		0% 		60% 		52% 		152% 		66% 






Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
1. Combating substance abuse	15	3	R 300,000	R 110,610					100%	80%	335	180	59% 
	20% 		37% 						80% 	146% 			






Cape Winelands District Municipality - 2008/09
Project Key Performance Indicators

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
2. Development Committees	26	7	R 150,000	R 78,880					100%	100%	304	302	70% 
	27% 		53% 						100% 		101% 		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
3. Early Childhood Development	50	60	R 250,000	R 222,824			10	12	100%	100%	303	120	98% 
	120% 		89% 				120% 		100% 		160% 		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
4. Elderly	15		R 262,500						100%		304		0% 
	0% 		0% 						0% 		0% 		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
5. Families and children	25	25	R 262,500	R 233,434					100%	100%	335	304	97% 
	100% 		89% 						100% 		109% 		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
6. Gender	6	5	R 300,000	R 214,450					100%	80%	304	304	84% 
	83% 		71% 						80% 		100% 		

Cape Winelands District Municipality - 2008/09
Project Key Performance Indicators

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
7. HIV/AIDS	26		R 150,000	R 23,000					100%		304		4%
	0%		15%						0%		0%		










Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
8. Human Security Projects	100	70	R 200,000	R 131,406			40	40	100%	100%	335	327	87%
	70%		66%				100%		100%		102%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
9. People with disabilities	15		R 300,000						100%		304		0%
	0%		0%						0%		0%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
10. Sustainable Livelihoods	36		R 426,500	R 21,000					100%		333		1%
	0%		5%						0%		0%		

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
11. Women	10		R 300,000						90%		304		0%
	0%		0%						0%		0%		

Cape Winelands District Municipality - 2008/09
Project Key Performance Indicators

Project	Quantities		Finance		Employment		Training		Activities		Duration		Overall
	T	A	T	A	T	A	T	A	T	A	T	A	
12. Youth	2,010	1,807	R 300,000	R 101,397					100%	65%	304	288	72%
	90%		34%						65%		105%		
13. Youth Empowerment	10	9	R 940,000	R 234,198			320	170	100%	40%	364	148	62%
	90%		25%				53%		40%		159%		

Annexure C

Municipal Scorecard

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Good governance and public participation	Compliance with all legislation and policies to ensure that an unqualified audit is achieved	Audit outcome	Unqualified
Municipal financial viability and management	Funds secured from independent funding sources	Rand value	R8 million
Municipal financial viability and management	Capital expenditure as percentage of capital budget	Percentage	94%
Municipal financial viability and management	General expenditure as percentage of general budget	Percentage	80%
Municipal financial viability and management	Salaries as percentage of total budget	Percentage	34%
Municipal institutional development and transformation	Percentage of new appointments in department that are women	Percentage	45%
Municipal institutional development and transformation	Percentage of staff in the department that are classified as disabled	Percentage	1%
Municipal institutional development and transformation	Percentage of individuals sent on staff training and development	Percentage	30%
Good governance and public participation	Number and nature of new innovations entered into by the CWDM	Number	10

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Basic service delivery	Project expenditure as percentage of project budget for this period	Percentage	94%
Local economic development	Percentage of individuals employed as reflected in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of quantities achieved as reflected in business plans of approved projects	Percentage	90%
Local economic development	Percentage of individuals trained as reflected in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of activities completed as set out in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of activities completed within specified timeframes as set out in business plans of approved projects	Percentage	90%
Basic service delivery	System downtime for document management	Minutes	Less than 30 minutes per incident
Basic service delivery	System downtime for emails	Minutes	Less than 15 minutes per incident

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Basic service delivery	System downtime for finance	Minutes	Less than 15 minutes per incident
Basic service delivery	System downtime for HR	Minutes	Less than 15 minutes per incident
Basic service delivery	System downtime for internet access	Minutes	Less than 30 minutes per incident
Basic service delivery	System downtime for vehicle tracking	Minutes	Less than 30 minutes per incident
Local economic development	Have investment profiles, attraction and opportunities been investigated for the CWDM?	Yes/No	Yes
Local economic development	Development of a growth and development strategy implementation plan	Date	31 December 2009
Basic service delivery	Average response time to 70% of mountain/veld fire calls	Minimum	35 minutes
Basic service delivery	Percentage of mountain/veld fires responded to with a minimum of two fire fighting vehicles with combined human resources of a minimum of four fire fighters	Percentage	70%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Basic service delivery	Coordinate with occupational health and safety a readiness, preparedness and assessment drill for emergency evacuation	Number	1 drill per CWDM site
Municipal financial viability/management	Has the activity-based costing system been implemented?	Percentage	100%
Municipal financial viability and management	Coordinate, compile and implement the budget and SDBIP	Yes/No	Yes
Municipal financial viability and management	Timeous compilation and submission of financial statements to auditor general	Date	31 August 2009
Good governance and public participation	Percentage of Rand value of total procurement (contracts and tenders) awarded to BEEs	Percentage	25%
Local economic development	Percentage of Rand value of total procurement (contracts and tenders) awarded to people with disabilities	Percentage	1%
Local economic development	Percentage of Rand value of total procurement (contracts and tenders) awarded to SMMEs	Percentage	40%
Local economic development	Percentage of Rand value of total procurement (contracts and tenders) awarded to women	Percentage	10%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Local economic development	Percentage of Rand value of total procurement (contracts and tenders) awarded to youth	Percentage	2%
Good governance and public participation	Did the municipality conduct a citizen satisfaction survey?	Yes/No	Yes
Good governance and public participation	Did the municipality have an up-to-date reviewed IDP?	Yes/No	Yes
Good governance and public participation	Have the IDP, budget and performance management been aligned?	Yes/No	Yes
Good governance and public participation	Timeous compilation and submission of annual report to auditor general	Date	31 August 2009
Good governance and public participation	Have the 2010/'11 IDP, budget and PMS been spatially aligned and linked?	Yes/No	Yes
Local economic development	What percentage of the targeted capital and projects spending will be spent in the priority areas identified in the spatial development framework for the 2010/11 financial year?	Percentage	75%
Local economic development	2010 soccer sponsorship for poor communities	Number	2
Local economic development	2010 business, political, sports fraternity and stakeholder workshops	Number	1 per municipal area

