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CONTENTS

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No.

Page

Provincial Notice

333	Consolidated Annual Municipal Performance Report: 2009/10	2
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PROVINCIAL NOTICE

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23 December 2011

Provincial Notice

CONSOLIDATED ANNUAL MUNICIPAL PERFORMANCE REPORT

2009/10

CONTENTS

FOREWORD BY MEC		vi
LIST OF TABLES		viii
EXECUTIVE SUMMARY		x
LEGISLATIVE OVERVIEW		xiii
RESEARCH METHODOLOGY		xvi
CHAPTER 1: GEOGRAPHIC, DEMOGRAPHIC AND SOCIO- ECONOMIC PROFILES OF MUNICIPALITIES		
1.1	Introduction	1
1.2	Geographic information	1
1.3	Demographic information	3
1.4	Socio-economic information	4
1.5	Political composition	5
1.6	Classification of municipal capacity by the National Treasury	6
1.7	Assessment of demographic and socio-economic data	7
CHAPTER 2: INTEGRATED DEVELOPMENT PLANNING		
2.1	Introduction	8
2.2	IDP assessment	8
CHAPTER 3: HUMAN RESOURCE AND ORGANISATIONAL MANAGEMENT		
3.1	Introduction	11
3.2	Number of approved, filled and vacant posts per municipality	12
3.3	Transformation statistics per municipality	13
3.4	Municipal Manager Positions as at May 2010	14
3.5	Development and Implementation of specific HR policies and systems per municipality	16
3.6	Municipal capacity and skills development initiatives	17
3.7	Analysis of institutional development, transformation and HR systems	21
3.8	Performance Management	21
3.8.1	Service delivery budget implementation plans (SDBIPs)	21

3.8.2	Submission of annual reports	23
3.8.3	Adoption of oversight reports	24
3.8.4	Councils' Resolutions on Annual Reports	25
CHAPTER 4: BASIC SERVICES DELIVERY		
4.1	Introduction	26
4.2	Provision of basic services	26
4.2.1	Serviced households – level of services	26
4.2.2	Basic service delivery backlogs	32
4.2.3	Analysis of basic service delivery	37
4.3	Percentage (%) of capital budget spent on each service	37
4.4	Percentage (%) of capital budget spent	39
4.5	Analysis of percentage (%) of capital budget spent on each service and percentage (%) of total capital budget spent	42
4.6	Free basic services	43
4.6.1	Free basic services provided per type of service per household	43
4.6.2	Analysis of the provision of free basic services	44
4.7	Municipal Infrastructure Grant (MIG)	44
4.7.1	MIG expenditure	44
4.7.2	Analysis of MIG expenditure	48
4.8	Housing	48
4.8.1	Housing grant expenditure	48
4.8.2	Analysis of performance on housing grant allocations	54
CHAPTER 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		
5.1	Introduction	55
5.2	Budget and budget related matters	55
5.2.1	Approval of budgets	55
5.2.2	Performance against budgets	56
5.2.3	Performance against total grants, donations and contributions received	62

5.2.4	Analysis of budget performance and performance against grants received	65
5.3	Submission of financial statements and the Report of the Auditor-General	66
5.3.1	Submission of financial statements	66
5.3.1.1	Submission dates and types of Auditor-General reports received	66
5.3.2	Key findings in the reports of the Auditor-General	73
5.3.3	Analysis of the reports of the Auditor-General	77
5.4	Outstanding debt and debt management	78
5.4.1	Outstanding consumer debt per service	78
5.4.2	Comparison with previous year: Total consumer debt outstanding per municipality	82
5.4.3	Consumer debtor age analysis	83
5.4.4	Analysis of consumer debtors	87
5.5	Performance against additional viability indicators	87
5.5.1	Staff cost as percentage (%) of total operating expenditure (excludes Councillor allowances)	87
5.5.2	Level of reliance on grants	88
5.5.3	Liquidity ratio	89
5.5.4	Analysis of viability indicators	90
CHAPTER 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
6.1	Introduction	91
6.2	Good governance indicators	92
6.3	Anti-corruption	93
6.3.1	Analysis of good governance and anti-corruption indicators	94
6.4	Ward committees	94
6.5	Community Development Workers	96
6.6	Audit findings on governance by the office of the Auditor-General	98
6.7	Analysis, challenges and trends	99
CHAPTER 7: LOCAL ECONOMIC DEVELOPMENT		
7.1	Introduction	101

7.2	LED strategies and implementation	102
7.3	Crucial economic data relevant to the measurement of municipal performance	105
7.4	Analysis of LED	106
CHAPTER 8: CROSS CUTTING MATTERS		
8.1	Introduction	107
8.2	Cross-cutting interventions	107
8.3	Disaster Management	108
8.4	Inter-governmental Relations	110
CHAPTER 9: MUNICIPAL CHALLENGES		
9.1	Introduction	111
9.2	Key challenges as identified by municipalities	111
CHAPTER 10: PROVINCIAL SUPPORT AND CAPACITY-BUILDING INITIATIVES		
10.1	Introduction	113
10.2	Support and capacity-building initiatives in aid of municipalities	113
10.3	Conclusion	116
LIST OF ABBREVIATIONS		117
BIBLIOGRAPHY		118

FOREWORD BY MEC

Municipalities are mandated in terms of the South African Constitution to ensure the provision of services to communities in a sustainable manner while at the same time promoting a safe and healthy environment for the citizens. In order for municipalities to achieve this, national and provincial government must support and capacitate municipalities to manage their own affairs. Therefore, the Western Cape Provincial Government is working towards its vision of developmental and well governed municipalities with integrated, sustainable and empowered communities by strengthening capacity building interventions and providing provincial support and oversight.

In terms of Section 47 of the Local Government: Municipal Systems Act No. 32 of 2000, as Minister of Local Government in the Province, I must annually compile and submit to the Provincial Legislature, National Minister and National Council of Provinces a consolidated annual municipal performance report.

This is the fifth report compiled in terms of section 47 of the Municipal Systems Act, which is based on the performance of municipalities within the Western Cape, including their key successes and challenges that they have experienced during the year under review. The process followed in compiling this report involved a very thorough consultative process with all municipalities.

The difference in format of the Municipal Annual Reports compiled and submitted in terms of Section 46 of the Local Government: Municipal Systems Act No. 32 of 2000 still remains a challenge. This has resulted in sourcing additional information from municipalities.

Of the 30 municipalities in the Western Cape, only 2 municipalities have not tabled their annual and oversight reports to their councils. Despite the existence of these challenges, the 2009/10 Section 47 report followed an effective and accurate data collection process. The report attempts to incorporate an extensive trend-analysis through the utilisation of baselines established in previous reports.

It is encouraging that in most Western Cape municipalities, the critical positions especially those of the section 57 managers have been filled, although in some municipalities attracting and retaining skilled staff still continues to be a challenge. Good governance indicators also point to an improvement with regards to compliance with the adoption of administrative delegations and anti-corruption plans. Through the key provincial interventions in support of municipalities, spending in capital budgets has been on the increase. However, it is

decisively important that these funds are not only spent, but that they are spent appropriately. The trend of sound overall audit performances by municipalities in the Province continued during the financial year 2009/10.

As this report illustrates that most municipalities have complied with their legislative obligations, their efforts should be applauded especially in the light of the challenges they face. The advances made by municipalities should be used as catalyst for improved service delivery to the people.

Anton Bredell,

Minister for Local Government, Environmental Affairs and Development Planning

LIST OF TABLES

Table nr	Content	Page nr
Table 1:	Annual reporting process of municipalities	xiv
Table 2:	Geographic information per municipality	1
Table 3:	Demographic information per municipality	3
Table 4:	Socio-economic information per municipality	4
Table 5:	Political composition of municipalities	5
Table 6:	Classification of municipal capacity by National Treasury	6
Table 7:	Outcomes of IDP credibility assessments	9
Table 8:	Number of approved and vacant Section 57 posts per municipality	11
Table 9:	Transformation statistics per municipality	12
Table 10:	Municipal Manager positions	14
Table 11:	Development and Implementation of specific HR policies and systems per municipality	15
Table 12:	Municipal capacity and skills development initiatives	16
Table 13:	Service delivery and budget implementation plans	20
Table 14:	Submission of annual reports	21
Table 15:	Adoption of Oversight Reports	22
Table 16:	Councils' Resolutions on Annual Reports	23
Table 17:	Serviced households – level of services	25
Table 18:	Basic service delivery backlogs	32
Table 19:	Percentage (%) of capital budget spent on each service	37
Table 20:	Percentage (%) of capital budget spent	39
Table 21:	Free basic services provided per type of service per household	43
Table 22:	MIG expenditure	44
Table 23:	Housing grant expenditure	48
Table 24:	Approval of budgets	54
Table 25:	Performance against budgets	55
Table 26:	Performance against total grants, donations and contributions received	60
Table 27:	Submission dates and types of Auditor-General reports received	64
Table 28:	Key findings in the reports of the Auditor-General	71
Table 29:	Outstanding consumer debt per service	75
Table 30:	Total consumer debt outstanding per municipality	79
Table 31:	Consumer debt age analysis	80
Table 32:	Staff cost as percentage (%) of total operating expenditure (excludes Councillor allowances)	84
Table 33:	Level of reliance on grants	85

Table 34:	Liquidity ratio	86
Table 35:	Good governance indicators	89
Table 36:	Anti-corruption	90
Table 37:	Status of Ward Committees	92
Table 38:	Audit findings: Governance Matters	95
Table 39:	LED and poverty alleviation strategies and implementation	99
Table 40:	Crucial economic data relevant to the measurement of municipal performance	101
Table 41:	Challenges as identified by municipalities	107
Table 42:	Provincial support and capacity building initiatives	109

EXECUTIVE SUMMARY

The performance of Western Cape municipalities during 2009/10 largely consolidated the substantial gains made during the two previous financial years. This trend becomes most discernable when analysing the audit outcomes as determined by the Auditor-General. There has been an improvement over the last three financial years. The financial year 2009/10 reflected a continuation of this trend, with 22 municipalities receiving unqualified opinions. However, the report of the Auditor-General also identified various challenges that still need to be addressed. Municipal governance needs to be improved, stronger leadership is required and effective financial and performance management needs to be entrenched. Additionally, the Auditor-General identified various areas of non-compliance related to the submission of documents for auditing purposes, as well as to internal audit functions.