Annexure D

Corporate Services

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Good governance and public participation	Compliance with all legislation and policies to ensure that an unqualified audit is achieved	Audit outcome	Unqualified
Municipal financial viability and management	Funds secured from independent funding sources	Rand value	R1,5 million
Municipal financial viability and management	Capital expenditure as percentage of capital budget	Percentage	94%
Municipal financial viability and management	General expenditure as percentage of general budget	Percentage	80%
Municipal financial viability and management	Salaries as percentage of total budget	Percentage	34%
Municipal institutional development and transformation	Percentage of new appointments in department that are women	Percentage	45%
Municipal institutional development and transformation	Percentage of staff in the department that are classified as disabled	Percentage	1%
Good governance and public participation	Percentage of individuals who have entered into individual performance agreements	Percentage	80%
Good governance and public participation	Percentage of individuals who have had at least one performance assessment	Percentage	70%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Municipal institutional development and transformation	Percentage of individuals sent on staff training and development	Percentage	30%
Municipal institutional development and transformation	Percentage of salaries and wages budget that was spent on staff training and development	Percentage	1%
Municipal institutional development and transformation	Percentage of funded posts in organogram that are filled	Percentage	80%
Municipal institutional development and transformation	Percentage of person days lost due to unplanned leave (sick leave, AWL, compassionate leave, etc.)	Percentage	5%
Good governance and public participation	Number of district technical forums for local municipalities organised by the department	Number	4
Good governance and public participation	Number of meetings held with respective portfolio councillor	Number	12
Good governance and public participation	Number and nature of new innovations entered into by the CWDM	Number	2
Good governance and public participation	Percentage of internal and external audit queries resolved by the department	Percentage	100%
Basic service delivery	Project expenditure as percentage of project budget for this period	Percentage	94%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Local economic development	Percentage of individuals employed as reflected in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of quantities achieved as reflected in business plans of approved projects	Percentage	90%
Local economic development	Percentage of individuals trained as reflected in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of activities completed as set out in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of activities completed within specified timeframes as set out in business plans of approved projects	Percentage	90%
Municipal financial viability and management	Percentage completed assessments of suppliers, contractors and service providers, where applicable, submitted to supply chain management (value > R30 000)	Percentage	80%
Municipal financial viability and management	Percentage reduction in general expenditure from previous financial year	Percentage	5%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Municipal institutional development and transformation	Number of months where employment equity reports were submitted to the local labour forum	Number	12
Municipal institutional development and transformation	Was the workplace skills development report submitted by 30 June?	Yes/No	Yes
Basic service delivery	System downtime for document management	Minutes	Less than 30 minutes per incident
Basic service delivery	System downtime for emails	Minutes	Less than 15 minutes per incident
Basic service delivery	System downtime for finance	Minutes	Less than 15 minutes per incident
Basic service delivery	System downtime for HR	Minutes	Less than 15 minutes per incident
Basic service delivery	System downtime for internet access	Minutes	Less than 30 minutes per incident
Basic service delivery	System downtime for vehicle tracking	Minutes	Less than 30 minutes per incident

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Basic service delivery	Average response time to ICT faults/calls logged	Minutes	Respond in less than 60 minutes per incident; resolve within eight hours
Municipal institutional development and transformation	Number of months where occupational health and safety reports were submitted to the local labour forum	Number	12

Annexure E

Financial Management Services

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Good governance and public participation	Compliance with all legislation and policies to ensure that an unqualified audit is achieved	Audit outcome	Unqualified
Municipal financial viability and management	Funds secured from independent funding sources	Rand value	R1,5 million
Municipal financial viability and management	Capital expenditure as percentage of capital budget	Percentage	94%
Municipal financial viability and management	General expenditure as percentage of general budget	Percentage	80%
Municipal financial viability and management	Salaries as percentage of total budget	Percentage	34%
Municipal institutional development and transformation	Percentage of new appointments in department that are women	Percentage	45%
Municipal institutional development and transformation	Percentage of staff in the department that are classified as disabled.	Percentage	1%
Good governance and public participation	Percentage of individuals who have entered into individual performance agreements	Percentage	80%
Good governance and public participation	Percentage of individuals who have had at least one performance assessment	Percentage	70%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Municipal institutional development and transformation	Percentage of individuals sent on staff training and development	Percentage	30%
Municipal institutional development and transformation	Percentage of salaries and wages budget that was spent on staff training and development	Percentage	1%
Municipal institutional development and transformation	Percentage of funded posts in organogram that are filled	Percentage	80%
Municipal institutional development and transformation	Percentage of person days lost due to unplanned leave (sick leave, AWL, compassionate leave, etc.)	Percentage	5%
Good governance and public participation	Number of district technical forums for local municipalities organised by the department	Number	4
Good governance and public participation	Number of meetings held with portfolio councillors	Number	12
Good governance and public participation	Number and nature of innovations entered into by the CWDM	Number	2
Good governance and public participation	Percentage of internal and external audit queries resolved by the department	Percentage	100%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Municipal financial viability and management	Percentage of completed assessments of suppliers, contractors and service providers, where applicable, submitted to supply chain management (value > R30 000)	Percentage	80%
Municipal financial viability and management	Percentage reduction in general expenditure from previous financial year	Percentage	5%
Municipal financial viability and management	Has the activity-based costing system been implemented?	Percentage	100%
Municipal financial viability and management	Percentage of fixed asset value that has been verified	Percentage	100%
Municipal financial viability and management	Monthly bank reconciliations	Number	12
Municipal financial viability and management	Coordinate, compile and implement the budget and SDBIP	Yes/No	Yes
Good governance and public participation	Average number of days to pay a creditor after receipt of required statements	Days	30
Good governance and public participation	Average number of days to pay a SMME/BEE creditor after receipt of required statements	Days	14