Another area of encouraging performance relates to Integrated Development Planning (IDP) within the Province, with the IDPs of 28 out of 30 municipalities being regarded as credible by the Provincial Department of Local Government. Local Economic Development (LED) forms an important part of the IDP. Municipalities within the Province have managed to improve progress, with compliance. However, Western Cape municipalities experienced various challenges with the implementation of their LEDs during 2009/10, with most municipalities reporting problems relating to funding, lack of commitment, under-investment and a lack of dedicated personnel.

In relation to the institutional capacity of municipalities, it is encouraging to note that most Section 57 posts have been filled. However, transformation at senior levels remains a challenge, with gender imbalances being particularly pronounced as women account for only 22% of senior management positions. When taking into consideration the fact that many municipalities identified a lack of skilled staff and capacity as major challenges during the year under review, it is disappointing to note that there has been a regression in the amount spent by municipalities on capacity building and skills development initiatives – a mere 0.65% of the personnel budget.

From a financial perspective, municipalities within the Province experienced a worrying decline in overall liquidity ratios. The situation has relatively been stable during the previous four financial years, but the liquidity ratio reached 2.1:1 during 2009/10, higher than the recommended level of 1.5:1. Municipalities also continued to experience increasing dependence on government grants, with an overall level of reliance of 26% during 2009/10 – up from 16% in 2006/07 and 19% in 2008/09. The year-on-year comparison indicates that total outstanding debtors with provision for bad debt not taken into account have increased by

9.3% or R713 789 million from R7 billion at the end of 2008/09 financial year to R7.7 billion as at the end of 2009/10. This represents a significant improvement when compared to the increase between 2007/08 and 2008/09, when outstanding debt increased by 22%.

In the area of good governance, 23 Western Cape municipalities have adopted administrative delegations, while 7 did not provide the information. 23 municipalities have complied with the adoption of delegations according to Section 59 of the Municipal Systems Act, with 6 not providing the information. 19 municipalities have defined the roles of committees and political office bearers, 4 have not, and 7 did not provide any information. Furthermore, Council, Executive Mayoral Committee, Portfolio Committee, Municipal Management and IDP Forum meetings took place fairly regularly and there were very few meetings where a quorum was not achieved. Continued improvement was experienced in relation to anti-corruption strategies, plans were developed in 28 municipalities, while these plans were adopted by Council in 25 municipalities. These represent extremely significant improvements, as only 9 municipalities had anti-corruption plans during the 2007/08 financial year. By 2008/09, this figure had improved to 23 and the 2009/10 financial year continued with this positive trend.

Service delivery lies at the core of municipal functions and provides communities with the clearest indication of the performance of municipalities. Even though the information provided by municipalities was lacking in some respects, there has been an overall improvement in delivering services throughout the Province. This is reflected by the fact that 100% of available Municipal Infrastructure Grant (MIG) funding was spent in the Western Cape. Municipalities also continued the trend of improving expenditure of capital budgets, with 86.21% being spent during 2009/10. However, the reasons for the continued under-spending are manifold, with municipalities indicating that the implementation of service delivery projects were often hampered by procedural delays. Another common factor which undermined processes were delays with regards to the transfer of funding from relevant Departments in other governmental spheres. Funds were sometimes transferred at a very late stage during the financial year, impeding the ability of municipalities to spend it within the set timeframe. Western Cape municipalities also continued to deliver basic and free basic services throughout the Province, where 35% of households are classified as indigent.

Municipalities identified various challenges which hampered good governance practices, effective service delivery, regulatory compliance and financial management during 2009/10. Throughout the 2009/10 financial year, the Provincial Government of the Western Cape supported the municipalities in ensuring effective service delivery, infrastructure development and good governance practices. The main role players in this process were the Department of Local Government, the Provincial Treasury, the Department of

Cooperative Governance, and Traditional Affairs, the Department of Environmental Affairs and Development Planning, the Department of Economic Development and Tourism, the Department of Water Affairs and Forestry and the Department of Agriculture.

Finally, it should be noted that the availability of data remained a challenge in the compilation of this report. This was largely due to different reporting formats, poor information management at municipal level and the lack of standardized reporting templates.

LEGISLATIVE OVERVIEW

South Africa's constitution establishes the framework of governmental relations. It sets out the principles for co-operative governance and the application of these in the relations between national, provincial and local government. Local Government in South Africa is the sphere of government closest to communities and has a key role to play in ensuring service delivery and facilitating growth and development. A wide range of legislation guides Local Government to fulfil this important mandate, of which the most important acts are highlighted below.

Constitutional status of municipalities:

- The executive and legislative authority of a municipality is vested in its Municipal Council.
- A municipality has the right to govern, on its own initiative, the Local Government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution.
- The national or a provincial government may not compromise or impede a municipality's ability or right to exercise its powers or perform its functions.

The objectives of Local Government include:

- to provide democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organisations in the matters of local government.

The Local Government Municipal Systems Act, 2000 established a framework for planning, performance-management systems, effective use of resources and organisational change in a business context. The Act also established a system for municipalities to report on their performance, and gives an opportunity to residents to compare this performance to the performance of other municipalities.

The Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003) is aimed at modernising municipal budgeting and financial management. It facilitates the development of a long-term municipal lending/bond market. It also introduces a governance framework for separate entities created by municipalities and it fosters transparency at the Local Government sphere through budget and reporting requirements.

In terms of the *Local Government Municipal Systems Act, 2000 (Act 32 of 2000)*, all municipalities are required to prepare IDPs. Integrated development planning is a process by which municipalities prepare five-year strategic plans that are reviewed annually in consultation with communities and stakeholders. The aim is to achieve service delivery and development goals for municipal areas in an effective and sustainable way. National and provincial-sector departments, development agencies, private-sector bodies, non-governmental organisations and communities all have a key role to play in the preparation and implementation of municipal IDPs.

This report is submitted in terms of Section 47 of the Municipal Systems Act (32 of 2000) which determines that:

47. (1) *The MEC for Local Government must annually compile and submit to the provincial legislatures and the Minister a consolidated report on the performance of municipalities in the province.*
- (2) *The report must—*
- (a) identify municipalities that underperformed during the year;*
 - (b) propose remedial action to be taken; and*
 - (c) be published in the Provincial Gazette.*
- (3) *The MEC for Local Government must submit a copy of the report to the National Council of Provinces.*

This is the fifth Section 47 Report submitted by the Western Cape. It addresses the performance of municipalities in the Western Cape in respect of its core legislative obligations. A municipality's performance is primarily assessed in terms of its development priorities and the objectives cited in its IDP. In complying with the legislative prescripts, municipalities were probed on all legislative aspects related to its developmental priorities and the objectives of its IDP. The report was compiled with information collected from the 30 municipalities by means of a comprehensive questionnaire, annual reports, audit reports, integrated development plans, financial statements and departmental and provincial treasury databases.

The report of the MEC therefore consummates the annual reporting process of municipalities, which commences with the submission of annual financial statements to the Auditor-General. The annual reporting process of municipalities is represented schematically in the table below.