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Local economic development	Monthly submission of financial reports to executive mayor	Number	12
Good governance and public participation	Quarterly submission of financial reports to council	Number	4
Good governance and public participation	Balancing of bin cards to stock register	Number	12
Municipal financial viability and management	Timeous compilation and submission of financial statements to Auditor General	Date	31 August 2009
Good governance and public participation	Percentage of Rand value of procurement (contracts and tenders) awarded to BEEs	Percentage	25%
Local economic development	Number of contracts and tenders (procurement) awarded to BEEs	Number	Supporting information
Local economic development	Percentage of Rand value of procurement (contracts and tenders) awarded to people with disabilities	Percentage	1%
Local economic development	Number of contracts and tenders (procurement) awarded to people with disabilities	Number	Supporting information
Local economic development	Percentage of Rand value of procurement (contracts and tenders) awarded to SMMEs	Percentage	40%
Local economic development	Number of contracts and tenders (procurement) awarded to SMMEs	Number	Supporting information

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Local economic development	Percentage of Rand value of procurement (contracts and tenders) awarded to women	Percentage	10%
Local economic development	Number of contracts and tenders (procurement) awarded to women	Number	Supporting information
Local economic development	Percentage of Rand value of procurement (contracts and tenders) awarded to youth	Percentage	2%
Local economic development	Number of contracts and tenders (procurement) awarded to youth	Number	Supporting information

Annexure F

Engineering and Infrastructure Services

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Good governance and public participation	Compliance with all legislation and policies to ensure that an unqualified audit is achieved	Audit outcome	Unqualified
Municipal financial viability and management	Funds secured from independent funding sources	Rand value	R1,5 million
Municipal financial viability and management	General expenditure as percentage of general budget	Percentage	80%
Municipal financial viability and management	Salaries as percentage of total budget	Percentage	34%
Municipal institutional development and transformation	Percentage of new appointments in the department that are women	Percentage	45%
Municipal institutional development and transformation	Percentage of staff in the department that are classified as disabled	Percentage	1%
Good governance and public participation	Percentage of individuals who have entered into individual performance agreements	Percentage	80%
Good governance and public participation	Percentage of individuals who have had at least one performance assessment	Percentage	70%
Municipal institutional development and transformation	Percentage of individuals sent on staff training and development	Percentage	30%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Municipal institutional development and transformation	Percentage of salaries and wages budget that was spent on staff training and development	Percentage	1%
Municipal institutional development and transformation	Percentage of funded posts in organogram that are filled	Percentage	80%
Municipal institutional development and transformation	Percentage of person days lost due to unplanned leave (sick leave, AWL, compassionate leave, etc.)	Percentage	5%
Good governance and public participation	Number of district technical forums for local municipalities organised by the department	Number	4
Good governance and public participation	Number of meetings held with respective portfolio councillor	Number	12
Good governance and public participation	Number and nature of new innovations entered into by the CWDM	Number	2
Good governance and public participation	Percentage of internal and external audit queries resolved by the department	Percentage	100%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Municipal financial viability and management	Percentage completed assessments of suppliers, contractors and service providers, where applicable, submitted to supply chain management (value > R30 000)	Percentage	80%
Municipal financial viability and management	Percentage reduction in general expenditure from previous financial year	Percentage	5%
Basic service delivery	Capital expenditure as a percentage of capital budget for this period	Percentage	94%
Basic service delivery	Project expenditure as a percentage of project budget for this period	Percentage	94%
Local economic development	Percentage of individuals employed as reflected in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of quantities achieved as reflected in business plans of approved projects	Percentage	90%
Local economic development	Percentage of individuals trained as reflected in business plans of approved projects	Percentage	90%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Basic service delivery	Percentage of activities completed as set out in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of activities completed within specified timeframes as set out in business plans of approved projects	Percentage	90%