REPORT	APPLICABLE LEGISLATION	RESPONSIBLE ENTITY/ PERSON	BY WHEN
Submission of financial statements	MFMA Section 126(1)	Municipalities	31 August (2 months after the end of a financial year)
Auditor-General to audit financial statements and submit report	MFMA Section 126 (4)	Auditor-General	30 November (within 3 months after receiving financial statements)
Draft annual report to be prepared	MFMA Section 121 (1)	Municipal Manager	31 December (within 6 months after the end of the financial year)
Tabling of municipal annual report to council	MFMA Section 127 (3)	Mayor	31 January (within 7 months after the end of the financial year)
Make annual report public and invite the local community to make representations	MFMA Section 127 (5)	Accounting Officer of municipality	After tabling
Submit annual report to PT and MEC for Local Government	MFMA Section 127 (5)	Mayor	After tabling
Adopt an oversight report containing the council's comments	MFMA Section 129 (1)	Council	By no later than 31 March (within 2 months after the tabling)
Copies of minutes of the council meeting during which the annual report was adopted and the oversight report must be submitted to the AG, PT and the MEC	MFMA Section 129 (2)	Accounting Officer of municipality	Within 7 days after the meeting during which the oversight report was adopted
Submit oversight report and annual report to the Provincial Legislature	MFMA Section 132 (1)	Accounting Officer of municipality	Within 7 days after the meeting during which the oversight report was adopted
Monitor submission process of municipal annual reports to the Provincial Legislature	MFMA Section 132 (3)	MEC for Local Government	From 1 February to mid April
Drafting of Consolidated Municipal Performance Report and submission to MEC	MSA Section 47	Head of Department (Local Government and Housing)	No timeframe in legislation – Only possible after receipt of all AG reports, municipal annual reports and municipal oversight reports
Submit consolidated municipal performance report to Provincial Legislature and Minister of Cooperative Governance Gazette Report	MSA Section 47	MEC for Local Government	As soon as possible after receipt of all municipal annual reports, including municipal performance reports and the oversight reports of the councils

Table 1: Annual reporting process of municipalities

RESEARCH METHODOLOGY

The compilation of this report was based on a methodology involving various data-gathering exercises, followed by an extensive analysis of available data. The data-gathering process involved the Western Cape Department of Local Government, Western Cape Provincial Treasury, Department of Economic Development and Tourism and the Department of Environmental Affairs and Development Planning and all 30 municipalities of the Western Cape.

The first step in the process, involved the conceptualization of the Section 47 report. Relevant legislation was consulted in an effort to establish the exact parameters of the report. Unfortunately, national standardized reporting formats have not been finalized, which has led to substantial uncertainty regarding its exact specifications. As a result, the annual reports of individual municipalities were consulted in order to determine the most used parameters in the compilation of reports. In addition, previous versions of this report were analysed. The outcome of this process was the establishment of a consensus on what information was relevant and needed to be included in order to satisfy the legislated requirements.

The next step in the process involved assessing the availability of the required information. The first source which was consulted in this regard was the Annual Reports submitted by individual municipalities. The relevant data from these Reports was uploaded onto data templates. Relatively superficial data, used especially in Chapter One, was sourced from the *Gaffney's: Local Government in South Africa 2009 – 2011 Official Yearbook* and *Socio-Economic Profiles of Municipalities*, compiled by the Provincial Treasury. The next step was to determine what information was not available through these channels. This was transferred onto a template questionnaire which was sent to all municipalities on 1 June 2011. These questionnaires were to be completed by the municipalities and returned to the Department by 15 June 2011. As expressed through the datasets included in this report, many municipalities did not comply with this deadline.

Once all relevant data had been gathered and uploaded onto the datasets, a comprehensive analysis was carried out. This was done on both a quantitative and qualitative basis, allowing for concrete conclusions to be reached regarding municipal performance within the Western Cape Province. However, it needs to be noted that in some instances, only limited conclusions can be drawn from this report. This is due to the fact that information was often outstanding, incomplete or in a different format. It is in this regard that the lack of standardization had its most profound impact, and it limits the value of the contemporary study. Even though this analysis is constrained by the above-mentioned lack of formatting requirements and standardization, it has become possible to track the progress of municipalities during the past five financial years on various issues.

CHAPTER 1

GEOGRAPHIC, DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILES OF MUNICIPALITIES

1.1 Introduction

The Western Cape Province is bordered to the north and east by the Northern Cape and Eastern Cape Provinces respectively. The Province is geographically diverse, encompassing areas as vastly differentiated as the Boland, West Coast, Southern Cape and the Karoo. Geographically, it is the 4th largest Province in the country as it covers 11% of South Africa's surface area, while housing 9% of the country's total population. There is one Metropolitan Municipality in the Province, the City of Cape Town. In addition, there are five District Municipalities in the Western Cape: West Coast District Municipality (DC1), Cape Winelands District Municipality (DC2), Overberg District Municipality (DC3), Eden District Municipality (DC4) and Central Karoo District Municipality (DC5). These are further subdivided into 24 Local Municipalities.

The aim of this chapter is to provide an overview of some basic information about the Western Cape including the specification of municipal boundaries, geographic, socio-economic and demographic information and the political composition of individual municipalities. The chapter aims to set the tone for the subsequent in-depth analysis of municipal performance throughout the Province by introducing the reader to some of its basic characteristics.

1.2 Geographic information per municipality

MUNICIPALITY	DEMAR-CATION CODE	MUNICIPAL AREA (Km ²)	TOWNS AND AREAS WITHIN THE BOUNDARIES
City of Cape Town	Metro WC001	2,439.78	Atlantis, Bakoven, Bantry Bay, Bellville, Bellville South, Bishop Lavis, Blackheath, Bloubergstrand, Blue Downs, Bothasig, Brackenfell, Bridgetown, Camps Bay, Cape Town, Clifton, Clovelly, Constantia, Da Gama Park, Dagbreek, Delft, Dieprivier, Durbanville, Edgemoed, Elsiesrivier, Epping Industrial, Faure, Firgrove, Fish Hoek, Glencairn, Goodwood, Gordon's Bay, Grassy Park, Green Point, Heideveld, Hout Bay, Kalk Bay, Kenilworth, Kensington, Khayelitsha, Klipheuwel, Kommetjie, Kuilsrivier, Landsdowne, Langa, Llandudno, Lwandle, Macassar, Maitland, Mamre, Mandalay, Melkbosstrand, Mfuleni, Milnerton, Mitchells Plain, Montague Gardens, Muizenberg, Noordhoek, Nyanga, Ocean View, Ottery, Parow, Pella, Philadelphia,

			Philippi, Pinelands, Plumstead, Retreat, Rondebosch, San Michele, Scarborough, Sea Point, Simon's Town, Sir Lowry's Pass, Somerset West, St James, Steelwater, Strand, Strandfontein, Sun Valley, Table View, Tokai, Tyger Valley, Welgemoed, Westlake, Woodstock, Wynberg, Charlssville, Bonteheuwel, Montana, Matroosfontein, Netreg
Matzikama	WC011	5 549.39	Doring Bay, Grootdrif, Klawer, Koekenaap, Landplaas, Lutzville, Papendorp, Spruitdrif, Strandfontein, Trawal, Vanrhynsdorp, Vredendal, Ebenhaezer
Cederberg	WC012	7338.49	Citrusdal, Clanwilliam, Elands Bay, Elandskloof, Graafwater, Heerenlogement, Lamberts Bay, Leipoldville, Paleisheuwel, Ratelfontein, Sandberg, Uitspankraal, Wolfhuis, Wuppertal
Bergrivier	WC013	4407.05	Aurora, De Hoek, Dwarskersbos, Eendekuil, Goedverwacht, Het Kruis, Laaipek, Noordkuil, Piketberg, Pools, Port Owen, Porterville, Redelinghuys, Sauer, Velddrif, Wittewater
Saldanha Bay	WC014	1 765.91	Hopefield, Langebaan, Langebaanweg, Paternoster, Saldanha, St Helena Bay, Stompneus Bay, Vredenburg
Swartland	WC015	3 712.52	Abbotsdale, Darling, Chatsworth, Riverlands, Kalbaskraal, Koringberg, Malmesbury, Moorreesburg, Ongegund, Oupos, Platteklip, Riebeek Kasteel, Riebeek-Wes, Ruststasie, Yzerfontein
West Coast DM	DC1	31 123.87	Bergrivier, Cederberg, Matzikama, Saldanha Bay and Swartland
Witzenberg	WC022	2 851.25	Bokfontein, Ceres, Enduli, La Plaisante, Prince Alfred Hamlet, Romansrivier, Skoonvlei, Tulbagh, Wolseley
Drakenstein	WC023	1 537.65	Blouville, Goedeheop, Gouda, Hermon, Paarl, Simondium, Soetendal, Suider Paarl, Voëlvlei, Wellington, Windmill
Stellenbosch	WC024	831.05	Franschhoek, Groot Drakenstein, Kylemore, Lynedoch, Pniel, Stellenbosch, Steynsrust
Breede Valley	WC025	2 994.38	De Doorns, De Wet, Hammanshof, Moordkuil, Nuy, Rawsonville, Stettyn, Touws River, Voorsorg, Wilgerboomsrivier, Worcester
Langeberg	WC026	3 331.69	Ashton, Bonnievale, Goree, Klaas Voogdsrivier, Koo, Le Chasseur, McGregor, Montagu, Pietersfontein, Robertson, Sandvliet, Scheepersrus, Sewefontein, Wakkerstroom
Cape Winelands DM	DC2	22 308.79	Langeberg, Breede Valley, Drakenstein, Stellenbosch, Witzenberg
Theewaterskloof	WC031	3231.63	Greyton, Genadendal, Caledon, Villiersdorp, Botrivier, Grabouw, Riviersonderend, Tesselaarsdal
Overstrand	WC032	1,707.51	Baardskeerdersbos, Betty's Bay, Die Dam, Die Kelders, Fisherhaven, Franskraal Strand, Gansbaai, Hangklip, Hawston, Hermanus, Houwhoek, Kleinbaai, Kleinmond, Mosselrivier, Onrus, Papiessvlei, Pearly Beach, Pringle Bay, Ratelrivier, Rooiels Bay, Sandy's Glen, Silversands, Stanford, Strands Kloof, Sunny Seas Estate, Vermont, Viljoenshof
Cape Agulhas	WC033	2 858.10	Arniston, Asfontein, Bredasdorp, Die Mond, Eilm, Fairfield, Hotagterklip, Klipdale, Kykoedie, L'Agulhas, Molshoop, Napier, Proteem, Soutkuil, Struis Bay, Vogelvlei, Waenhuiskrans
Swellendam	WC034	2 998.92	Akkerboom, Barrydale, Buffeljagsrivier, Infanta-on-River, Malgas, Ouplaas, Stormsvlei, Suurbrak, Swellendam, Vleiplaas, Wydgeleë
Overberg DM	DC3	11 404.65	Cape Agulhas, Overstrand, Swellendam and Theewaterskloof