Annexure G

Community and Developmental Services

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Good governance and public participation	Compliance with all legislation and policies to ensure that an unqualified audit is achieved	Audit outcome	Unqualified
Municipal financial viability and management	Funds secured from independent funding sources	Rand value	R1,5 million
Municipal financial viability and management	Capital expenditure as percentage of capital budget	Percentage	94%
Municipal financial viability and management	General expenditure as percentage of general budget	Percentage	80%
Municipal financial viability and management	Salaries as a percentage of total budget	Percentage	34%
Municipal institutional development and transformation	Percentage of new appointments in the department that are women	Percentage	45%
Municipal institutional development and transformation	Percentage of staff in the department that are classified as disabled	Percentage	1%
Good governance and public participation	Percentage of individuals who have entered into individual performance agreements	Percentage	80%
Good governance and public participation	Percentage of individuals who have had at least one performance assessment	Percentage	70%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Municipal institutional development and transformation	Percentage of individuals sent on staff training and development	Percentage	30%
Municipal institutional development and transformation	Percentage of salaries and wages budget that was spent on staff training and development	Percentage	1%
Municipal institutional development and transformation	Percentage of funded posts in organogram that are filled	Percentage	80%
Municipal institutional development and transformation	Percentage of person days lost due to unplanned leave (sick leave, AWL, compassionate leave, etc.)	Percentage	5%
Good governance and public participation	Number of district technical forums for local municipalities organised by the department	Number	4
Good governance and public participation	Number of meetings held with respective portfolio councillor	Number	12
Good governance and public participation	Number and nature of new innovations entered into by the CWDM	Number	2
Good governance and public participation	Percentage of internal and external audit queries resolved by the department	Percentage	100%
Basic service delivery	Project expenditure as a percentage of the project budget for this period	Percentage	94%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Local economic development	Percentage of individuals employed as reflected in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of quantities achieved as reflected in business plans of approved projects	Percentage	90%
Local economic development	Percentage of individuals trained as reflected in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of activities completed as set out in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of activities completed within specified timeframes as set out in business plans of approved projects	Percentage	90%
Municipal financial viability and management	Percentage completed assessments of suppliers, contractors and service providers, where applicable, submitted to supply chain management (value > R30 000)	Percentage	80%
Municipal financial viability and management	Percentage reduction in general expenditure from previous financial year	Percentage	5%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Basic service delivery	Percentage of licensed facilities that are conducting listed activities in terms of the National Air Quality Act (Act 39 of 2004) that comply	Percentage	100%
Basic service delivery	Percentage of notices issued and corrective action implemented for non-compliance of air quality management	Percentage	100%
Basic service delivery	Percentage of funeral undertakers with a valid certificate of acceptance	Percentage	100%
Basic service delivery	Percentage of notices issued and corrective action implemented for non-compliance of operating funeral operations	Percentage	100%
Basic service delivery	Percentage of notices issued and corrective action implemented for non-compliance of drinking water	Percentage	100%
Basic service delivery	Percentage of water quality samples failing the <i>E. coli</i> test	Percentage	0%
Basic service delivery	Average response time to 70% mountain/veld fire calls	Minimum	35 minutes
Basic service delivery	Percentage of mountain/veld fires responded to with a minimum of two fire fighting vehicles with combined human resources of a minimum of four fire fighters	Percentage	70%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Basic service delivery	Establishment of inter-departmental disaster management plan	Yes/No	Yes
Basic service delivery	Coordinate with OHS a readiness, preparedness and assessment drill for emergency evacuation	Number	1 drill per CWDM site

Annexure H

Regional Development and Planning Services

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Good governance and public participation	Compliance with all legislation and policies to ensure that an unqualified audit is achieved	Audit outcome	Unqualified
Municipal financial viability and management	Funds secured from independent funding sources	Rand value	R1,5 million
Municipal financial viability and management	Capital expenditure as percentage of capital budget	Percentage	94%
Municipal financial viability and management	General expenditure as percentage of general budget	Percentage	80%
Municipal financial viability and management	Salaries as percentage of total budget	Percentage	34%
Municipal institutional development and transformation	Percentage of new appointments in department that are women	Percentage	45%
Municipal institutional development and transformation	Percentage of staff in the department that are classified as disabled	Percentage	1%
Good governance and public participation	Percentage of individuals who have entered into individual performance agreements	Percentage	80%
Good governance and public participation	Percentage of individuals who have had at least one performance assessment	Percentage	70%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Municipal institutional development and transformation	Percentage of individuals sent on staff training and development	Percentage	30%
Municipal institutional development and transformation	Percentage of salaries and wages budget that was spent on staff training and development	Percentage	1%
Municipal institutional development and transformation	Percentage of funded posts in organogram that are filled	Percentage	80%
Municipal institutional development and transformation	Percentage of person days lost due to unplanned leave (sick leave, AWL, compassionate leave, etc.)	Percentage	5%
Good governance and public participation	Number of district technical forums for local municipalities organised by the department	Number	4
Good governance and public participation	Number of meetings held with respective portfolio councillor	Number	12
Good governance and public participation	Number and nature of new innovations entered into by the CWDM	Number	2
Good governance and public participation	Percentage of internal and external audit queries resolved by the department	Percentage	100%
Basic service delivery	Project expenditure as a percentage of the project budget for this period	Percentage	94%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Local economic development	Percentage of individuals employed as reflected in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of quantities achieved as reflected in business plans of approved projects	Percentage	90%
Local economic development	Percentage of individuals trained as reflected in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of activities completed as set out in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of activities completed within specified timeframes as set out in business plans of approved projects	Percentage	90%
Municipal financial viability and management	Percentage completed assessments of suppliers, contractors and service providers, where applicable, submitted to supply chain management (value > R30 000)	Percentage	80%
Municipal financial viability and management	Percentage reduction in general expenditure from previous financial year	Percentage	5%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Local economic development	Number of business partnerships mentored and supported by the CWDM	Number	2
Local economic development	Have investment profiles, attraction and opportunities been investigated for the CWDM?	Yes/No	Yes
Local economic development	Rand value of investment facilitated by the CWDM in the district	Rand value	Baseline to be determined by 30 September 2009
Local economic development	Development of a growth and development strategy implementation plan	Date	31 December 2009
Good governance and public participation	Has the interim governance structure for the biosphere reserve been put in place?	Yes/No	Yes