Kannaland	WC041	4 758.07	Calitzdorp, Groenfontein, Hondewater, Kareevlakte, Kruisrivier, Ladismith, Matjiesvlei, Oosgam, Plathuis, Van Wyksdorp, Zoar
Hessequa	WC042	5 733.49	Albertinia, Brandrivier, Droëvlakte, Gouritsmond, Groot Jongensfontein, Heidelberg, Langeberg, Niekerkshek, Port Beaufort, Riethuiskraal, Riversdale, Still Bay East, Still Bay West, Slangrivier, Strawberry Hill, Vermaaklikheid, Vleidam, Witsand
Mossel Bay	WC043	2 010.83	Brandwag, Dana Bay, Groot Brakrivier, Hartenbos, Herbertsdale, Johnson's Post, Klein Brakrivier, Mossel Bay, Ruitersbos, Vlees Bay
George	WC044	1 021.69	Bergplaas, Blanco, George, Herold, Herolds Bay, Kleinplaat, Pacaltsdorp, Rondevlei, Sinksbrug, Victoria Bay, Wilderness
Oudtshoorn	WC045	3 537.05	De Rust, Dysselsdorp, Grootkraal, Hoopvol, Matjiesrivier, Oudtshoorn, Schoemanshoek, Volmoed
Bitou	WC047	991.85	Beacon Island, Nature's Valley, Plettenberg Bay, The Craggs, Wittedrif
Knysna	WC048	1 108.77	Brenton-on-Sea, Buffelsbaai, Knysna, Rheenendal, Sedgefield, Karatara
Eden DM	DC4	23 331.07	Bitou, Knysna, George, Langeberg, Mossel Bay, Kannaland and Oudtshoorn, Uniondale, Haarlem and Avontuur
Laingsburg	WC051	8 784.49	Anysberg, Bantams, Baviaan, Die Draai, Ezelsfontein, Geelbek, Hilandale, Konstabel, Koringplaas, Koup, Laingsburg, Matjiesfontein, Perdefontein, Pieter Meintjies, Rouxpos, Seweweekspoort, Tweeside, Viskuil, Vleifontein, Vleiland, Whitehill
Prince Albert	WC052	8 152.91	Dwyka, Klarstroom, Kommandokraal, Kruidfontein, Leeu-Gamka, Prince Albert, Prince Albert Road, Seekoeigat
Beaufort West	WC053	16 330.10	Beaufort West, Droërvier, Hillcrest, Letjiesbos, Merweville, Nelspoort, Renosterkop, Restvale, Rosedene, Wiegnaarspoort
Central Karoo DM	DC5	38 854.01	Beaufort West, Laingsburg and Prince Albert, Murraysburg

Table 2: Geographic information per municipality

Source: Gaffney's Local Government in South Africa 2009-2011 – Official yearbook

1.3 Demographic information per municipality

Municipality	Number of Households	Total Population	African	Coloured	Indian	White
City of Cape Town	950 509	3 542 092	1 235 685	1 558 105	63 154	685 149
Matzikama	13 570	48 837	1 680	42 709	40	4 408
Cederberg	9 703	33 664	1 305	26 454	14	5 891
Bergrivier	12 850	47 134	2 811	35 689	18	8 616
Saldanha Bay	21 897	83 207	11 885	47 295	538	23 489
Swartland	21 005	81 664	9 362	57 354	237	14 710
West Coast DM	80 289	302 075	27 043	209 501	833	57 114
Witzenberg	25 713	79 171	14 948	54 194	9	10 019
Drakenstein	54 372	228 698	44 725	148 076	1 915	33 981
Stellenbosch	38 359	211 246	54 941	116 057	984	39 264
Breede Valley	23 026	84 407	24 610	105 279	435	11 126
Langeberg	21 215	81 271	13 429	61 057	43	9 877
Cape Winelands DM	182 610	750 519	152 653	484 663	3 386	104 267
Theewaterskloof	24 717	91 357	17 572	65 821	3	7 962

Overstrand	23 126	78 533	22 642	28 871	608	26 412
Cape Agulhas	8 022	29 960	2 732	20 028	38	7 162
Swellendam	7 330	24 052	1 845	18 775	6	3 427
Overberg DM	63 265	224 152	44 791	133 495	655	44 963
Kannaland	6 683	26 038	173	22 498	3	3 365
Hessequa	13 148	41 172	1 095	29 405	39	10 634
Mossel Bay	29 863	124 138	51 637	47 078	1 541	23 882
George	45 080	143 837	49 908	63 655	19	30 255
Oudtshoorn	18 867	83 861	7 334	63 968	492	12 067
Bitou	13 323	41 096	22 239	15 272	116	3 469
Knysna	18 349	68 528	23 988	30 339	277	13 923
Eden DM	149 144	540 763	156 374	272 215	2 487	97 595
Laingsburg	2 071	5 429	62	4 538	17	812
Prince Albert	2 895	8 826	130	7 697	0	1 000
Beaufort West	9 638	39 067	4 694	30 859	52	3 463
Central Karoo DM	16 548	59 227	4 886	43 094	69	5 275

Table 3: Demographic information per municipality

Source: Gaffney's Local Government in South Africa 2009-2011 – Official yearbook

Note: DM totals include District Management Areas

1.4 Socio-economic information per municipality

Municipality	Literacy rate: 14 years and older 2007 (%) ¹	Indigent households (*DMA)	Unemployment rate 2007 (%)	% of district population 2007 (*% of Western Cape)	Proportion of youth and children 2007 (%)	HIV/AIDS prevalence (%)	Total number of reported crimes 2009/2010 ²
City of Cape Town	92.9	421 756	16.8	*66.3	-	7.9	76 443
Matzikama	73.5	2062	20.1	15.2	63	5.7	1742
Cederberg	73.6	1029	9.2	9.7	60.8	6.9	899
Bergriver	70.5	2000	10.6	15	60	5.7	429
Saldanha Bay	85.3	4795	17.9	28.9	61.3	5.9	2194
Swartland	73.0	5566	15.0	27.7	62.7	4.9	1956
West Coast DM	76.1	15 870	15.5	*5.4	61.9	5.6	7220
Witzenberg	70.5	4515	7.6	10.5	53.4	7	2319
Drakenstein	74	24 431	20.2	30.5	65.9	4.8	6315
Stellenbosch	80.4	2514	17.1	28.1	66.1	3.4	1892
Breede Valley	67.7	6585	18.8	18.8	62.9	6	3182
Langeberg	65.5	5482	9.4	11.2	61	5.6	1264
Cape Winelands DM	73.3	43 372	16.2	*13.5	63.3	5	14 972
Theewaterskloof	77.6	5778	18.7	40.8	62.5	7.8	2386
Overstrand	84.5	2833	24.1	26.2	54.5	5.3	2215
Cape Agulhas	74.3	2765	6.8	13.5	55.7	4.2	513
Swellendam	67.1	2033	7	10.1	62.4	6.4	992

¹ Literacy is defined as the ability to read and write, operationalized to refer to the successful completion of 7 years of formal education. The literacy rate is calculated as the proportion of those 14 years and older who have successfully completed a minimum of 7 years of formal education

² Crime Statistics reflect the total number of reported crimes, based on the figures for murder, total sexual crimes, residence burglaries, drug related crime and driving under the influence of alcohol/drugs

Overberg DM	74.3	13 409	17.7	4	58.8	6.3	6106
Kannaland	65.6	934	10.2	4.8	60.3	3.9	424
Hessequa	79.6	3998	19.2	7.6	53.6	4.8	1290
Mossel Bay	81.1	7321	20.9	23	63	3.4	2116
George	79	14 345	17.9	26.6	61.9	6.5	3571
Oudtshoorn	74.5	4229	23.8	15.5	63.4	5.5	2042
Bitou	77.6	2076	15.7	7.6	65.5	7.1	424
Knysna	79.6	6583	14.2	12.7	62.9	5.2	2323
Eden DM	77.1	36 476	18.5	*9.7	62	5.1	13 198
Laingsburg	62.2	300	24.9	9.2	53.9	5.7	353
Prince Albert	62.2	773	26.3	14.9	60.3	5	265
Beaufort West	71.8	4147	32	66	63.4	5.1	1251
Central Karoo DM	57.3	*6020	30.8	*1.1	61.6	4.6	1869