Annexure I

Rural and Social Development Services

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Good governance and public participation	Compliance with all legislation and policies to ensure that an unqualified audit is achieved	Audit outcome	Unqualified
Municipal financial viability and management	Funds secured from independent funding sources	Rand value	R1,5 million
Municipal financial viability and management	Capital expenditure as a percentage of the capital budget	Percentage	94%
Municipal financial viability and management	General expenditure as a percentage of the general budget	Percentage	80%
Municipal financial viability and management	Salaries as a percentage of the total budget	Percentage	34%
Municipal institutional development and transformation	Percentage of new appointments in the department that are women	Percentage	45%
Municipal institutional development and transformation	Percentage of staff in the department that are classified as disabled	Percentage	1%
Good governance and public participation	Percentage of individuals who have entered into individual performance agreements	Percentage	80%
Good governance and public participation	Percentage of individuals who have had at least one performance assessment	Percentage	70%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Municipal institutional development and transformation	Percentage of individuals sent on staff training and development	Percentage	30%
Municipal institutional development and transformation	Percentage of salaries and wages budget that was spent on staff training and development	Percentage	1%
Municipal institutional development and transformation	Percentage of funded posts in organogram that are filled	Percentage	80%
Municipal institutional development and transformation	Percentage of person days lost due to unplanned leave (sick leave, AWL, compassionate leave, etc.)	Percentage	5%
Good governance and public participation	Number of district technical forums for local municipalities organised by the department	Number	4
Good governance and public participation	Number of meetings held with respective portfolio councillor	Number	12
Good governance and public participation	Number and nature of new innovations entered into by the CWDM	Number	2
Good governance and public participation	Percentage of internal and external audit queries resolved by the department	Percentage	100%
Basic service delivery	Project expenditure as a percentage of the project budget for this period	Percentage	94%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Local economic development	Percentage of individuals employed as reflected in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of quantities achieved as reflected in business plans of approved projects	Percentage	90%
Local economic development	Percentage of individuals trained as reflected in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of activities completed as set out in business plans of approved projects	Percentage	90%
Basic service delivery	Percentage of activities completed within specified timeframes as set out in business plans of approved projects	Percentage	90%
Municipal financial viability and management	Percentage completed assessments of suppliers, contractors and service providers, where applicable, submitted to supply chain management (value > R30 000)	Percentage	80%
Municipal financial viability and management	Percentage reduction in general expenditure from previous financial year	Percentage	5%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Good governance and public participation	Convene district assessment committee meetings	Number	4
Good governance and public participation	Strategic session to review the DAC's role in rural development	Number	2
Basic service delivery	Awareness campaign on the rights of vulnerable groups regarding service delivery	Number	2
Basic service delivery	Develop a district HIV/Aids plan	Number	1
Basic service delivery	Mobilise rural youth involvement in 2010 initiatives	Number	2
Basic service delivery	Support and facilitate initiatives focusing on the empowerment of women	Number	2
Basic service delivery	Establish non-profit organisations from development committees	Number	2

Annexure J

2007/08 Performance

Targets and Achievements

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Construct or upgrade sidewalks and streets	Kilometres of pedestrian and cycle paths constructed	3 km	9 km
Electricity provision in DMA	Number of households/schools supplied with electricity on the premises	70 households	72 households
Preventative maintenance on bitumen roads	90% of preventative maintenance on 1 218 km of bitumen roads	1 096 km	1 096 km
Preventative maintenance on gravel roads	90% of preventative maintenance on 3 500 km of gravel roads	3 150 km	3 150 km
Regravel roads	Kilometres of roads regavelled	6 km	9,5 km
Reseal roads	Kilometres of roads resealed	25 km road resealed	Reseal preparation completed on 23,7 km of roads; reseal completed on 19 km
Upgrade streets and storm water (housing)	Kilometres of streets and storm water 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 areas	80 houses	18 houses

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Special ad hoc projects (road maintenance)	Number of individuals employed in special ad hoc job creation projects (road maintenance)	40 individuals	80 individuals
Provide water and sanitation to rural schools	Number of rural schools provided with water and sanitation	3 schools	6 schools
Upgrade lower order gravel roads	Kilometres 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%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Disaster management training	Number of training courses completed	5	5
Cape Winelands Biosphere Reserve	Launch of Cape Winelands Biosphere Reserve	31 December 2007	Partially achieved; launch dependent on letter from MEC for Environmental Affairs and Tourism
Compile SDP for Biosphere Reserve	Workshops with relevant stakeholders	3	5
Compile regional SDF	Workshops with relevant stakeholders	1	0
Fire protection in rural areas	Establishment of FPAs	1 meeting	2 meeting
Scholar road safety	Reflective bands issued to scholars	15 000	15 000
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	22 November 2007
Disaster management planning	Number of workshops with B-municipalities	7	7

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
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	Dispatch of resources	Two fire fighting vehicles with combined human resources of a minimum of four 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