Table 4: Socio-economic information per municipality

Sources: Provincial Treasury; Socio-Economic Profiles of Local Government (2007); IHS Global Insights

* Total includes District Management Areas

1.5 Political composition of municipalities

The composition of councils as at June 2010 is summarised as follows:

Municipality	ANC	DA	ID	INDEP.	ACDP	AMP	NPP	UP	PAC	SDP	VP	OTHER	VACANT	MAIN COALITION
City of Cape Town	72	99	16	4	7	2	4	1	1	1	1	UDM: 1	-	DA, ID, ACDP&UDM
Matzikama	5	2	5									SAFPA: 1		DA&ID
Cederberg	2	7	3											DA
Bergriver	6	6	1											DA&ID
Saldanha Bay	9	6	3	2	1		1					SAFPA: 1		ANC+ NPP+ SAFPA
Swartland	6	12	1		1								1	DA
West Coast DM	5	4	2										1	DA&ID
Witzenberg	9	7	3				1					UIF: 1 NPP: 1		DA, ID&UIF
Drakenstein	27	21	5	1	1		3					WCC: 2 FF+: 1		ANC
Stellenbosch	16	14	1	1	2							UDM: 1 KCA: 1	1	ANC, UDM&INDEP
Breede Valley	15	15	1	2			4				1	BREED INDEP.: 1		ANC&NPP
Langeberg	9	6	3									PDM: 1 WCC: 1		ANC
Cape Winelands DM	8	6	1				1							ANC&NPP
Theewaters-kloof	6	14	3		1									DA&ID
Overstrand	6	12					1							DA
Cape Agulhas	5	3			1									ANC
Swellendam	3	3	3		1									DA&ID
Overberg DM	4	3					2							ANC&NPP
Kannaland	2	2	1				3					ICOSA: 1		ANC&NPP
Hessequa	10	4		1										ANC
Mossel Bay	7	14	1	1	1									DA
George	17	16	3	1	1						1			DA, ID,

															&ACDP
Oudtshoorn	8	7	6				2								DA, ID&ANC
Bitou	6	3	1	1											ANC
Knysna	9	5	1				1								ANC
Eden DM	5	5	1										ICOSA: 1 E FORUM: 1		ANC
Laingsburg	2	2					2								ANC&NPP
Prince Albert	3	3													ANC&DA
Beaufort West	4	4					1						ICOSA: 3 SDM: 1		ANC&ICOS A
Central Karoo DM	4	1					1						ICOSA: 1		ANC

Table 5: Political composition of municipalities

Source: Database Department of Local Government and Housing

1.6 Classification of municipal capacity by National Treasury

Municipality	Capacity Classification
City of Cape Town	High
Matzikama	Medium
Cederberg	Low
Bergriver	Medium
Saldanha Bay	High
Swartland	Medium
West Coast DM	Medium
Witzenberg	Low
Drakenstein	High
Stellenbosch	High
Breede Valley	High
Langeberg	Medium
Cape Winelands DM	Medium
Theewaterskloof	Medium
Overstrand	High
Cape Agulhas	Low
Swellendam	Low
Overberg DM	Medium
Kannaland	Medium
Hessequa	Medium
Mossel Bay	High
George	High

Oudtshoorn	Medium
Bitou	Medium
Knysna	Medium
Eden DM	Medium
Laingsburg	Medium
Prince Albert	Medium
Beaufort West	Medium
Central Karoo DM	Medium

Table 6: Classification of municipal capacity by National Treasury
Source: National Government Gazette No. 26511 dated 1 July 2004

1.7 Assessment of demographic and socio-economic data

The figures presented above clearly demonstrate the dominant role played by the City of Cape Town as the demographic hub of the Province. The Western Cape has a total population of 5 418 828, with a mere 34% of provincial citizens residing in areas outside the Metro. The socio-economic data highlights a concerning state of affairs within the Province, as unemployment across all municipalities averages 17%, with the situation being especially acute in rural municipalities. In fact, a rough correlation exists between higher unemployment levels and geographic distance from the City of Cape Town, suggesting that an explicit focus on creating rural employment opportunities is required.

Furthermore, even though literacy rates as defined as access to basic education appears to be encouraging, it does not necessarily reflect a high overall level of education throughout the Province. Additionally, out of a total of 1 442 365 households in the Western Cape, 536 903 are classified as indigent. This translates to more than 35%.

CHAPTER 2

INTEGRATED DEVELOPMENT PLANNING

2.1 Introduction

Integrated Development Planning (IDP) is the key strategic planning instrument within local government. This plan directs the operational and capital business of individual municipalities. The IDP Directorate within the Department of Local Government is tasked, amongst others, to assess municipal IDPs on an annual basis in accordance with Section 32 the Municipal Systems Act. The 2009/10 financial year saw the intensification of efforts by the Department to support the annual municipal IDP planning cycle, with the aim of preparing for the adoption of the third generation of IDPs to be drafted during 2010/11.

Since July 2009, the Department has put renewed emphasis on the support to the annual municipal IDP planning process with the aim to prepare for the third generation IDPs. In order to mainstream and establish IDP thinking within the Department of Local Government, management decided to involve various directorates in the assessment process for 2009.

2.2 IDP Assessment

The assessment of municipal IDPs by the Provincial Government is central to efforts aimed at providing support to the development IDPs within the Province. Each municipal IDP was assessed in terms of the IDP credibility framework of the Western Cape. This assessment framework consists of 5 central criteria:

- The quality of the long term development strategy;
- Implementing the basic services mandate;
- The quality of community and stakeholder involvement;
- Institutional delivery capacity of the IDP;
- Alignment and integration of the municipal IDP with National and Provincial programmes of action.

Table 7 indicates the outcomes of the IDP credibility assessment carried out by the Department of Local Government during 2009/10:

Municipality	IDP Assessment
City of Cape Town	Credible
Matzikama	Credible
Cederberg	Credible
Bergriver	Credible
Saldanha Bay	Not Credible
Swartland	Credible
West Coast DM	Credible
Witzenberg	Credible
Drakenstein	Credible
Stellenbosch	Credible
Breede Valley	Credible
Langeberg	Credible
Cape Winelands DM	Credible
Theewaterskloof	Credible
Overstrand	Credible
Cape Agulhas	Credible
Swellendam	Credible
Overberg DM	The adopted IDP was not submitted within the required legal time frame.
Kannaland	Not Credible
Hessequa	Credible
Mossel Bay	Credible
George	Credible
Oudtshoorn	Credible
Bitou	Credible
Knysna	Credible
Eden DM	Credible
Laingsburg	Credible
Prince Albert	Credible
Beaufort West	Credible
Central Karoo DM	Credible

Table 7: Outcomes of IDP credibility assessments
Source: Department of Local Government

The results of the assessment are largely encouraging, indicating that 28 out of the 30 municipalities in the Province have credible IDPs. One of the municipalities that did not have a credible IDP had experienced severe capacity constraints during the year under review. The other municipality could not submit their IDP within the required legal prescripts and consequently a determination could not be made. Political and administrative instability also had an effect on the drafting of credible plans in these two municipalities.

CHAPTER 3

HUMAN RESOURCE AND ORGANISATIONAL MANAGEMENT

3.1 Introduction

Section 51 of the Municipal Systems Act of 2000 identifies the various institutional objectives applicable to municipalities. The objectives are linked to the particular needs of the municipality and necessitate the implementation of appropriate organizational structures. Municipalities need to ensure that procedures are adopted to guide institutional transformation, ensure capacity development and that all posts are filled by competent staff. The Municipal Manager is primarily responsible for the adoption of staff establishment policies, including the approval of job descriptions and other conditions of service for each municipal staff member. The Municipal Manager also has the responsibility of conducting reviews and evaluations of staff establishments and conditions of service.

Human Resources management is broadly aimed at building the capacity of municipalities to achieve its various service delivery objectives. To this end the Municipal Systems Act, 2000 speaks to capacity building issues:

68. (1) A municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way, and for this purpose must comply with the Skills Development Act, 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

A municipality should also ensure that its recruitment, employment and career development practices are aligned to the objectives of the Employment Equity Act. These obligations are encompassed in Section 67(1) of the Municipal Systems Act, 2000;

67 (1) a municipality, in accordance with the Employment Equity Act 1998, must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration...

The broad objectives of the Employment Equity Act, 1998 are cited in Section 2 thereof and read as follows:

"Purpose of the Act

The purpose of this Act is to achieve equity in the workplace by –

- (a) *promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and*
- (b) *implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce”.*

3.2. Number of approved, filled and vacant posts per municipality

This table indicates the number of approved and vacant posts as per the different levels in the municipalities.