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
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 to non-SMMEs and non-BEEs	Number of contracts awarded to non-SMMEs and non-BEEs	900	2330
Contracts (non-tenders) awarded to previously disadvantaged individuals (PDIs)	Number of contracts awarded to previously disadvantaged individuals (PDIs)	90	204
Contracts (non-tenders) awarded to SMMEs	Number of contracts awarded to SMMEs	280	601
Contract (non-tenders) value – BEEs	Value of contracts awarded to BEEs	R4 000 000	R7 152 694
Contract (non-tenders) value - previously disadvantaged individuals (PDIs)	Value of contracts awarded to previously disadvantaged individuals (PDIs)	R4 000 000	R7 152 694
Contract (non-tenders) value – SMMEs	Value of contracts awarded to SMMEs	R6 500 000	R11 843 121

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Contract (non-tenders) value – non-SMMEs and non-BEEs	Value of contracts awarded to non-SMMEs and non-BEEs	R15 000 000	R31 164 430
Tenders awarded to BEEs	Number of tenders awarded to BEEs	15	34
Tenders awarded to non-SMMEs and non-BEEs	Number of tenders awarded to non-SMMEs and non-BEEs	30	61
Tenders awarded to previously disadvantaged individuals (PDIs)	Number of tenders awarded to previously disadvantaged individuals (PDIs)	15	34
Tenders awarded to SMMEs	Number of tenders awarded to SMMEs	15	31
Tender value – BEEs	Rand value of tenders awarded to BEEs	R25 000 000	R32 103 328
Tender value – non-SMMEs and non-BEEs	Rand value of tenders awarded to non-SMMEs and non-BEEs	R60 000 000	R45 994 464
Tender value – previously disadvantaged individuals (PDIs)	Rand value of tenders awarded to previously disadvantaged individuals (PDIs)	R35 000 000	R32 103 328
Tender value – SMMEs	Rand value of tenders awarded to SMMEs	R35 000 000	R18 563 605
Creditor payment days	Average number of days to pay a creditor after receipt of required statements	30 days	30 days

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
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 cost (based on governance, political and general support)	20%	24%
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%

Key Performance Area	Key Performance Indicator	Measuring unit	Annual target
Outstanding accounts – Rand value	Rand value of accounts that have not been paid at the end of each month	R150 000	R150 000
Personnel cost	Personnel cost as a percentage of the budget	28%	25%
Stores turnover	Inventory turnover per month	1,06% per month	1,06%
Tariff increase percentage	Percentage rate increase in a given year	±6%	5%
Total municipal operating cost	Total operating cost equals 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 expense benefits; materials; contracted services, rent and financial items	R287 000 000	R244 206 720
Workplace skills plan (WSP)	Percentage of municipality salary budget spent on implementing its WSP	2%	1,3%

Annexure K

Project Linkage to IDP

Strategic Objectives

Community and Developmental Services	
Project	Strategic Objectives
Align the district to render an air quality monitoring and licensing function	Economic development
	Public safety and planning
	Sustainable land use and planning
Baseline Information Programme rollout	Housing, land and infrastructure
	Community and developmental
Breede River Improvement Project	Economic development
	Public safety and planning
	Sustainable land use and planning
	Community and developmental
Cape Winelands Clean-up Campaign	Economic development
	Public safety and planning
	Sustainable land use and planning
Cape Winelands Waste Recycling Project	Economic development
	Public safety and planning
	Sustainable land use and planning
Compile disaster Management Framework	Public safety and planning
Disaster Management Planning	Public safety and planning
Disaster Management Training	Public safety and planning
Environmental Health Education Programme	Public safety and planning
	Housing, land and infrastructure
	Sustainable land use and planning
	Community and developmental

Project	Strategic Objectives
Greening Cape Winelands	Public safety and planning
	Sustainable land use and planning
	Community and developmental
Guidance – Health and Hygiene	Community and developmental
Health and Hygiene Improvement Project in the Informal Meat Sale Industry	Community and developmental
	Public safety and planning
	Community and developmental
Municipal Policing	Public safety and planning
Subsidies for Upgrading Water and Sanitation in the Rural Area	Community and developmental
Engineering and Infrastructural Services	
Project	Strategic Objectives
Access Water	Economic development
	Community and developmental
EPWP: Gabions	Economic development
Fence and Pave Kayamandi Hostel	Community and developmental
Fence La Motte Office	Community and developmental
Grass Cutting: Cleaing of Road Services	Housing, land and infrastructure
Hermon Housing: Top structure	Housing, land and infrastructure
Infrastructure DMA	Housing, land and infrastructure
Planning: Nieuwedrift Housing Project	Housing, land and infrastructure

Project	Strategic Objectives
Planning: Pavement Management System (PMS)	Housing, land and infrastructure
Planning: Waste Management Plan	Community and developmental
Provide Water and Sanitation to Rural Schools	Community and developmental
Recreational Area: Planning	Community and developmental
Rural Water Scheme: Wellington/Hermon	Housing, land and infrastructure
Sandhills: Upgrade Access Road	Community and developmental
Sandhills: Water-related Projects	Community and developmental
Sidewalk Worcester – TR 30/2	Public safety and planning
Upgrade Rural Roads	Housing, land and infrastructure
Upgrade Toilet Facilities	Community and developmental
Office of the Municipal Manager	
Project	Strategic Objectives
2010 Youth Activation	Community and developmental
Branding and International Marketing	Economic development
Develop Sectoral Plans	Institutional
Develop and Review Strategic Objectives, KPAs and KPIs of three B-municipalities	Institutional
Develop Performance Management System	Institutional
Exhibition and Expo	Economic development
Gender Strategy	Institutional

Project	Strategic Objectives
IDP Training Community-based Planning Establish Ward Committees Capacity-building of Ward Committees	Institutional
Implement Vehicle Tracking System in the CWDM	Institutional
Newsletter	Economic development
Perception Survey	Institutional
Perspex Stand	Economic development
Presentation	Economic development
Public Safety and Planning Services	
Project	Strategic Objectives
Advertorials	Economic development
Arts and Culture	Economic development
Biofuels	Economic development
Breedekloof Bursary Fund	Economic development
Business Support Co-ordination Programme	Economic development
Cape Town Market Outlet	Economic development
Cape Winelands Economic Development Council	Economic development
Cape Winelands Regional Spatial Development Framework	Public safety and planning
Entrepreneurial Seed Fund Programme	Economic development
Freedom Route	Economic development

Project	Strategic Objectives
Implement the CWDM Strategic Environmental Assessment	Public safety and planning
Information Management	Economic development
Learnership Training	Economic development
LED Expo	Economic development
LTA Projects	Economic development
Marketing (collateral)	Economic development
Marketing (DVD/video)	Economic development
Marketing (educational)	Economic development
Marketing (events)	Economic development
Marketing (exhibitions)	Economic development
Marketing (LTB) Liaison Marketing Subcommittee meeting	Economic development
Marketing (magazines)	Economic development
Marketing (Tourism Month)	Economic development
Marketing (tourism website)	Economic development
Research Studies	Economic development
Review of the GDS	Economic development
Road Signage	Economic development
Schools Tourism Awareness	Economic development
Small Farmers Support Programme	Economic development
Spatial Development Plan – Cape Winelands Biosphere Reserve	Public safety and planning

Project	Strategic Objectives
Stakeholders Liaison	Economic development
THD and Community Training Programme	Economic development
Tour Guide Training	Economic development
Tourism Internship Programme	Economic development
Wine Incubator	Economic development
Rural and Social Development	
Project	Strategic Objectives
Combat Substance Abuse	Community and developmental
Development Committees	Community and developmental
Early Childhood Development	Community and developmental
Elderly	Community and developmental
Families and Children	Public safety and planning
	Community and developmental
	Institutional
Gender	Community and developmental
HIV/Aids	Community and developmental
Human Security Projects	Community and developmental
People with Disabilities	Community and developmental
Sustainable Livelihoods	Community and developmental
Women	Community and developmental
Youth	Community and developmental
Youth Empowerment	Institutional

Annexure L

Project Key Performance

Indicator: Deliverable

Targets and Achievements

Community and Developmental Services			
Project	Target	Actuals	Unit of measure
Align District to Render Air Quality Monitoring and Licensing Function	10	0	Capacity development workshops
Baseline Information Programme	7	7	Workshops
Breede River Improvement Project	800	855	Water samples
Cape Winelands Clean-up Campaign	221	79	Number of clean-up campaigns
Cape Winelands Waste Recycling Project	2	0	Number of projects
Compilation of Disaster Management Framework	1	0	Framework
Disaster Management Planning	22	16	Workshops and training sessions
Environmental Health Education Programme	80	80	Theatre performances
Greening Cape Winelands	9000	10415	Number of trees planted
Guidance – Health and Hygiene	60	67	Number of premises reached
Health and Hygiene Improvement Project in the Informal Meat Sale Industry	5	6	Mobile working stations
Municipal Policing	1	0	Service provider for training
Municipal Policing	23	0	Community policing forums supported
Subsidies for Upgrading Water and Sanitation in the Rural Area	56	45	Number of properties serviced

Engineering and Infrastructural Services			
Project	Target	Actuals	Unit of measure
Access Water	40	50	New water points
EPWP: Gabions	150	904	Metres of gabions
Fence and Pave Kayamandi Hostel	80	90	Metres of fencing
Fence La Motte Office	200	219	Metres of fencing
Grass Cutting: Clean Road Services	300	420	Kilometres of road reserve cleaned
Hermon Housing: Top structure	80	73	Houses completed
Infrastructure DMA	80	298	Households
Planning: Nieuwedrift Housing Project	1	0	Planning complete (ROD)
Planning: Pavement Management System (PMS)	50	0	Percentage of PMS completed
Planning: Waste Management Plan	1	0	Completed plan
Provide Water and Sanitation to Rural Schools	6	9	Schools
Recreational Area: Planning	1	0	Planned project
Rural Water Scheme: Wellington/Hermon	40	40	Percentage of water scheme completed
Sandhills: Upgrade Access Road	600	750	Metres of upgraded road
Sandhills: Water-related Projects	1	1	SLA concluded and funds transferred
Sidewalk Worcester – TR 30/2	1	0	Sidewalk
Upgrade Rural Roads	2	4	Kilometres completed
Upgrade Toilet Facilities	8	3	Completed bathrooms

Office of the Municipal Manager			
Project	Target	Actuals	Unit of measure
2010 Youth Activation	4500	2000	Children
Branding and International Marketing	2	1	Tour agreements
Develop Sectoral Plans	8	5	Alignment workshops and meetings with B-municipalities
Develop and Review Strategic Objectives, KPAs and KPIs of Three B-municipalities	2	2	Municipalities assisted with PMS
Develop Performance Management System	1	1	Functional and updated performance management system
Exhibition and Expo	35	20	Exhibitions and expos
Gender Strategy	1	1	Strategy
IDP Training	10	11	Community-based planning training
Community-based Planning			
Establish Ward Committees	11	10	Re-establish ward committees
Capacity-building of Ward Committees	60	300	Community-based planning training in ward
Implement Vehicle Tracking System in CWDM	3	0	Municipalities supported
Newsletter	1	0	Newsletter
Perception Survey	2	0	Districts completed
Perspex Stand	4	0	Stands
Presentation	5000	0	Individuals