Municipality	Section 57			
	S57 posts on establishment of municipality	Section 57 Filled	Section 57 posts Vacant	No of signed performance Agreements
City of Cape Town	12	12	0	12
Matzikama	6	5	1	5
Cederberg	4	3	1 (Acting)	4
Bergriver	5	No info	No info	No info
Saldanha Bay	6	5	1	5
Swartland	7	7	0	7
West Coast DM	4	4	0	4
Witzenberg	5	5	0	5
Drakenstein	6	6	0	6
Stellenbosch	9	9	0	9
Breede Valley	5	5	0	5
Langeberg	5	5	0	5
Cape Winelands DM	7	No info	No info	No info
Theewaterskloof	6	6	0	6
Overstrand	8	8	0	8
Cape Agulhas	No info	No info	No info	No info
Swellendam	No info	No info	No info	No info
Overberg DM	No info	No info	No info	No info
Kannaland	No info	No info	No info	No info
Hessequa	No info	No info	No info	No info
Mossel Bay	6	6	0	6
George	9	5	4	5
Oudtshoorn	6	5	1	5
Bitou	6	6	0	6
Knysna	6	6	0	6
Eden DM	6	6	0	6
Laingsburg	1	1	0	No info
Prince Albert	4	4	0	2
Beaufort West	6	6	0	6
Central Karoo DM	4	4	0	4

Table 8: Number of approved and vacant Section 57 posts per municipality
Source: Questionnaires, May 2011 and Municipal Annual Reports

3.3 Transformation statistics per municipality

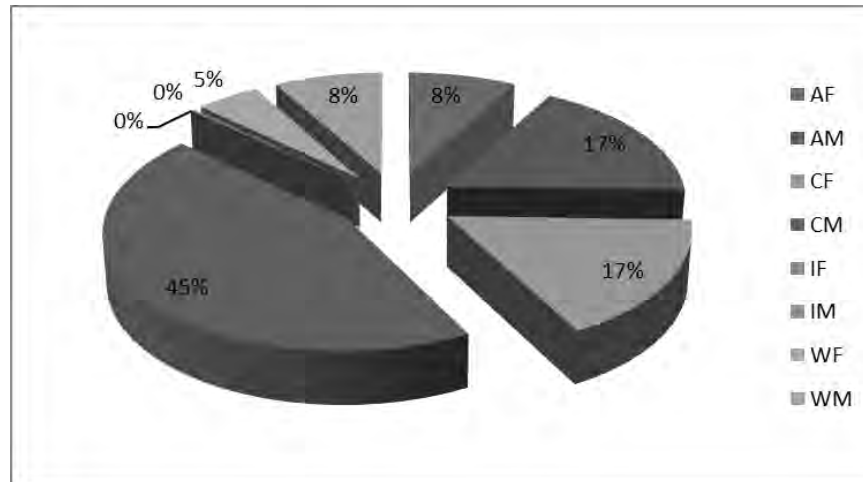
This table indicates the total number of personnel per race in the municipalities.

Municipality	All levels							
	AF	AM	CF	CM	IF	IM	WF	WM
City of Cape Town	2228	4258	4060	10 780	30	58	1184	2067
Matzikama	1	22	88	203	0	0	19	13
Cederberg	5	24	69	161	0	0	8	14
Bergriver	1	12	65	242	0	0	21	30
Saldanha Bay	62	126	193	409	0	0	35	47
Swartland	6	59	90	295	0	0	40	47
West Coast DM	9	26	77	281	0	0	18	46
Witzenberg	30	97	109	275	1	0	13	19
Drakenstein	149	309	286	878	2	2	47	102
Stellenbosch	114	233	170	462	0	0	39	61
Breede Valley	92	186	155	449	1	4	30	58
Langeberg	46	144	98	293	0	0	43	59
Cape Winelands DM	52	92	97	204	0	0	28	91
Theewaterskloof	43	69	128	291	0	0	25	20
Overstrand	37	271	99	338	1	0	102	116
Cape Agulhas	5	18	68	155	0	0	20	25
Swellendam	No information							
Overberg DM	20	65	52	143	0	0	16	34
Kannaland	1	1	30	69	0	0	7	11
Hessequa	7	27	109	298	0	0	41	37
Mossel Bay	45	185	97	323	1	4	50	105
George	79	207	202	323	2	1	46	79
Oudtshoorn	41	89	88	317	1	0	32	94
Bitou	99	211	68	120	0	1	9	17
Knysna	47	189	64	234	0	0	38	43
Eden DM	26	50	108	161	2	0	25	45
Laingsburg	1	1	17	32	0	0	3	0
Prince Albert	0	0	21	43	0	0	2	6
Beaufort West	22	61	51	171	0	0	14	14
Central Karoo DM	12	21	18	96	0	1	6	10

Table 9: Transformation statistics per municipality
Source: Questionnaires, May 2011 and Municipal Annual Reports

AF:	African Female	IF:	Indian Female
AM:	African Male	IM:	Indian Male
CF:	Coulored Female	WF:	White Female
CM:	Coulored Male	WM:	White Male

The following graph illustrates the total percentage (%) per race category in Western Cape municipalities, as indicated in table 9.



Graph 1: Total percentage (%) per race category in Western Cape municipalities

This graph illustrates that gender equity remains a matter of concern. Coloured male appointees in senior management generally outnumber appointees in other race and gender groupings.

3.4 Municipal Manager Positions as at May 2010

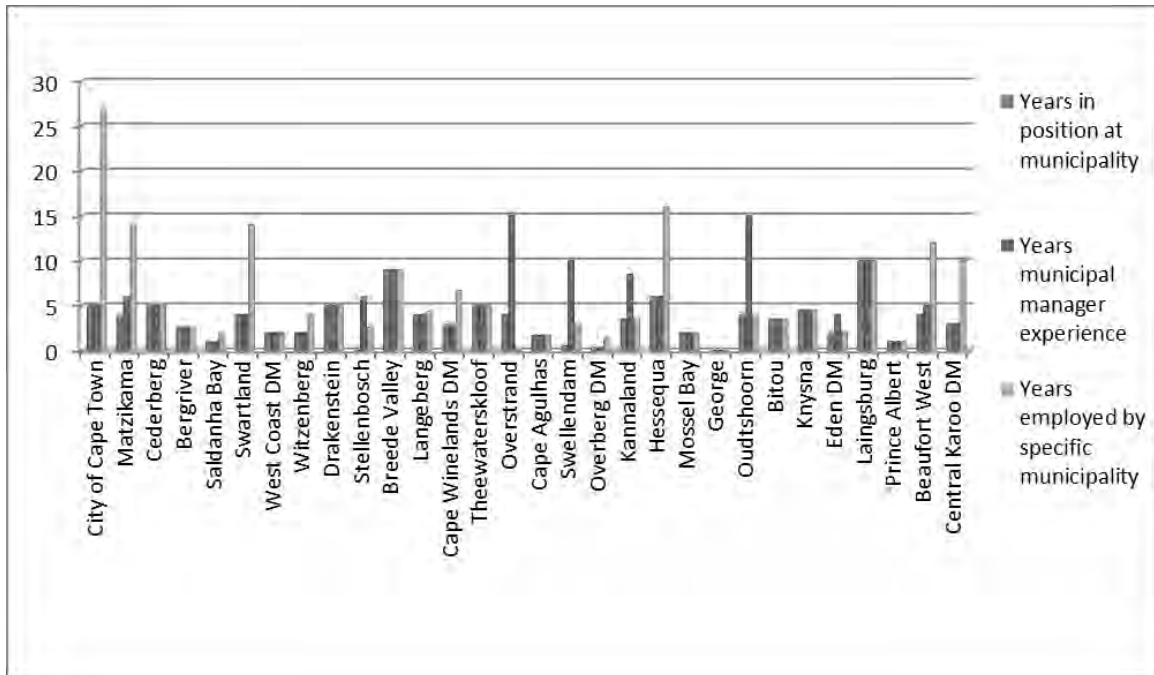
This table provides the status with the municipal manager posts and indicates their years of experience.

Municipality	Position filled (1 July 2010)	Name	Years in position at municipality	Years municipal manager experience	Years employed by specific municipality
City of Cape Town	Yes	A Ebrahim	5	5	27
Matzikama	Yes	D O'Neill	4	6	14
Cederberg	Yes	G Matthyse	4	4	4
Bergriver	Yes	K van Niekerk (Acting)	2.5	2.5	2.5
Saldanha Bay	Yes	J Fortuin	2	4	2
Swartland	Yes	JJ Scholtz	4	4	14
West Coast DM	Yes	HF Prins	2	2	2
Witzenberg	Yes	D Nasson	3	5	5
Drakenstein	Yes	Dr ST Kabanyane	5	5	5
Stellenbosch	Yes	DP Daniels	No info	6	2.6
Breede Valley	Yes	A Paulse	9	9	9
Langeberg	Yes	SA Mokweni	4	4	4.4

Cape Winelands DM	Yes	M Mgajo	2.9	2.9	6.7
Theewaterskloof	Yes	S Wallace	5	5	5
Overstrand	Yes	W Zybrands	4	15	No info
Cape Agulhas	No info	R Stevens	No info	No info	No info
Swellendam	No info	W Hendriks	No info	No info	No info
Overberg DM	No info	GW Hermanus	No info	No info	No info
Kannaland	No info	KR de Lange	No info	No info	No info
Hessequa	No info	J Jacobs	No info	No info	No info
Mossel Bay	Yes	Dr M Gratz	2	2	2
George	No	T Botha (Acting)	No info	No info	No info
Oudtshoorn	Yes	L Coetzee (Acting)	4	15	4
Bitou	Yes	L Ngoqo	3.5	3.5	3.5
Knysna	Yes	JB Douglas	4.5	4.5	4.5
Eden DM	Yes	GW Louw	2	4	2
Laingsburg	Yes	P Williams	10	10	10
Prince Albert	Yes	P Oliphant (Acting)	1	1	1
Beaufort West	Yes	J Booyesen	4	5	12
Central Karoo DM	Yes	S Jooste	3	3	10

Table 10: Municipal Manager positions
Source: Questionnaires, June 2011

The following graph illustrates the combined results of table 10. As indicated, the number of years' experience of municipal managers varies from 1 to 35 years.