Public Safety and Planning Services			
Project	Target	Actuals	Unit of measure
Advertorials	3	8	Advertorials
Arts and Culture	1	0	Support of activities
Biofuels	1	1	Phase report
Business Support Co-ordination Programme	120	114	SMMEs supported
Cape Winelands Regional Spatial Development Framework.	4	4	Meetings
Entrepreneurial Seed Fund Programme	49	48	SMMEs
Implementation of the CWDM Strategic Environmental Assessment	1	1	Meeting
	2	3	Progress report
	1	1	Draft training manual
	1	0	Training
Information Management	2500	4000	Business guides
	1	1	Economic evaluation tool
	1	1	Global insight database
LED Expo	1	2	LED expos
LTA Projects	6	6	LTA projects
Marketing (collateral)	200000	180000	Reprints brochures
Marketing (DVD/video)	30000	30000	DVDs
Marketing (educational)	5	5	Educational
Marketing (events)	30	25	Tourism events

Project	Target	Actuals	Unit of measure
Marketing (exhibitions)	11	10	Domestic shows
Marketing (magazines)	4	4	Magazines advertorials
Marketing (Tourism Month)	5	5	Visit tourism sites in the Cape Winelands
Marketing (tourism website)	1	1	Updated Cape Winelands tourism website
Research Studies	4	4	Studies
		1	Study
Review of GDS	2	1	Studies
Tourism Awareness in Schools	120	120	Schools
Spatial Development Plan – Cape Winelands Biosphere Reserve	1	0	Workshop
	1	0	Draft second pro forma strategy
	1	0	Draft first consultative draft strategy and report
	1	0	Workshop, meetings and website
	1	0	Second pro forma strategy
Stakeholders Liaison	4	7	Liaison
Wine Incubator	1	1	Wine incubator study

Rural and Social Development			
Project	Target	Actuals	Unit of measure
Combat Substance Abuse	5	3	Support drug and alcohol abuse institutions
	10	0	Detoxification beds supported on substance abuse related matters
Development Committees	25	6	Development committees
	1	1	Report-back and planning session
Early Childhood Development	50	60	Toolkits
Elderly	5	0	Awareness programme instituted by old-age institutions
	10	0	Support institutions
Families and Children	25	25	Support institutions and NGOs
Gender	6	5	Gender awareness programme
HIV/Aids	1	0	World Aids Day event
	25	0	Awareness campaigns
Human Security Projects	100	70	Training of community workers

Project	Target	Actuals	Unit of measure
People with Disabilities	10	0	Support institutions for people with disabilities
	5	0	Support awareness programmes instituted by institutions for people with disabilities
Sustainable Livelihoods	36	0	Service providers
Women	5	0	Run career information programmes in the five regions of the CWDM
	5	0	Support awareness programmes
Youth	10	7	Support to youth institutions in the district Support youth activities
	2000	1800	Youth beneficiaries
Youth Empowerment	1	1	Youth development strategy
	1	1	Planning workshop
	7	7	Youth programmes

ABBREVIATIONS

ABET	Adult Basic Education and Training
AIDS	Acquired Immuno-Deficiency Syndrome
BBBEE	Broad Based Black Economic Empowerment
BD	Backyard Dwellers
CPTR	Current Public Transport Record
CWDM	Cape Winelands District Municipality
DCF	District Co-ordinating Forum
DEDT	Department of Economic Development and Tourism
DITP	District Integrated Transport Plan
DMA	District Management Area
DORA	Division of Revenue Act
DPLGH	Department of Local Government and Housing
DSTTT	District Sectoral Technical Task Teams
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
EPWP	Expanded Public Works Programmes
ESTA	Extension of Security of Tenure Act
FAS	Foetal Alcohol Syndrome
FYLGA	Five Year Local Government Strategic Agenda
GAAP	Generally Accepted Accounting Practice
GDP	Gross Domestic Product
GDS	Growth and Development Strategy
GGP	Gross Geographical Product
HDI	Historically Disadvantaged Individuals
HIV	Human Immunodeficiency Virus
HRM	Human Resource Management
IDP	Integrated Development Plan

KPA	Key Performance Areas
KPI	Key Performance Indicators
LED	Local Economic Development
LG	Local Government
LLF	Local Labour Forum
MBFP	Mayoral Bursary Fund Policy
MFMA	Municipal Finance Management Act
MRF	Materials Recovery Facilities
MSA	Municipal Systems Act
NCBF	National Capacity Building Framework
OHS	Occupational Health and Safety
OLS	Operating Licensing Strategy
PAWC	Provincial Administration of the Western Cape
PMS	Performance Management System
PMSFP	Performance Management System Framework Policy
R&D	Research and Development
RSC	Regional Services Council
SAP	Student Assistance Policy
SARS	South African Revenue Services
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SIP	Strategic Infrastructure Plan
SMME	Small Medium Manufacturing Enterprise
TB	Tuberculosis
THD	Tourism Helpdesk
VCT	Voluntary Counselling and Testing
WMP	Waste Management Plan
WSP	Workplace Skills Plans