Graph 2: Experience levels of Municipal Managers

3.5 Development and Implementation of specific HR policies and systems per municipality

The Human Resources Development Strategy (HRDS) of South Africa's key mission is to maximise the potential of our people through knowledge and skills acquisition to improve livelihoods – (HRDS SA 2001).

The HRD Strategy consists of 5 strategic objectives, namely:

1. Improving the foundation for human development;
2. Developing high quality skills that are more responsive to our developmental needs;
3. Improving and increasing employer participation in lifelong learning;
4. Supporting employment growth through creative innovation and policies; and
5. Ensuring that the four objectives above are linked.

The table below indicates the status with regards to the development and implementation of specific HR policies by municipalities.

Municipality	Recruitment and selection policy	Skills Development Plan	EE Plan	HRM and HRD policies	Performance Management Policy
City of Cape Town	Yes	Yes	Yes	Yes	Yes
Matzikama	Yes	Yes	Yes	No	No
Cederberg	Yes	Yes	Yes	Yes	Yes

Bergriver	Yes	Yes	Yes	Yes	Yes
Saldanha Bay	Yes	Yes	Yes	Yes	Yes
Swartland	Yes	Yes	Yes	Yes	Yes
West Coast DM	Yes	Yes	Yes	Yes	No
Witzenberg	Yes	Yes	Yes	Yes	Yes
Drakenstein	Yes	Yes	Yes	Yes	Yes
Stellenbosch	Yes	In process	Yes	Yes	Yes
Breede Valley	Yes	Yes	In process	Yes	Yes
Langeberg	Yes	Yes	Yes	Yes	No info
Cape Winelands DM	Yes	Yes	Yes	Yes	Yes
Theewaterskloof	Yes	Yes	Yes	Yes	Yes
Overstrand	Yes	Yes	Yes	Yes	Yes
Cape Agulhas	No info	No info	No info	No info	No info
Swellendam	No info	No info	No info	No info	No info
Overberg DM	No info	No info	No info	No info	No info
Kannaland	No info	No info	No info	No info	No info
Hessequa	No info	No info	No info	No info	No info
Mossel Bay	Yes	Yes	Yes	Yes	Yes
George	Yes	Yes	Yes	Yes	Yes (Senior Management)
Oudtshoorn	Yes	Yes	Yes	Yes	No info
Bitou	Yes	No	No	No	Yes
Knysna	Yes	Yes	Yes	Yes	Yes
Eden DM	Yes	Yes	Yes	Yes	Yes
Laingsburg	Yes	Yes	No	Yes	Yes
Prince Albert	Yes	Yes	No	Yes	Yes
Beaufort West	Yes	Yes	No	Yes	Yes
Central Karoo DM	Yes	Yes	Yes	Yes	Yes

Table 11: Development and Implementation of specific HR policies and systems per municipality
Source: Questionnaires, June 2011

3.6 Municipal capacity and skills development initiatives

Municipalities provided information on various capacity building and skills development initiatives undertaken during the 2009/10 financial year. These should be analysed in conjunction with the Provincial support plans discussed in Chapter 10.

Municipality	Capacity and skills development initiatives	
City of Cape Town	Overarching and integrating interventions, Integrated Talent Management, Career and Succession Planning, Personal Development Plans, Skills Audit, Computer end user training, Supervisory Management Training, Leadership Development, Artisan Training, Learnerships, Internships, Apprenticeships, Job specific / skills training.	
	Average % of personnel budget spent on skills development in 2009/10	1
Matzikama	Water learnership, pro audit training, debt collection training, personal assistant, executive leadership and development program, IRP 5 training, minute taking and report writing, FEL, GRD and digger loader operator training, national higher certificate: accounting, skills module, supervisory management, MS word bridging course, examiner of vehicles, police management: municipal traffic policing, local economic development, report writing, 2007 outlook, MS word, MS outlook, HR module, examiner of licences, local government accounting certificate.	
	Average % of personnel budget spent on skills development in 2009/10	No info

Cederberg	ABET, performance management, MFMP, municipal finance certificate, road learnership, water learnership, artisan training, plant operator training, supervisor training, managerial training.	
	Average % of personnel budget spent on skills development in 2009/10	No info
Bergriver	K53, E-Natis : Supervisor training (KPA), SDBIP / PMS, roles and responsibilities: municipal officials, client services, assistance for municipal election undertakings, IMISA, asset training.	
	Average % of personnel budget spent on skills development in 2009/10	0.06
Saldanha Bay	6M, accounting for fixed assets, auditing of performance information & planning, asset funding, budget reporting, billing consumption types & monthly services, C1, Code A, B & EC driving licenses, executive leadership programme, finance for non-financial managers, financial literacy, installing and configuring Windows 7, internal quality assessment performance reviews, roads learnership, Waste Water and Water reticulation learnership, Local Government Accounting Certificate, MFMP, Navis, examiner of vehicles, planning and managing Windows, plumbing, quality assessment, quidity, computer skills, record management, SHE Representatives, Sheq Risk Management, SMDP, Supervisory Skills, truck mounted crane, waste disposal facilities, wellness care facilitation, basic Xhosa.	
	Average % of personnel budget spent on skills development in 2009/10	No info
Swartland	ABET, chainsaw operator training, municipal police, computer training, plumber (assessment), carpentry (assessment), occupational health and safety, COIDA, Excel, advanced Excel, supervisory training, HAZCHEM, customer care, Unix +, minute taking.	
	Average % of personnel budget spent on skills development in 2009/10	0.15
West Coast DM	4x4 Driving with Fire vehicles, ABET Levels 2,3 &4, Advanced Billing, Advanced Supervisory, Basic supervision, Occupational health & safety, fire extinguisher level 1, Building Resilience, Call Centre, Capman EE plan, Certificate in Municipal IDP, Chairing of Disciplinary Hearings, Cleaning procedures and products, Code EC Drivers, Conflict Handling, Construction Road worker, Correspondence in Business, Dairy Standard Code of Practise, Dangerous Goods, Chlorine and BA apparatus, Developing an environmental health information system, Digger Loader Operators, Easyscript Speedwriting, EIA Legislation & procedures & Interpretation, Event Management and Planning, Excel 2003 Intermediate, Fire Fighter 1, Fire Fighter II, Fire Fighting Level I, First Aid (Level 1), First Aid Level 1,2&3, First-Aid Training (Level 1), Food related issues and legislation, Free and Open Source Software for Geospatial, GIS FOSS4G2008, HACCP Food Safety, HACCP Foundation, HACCP Management System, HIRA, Histamines in Seafood, HIV/AIDS Management Workshop, IDP course, IDP Manager, IMPSA Conference, Incident Investigation, Code EC License, Learners Driver's License Code EC, Management and Leadership Training AIDS Relief, Managing Employment Process, Meeting Procedures and Minute Taking, Microsoft Project, MS Excel 2003 Basic – Advanced, MS Excel 2007 Introduction, MS PowerPoint 2003 Basic – Advanced, MS Project II, MS Word 2003 Basic – Advanced, MS Word 2007 Introduction, NQF Support Link, Orgplus All levels, Performance Management, Personal Hygiene Role Play, Project Management, Recruitment and Selection, Registry Clerk Course, Roadwork Learnership, S.H.E. Representative, Safety Rep Training, SAICA Performance Management Workshop, SAMRAS DB4 Electronic Orders, SAMRAS Financial System, SHE Awareness, Cleaning products/-methods & hygiene & Pest control, Tax Risk in Payroll, Water Law, Water Purification Learnership, Water Reticulation Learnership, Law enforcement course.	
	Average % of personnel budget spent on skills development in 2009/10	0.01
Witzenberg	Anti-corruption strategy and implementation plan, basic supervision training, Batho-Pele learning network, 10 th anniversary local government bulletin, basic computer course, conflict and resolution.	
	Average % of personnel budget spent on skills development in 2009/10	No info
Drakenstein	Understanding the South African Economy, Advanced Supervision, Brush cutter Training, Customer Service excellence, Electrical, IMPSA, Induction, Law Enforcement Training, MS Word, Occupational Injuries at Workplace, OHS Snake Awareness, PMS and Auditing, PowerPoint, Project Management Cost, SANS204 Workshop, Trade Test, Basic Ambulance, Basic Computer Training, Driver Training, ABET I, II and III, Aerial Bundle Conductor, Maintenance 2010, Basic Principles of Projection 2010, Bid Committee Workshop, Business Report Writing and Minute Taking Workshop, Chainsaw Operator Basic, Electrical Apprenticeship, Employment Equity Workshop, Executive Leadership Development Programme, First Aid Training, Initiating and Chairing of Disciplinary Hearing, Local Government Accounting Certificate, Medium/High Voltage Systems, Application, ORHVS Module 1, Power Point 2009/2010.	
	Average % of personnel budget spent on skills development in 2009/10	1

Stellenbosch	ABET, supervision (basic and advanced), portfolio building course, computer training, report writing, first aid, management development programme, plumbing and bricklaying trades, traffic officers' course, firearms training, executive leadership development, skills module training, maintaining SQL, examiner of driver's license training.	
	Average % of personnel budget spent on skills development in 2009/10	0.88
Breede Valley	Minimum competency level course with Wits and Stellenbosch Universities, learnerships on water, sanitation and organisational development.	
	Average % of personnel budget spent on skills development in 2009/10	Incorrect info provided
Langeberg	Computer literacy, project management, building maintenance, local government accounting certificate, life skills, management and leadership.	
	Average % of personnel budget spent on skills development in 2009/10	No info
Cape Winelands DM	AET, computer literacy, management and leadership, project management.	
	Average % of personnel budget spent on skills development in 2009/10	Incorrect info provided
Theewaterskloof	Approved skills development plan, approved occupation health and safety policy, various labour intensive training courses, water/waste water training, water network course, housing consumer education training.	
	Average % of personnel budget spent on skills development in 2009/10	0.20
Overstrand	AARTO training, accounting for fixed assets, anti-corruption and commercial crime investigation, audit planning workshop, beginners computer training, building regulations, cable jointing training, chainsaw training, client service and telephone etiquette, control room course, emp10 (IRP5) workshop, employment equity, examiner of vehicles, excel training, fire brigade technology, first aid level 3, flight for beginners, hand/shotgun training, hazchem training, high angle 1, IMQS roads module training, intermediate word and excel, IT training, labour relations, lifting tackle inspection workshop, local government accounting certificate, M4/MPC combi, managing ill health and poor performance, matriculation exemption, MIMMS, OD ETD, paraffin safety measures, pavement maintenance and rehabilitation, professional earthing management, project management, registry clerk course, SAIM programme, SAMRAS, SCBMDS, SCM workshop, security course, TCS, tractor driver training, traffic officer, truck mounted crane, venus workshop, waste disposal facilities, waste water treatment, writing for the media 1.	
	Average % of personnel budget spent on skills development in 2009/10	0.21
Cape Agulhas	No info	
	Average % of personnel budget spent on skills development in 2009/10	No info
Swellendam	No info	
	Average % of personnel budget spent on skills development in 2009/10	No info
Overberg DM	No info	
	Average % of personnel budget spent on skills development in 2009/10	No info
Kannaland	No info	
	Average % of personnel budget spent on skills development in 2009/10	No info
Hessequa	No info	
	Average % of personnel budget spent on skills development in 2009/10	No info
Mossel Bay	Women in management, local government accounting certificate, minimum competency, event management training, IDP learnership, first aid training levels 2 and 3.	
	Average % of personnel budget spent on skills development in 2009/10	0.14

George	Foundation management development programme, emerging management development programme, fire fighter one training, labour intensive construction, cherry picker, HIV/ AIDS management programme, effective minutes for successful meetings, modern SHEQ risk management, K 53 training basic traffic officer, EAP supervisory training, EAP supervisory training, project management, computer training, receptionist training, electrical engineering training, crane truck & truck mounting, street light, electrical engineering training, chain saw, SANS 10142-2 medium voltage installations, 3M cable joint, professional earthing management course, ALLY CAD.	
	Average % of personnel budget spent on skills development in 2008/09	Incorrect info provided
Oudtshoorn	Apprenticeships in plumbing, mechanics and electrics, learnerships in government accounting.	
	Average % of personnel budget spent on skills development in 2009/10	1
Bitou	Firearm training, office professionals, first aid levels 1-3, professional aviation training/airport, fire fighting, HAZMAT technician, advanced fire prevention, HAZMAT operation, professional risk, supervisor training, SDF training, chainsaw operation, GIS, grass/bush cutting, advanced electrical (NQF 2), OHS, electrical maintenance, waste water treatment, board governance, drivers' license, sport turf grass, nursery training (pruning and maintenance), electrical, supply chain, internal auditing, advanced DB4/salaries, IDP/strategic learnership, LED/strategic learnership, finance learnership, ABET, finance internship, electrical internship, building internship, sport and recreation internship, corporate services internship.	
	Average % of personnel budget spent on skills development in 2009/10	No info
Knysna	Learnerships, ABET, MMP, short training courses, bursaries.	
	Average % of personnel budget spent on skills development in 2009/10	1
Eden DM	Transformational leadership, certificate management development programme, national diploma finance and administration, municipal finance management, executive leadership development, fire fighter 1 and 2, information systems, crew commander, law enforcement, handyman (basic electrical and plumbing), HAZMAT awareness, information security, food safety, coral draw, pump operator, basic supervisor, first aid, facilitation, secretary and PA, PAYDAY, BA communication, tourism, end user computer, waste management, transport and fleet management.	
	Average % of personnel budget spent on skills development in 2009/10	Incorrect information provided
Laingsburg	Road construction learnership, local government accounting, MFMA/GRAP training, IDP/LED, supply chain, coaching/mentoring, ODETDP, project management, water reticulation, waste water treatment.	
	Average % of personnel budget spent on skills development in 2009/10	1
Prince Albert	Records clerks training, municipal resilience, computer courses, ABET, IDP learnership, drivers' license, water learnership, GRAP financial training, motor vehicle registration, recycling training, effective minute taking for meetings, supply chain management, tender procedures, code of conduct training.	
	Average % of personnel budget spent on skills development in 2009/10	0.02
Beaufort West	Road works NQF 2, water learnership NQF 2, ABET structured learning levels 1-4, computer literacy, ODETDP learnership NQF 5, matriculants NQF 4, first aid level 1, supervisor and advanced supervisor (generic), electricians.	
	Average % of personnel budget spent on skills development in 2008/09	1
Central Karoo DM	BTECH civil engineering, dangerous goods certificate, MFMA minimum competency training, drivers' licence bursaries, water reticulation learnership, role of housing admin in housing delivery, managing low-cost housing, diesel mechanic trade test.	
	Average % of personnel budget spent on skills development in 2009/10	2
Average % of personnel budget spent on skills development in 2009/10	0.65	

Table 12: Municipal capacity and skills development initiatives
Source: Questionnaires, June 2011 and Municipal Annual Reports

3.7 Analysis of institutional development, transformation and HR systems

Capacity building at municipalities is crucial in achieving effective service delivery. As such, Human Resource management is aimed at strengthening institutional capacity. This is enshrined in the Municipal Systems Act of 2000:

68. (1) A municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way, and for this purpose must comply with the Skills Development Act, 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

It is encouraging that in most Western Cape municipalities, all section 57 posts have been filled. Furthermore, Human Resource policies have been extensively adopted, with most municipalities clearly indicating that it is regarded as a priority. Employment Equity Plans are also implemented throughout the Province, with most municipalities demonstrating significant progress with regards to institutional transformation, even though the underrepresentation of certain groups, especially women, is still evident at senior management level.

Western Cape municipalities continued to experience challenges during 2009/10 in attracting and retaining skilled staff, especially in technical areas such as finance. This was largely due to an overall lack of skilled personnel, combined with budget constraints. Within this context, municipal capacity building and skills development initiatives are of central importance. These provide municipalities with the ability to actively enhance the skills of its employees to address skills shortages.

3.8 Performance Management

3.8.1 Service delivery budget implementation plans (SDBIPs)

The Accounting Officer of every municipality is required by Section 69 of the Municipal Finance Management Act (MFMA) to submit a draft SDBIP for each financial year to the Mayor of the respective municipality no later than 14 days after the approval of the budget. The SDBIP is defined by the MFMA as a detailed plan approved by the Mayor of the municipality in terms of Section 53 (1) (c) (ii) for implementing the municipality's delivery of municipal services and its annual budget within 28 days after the budget had been approved. The SDBIP is regarded as a strategic financial management tool with the aim of ensuring that budgetary decisions are adopted in line with their Integrated Development Plan (IDP).

All the municipalities of the Western Cape, except Breede Valley, Swellendam and the Eden District Municipality, prepared SDBIPs for the 2009/10 financial year and submitted it to Provincial Treasury for monitoring and evaluation purposes. Provincial Treasury formally provided feedback on the quality of SDBIPs to each municipality.

The table indicates the compliance of municipalities with the submission of SDBIPs.

Municipality	Capacity NT	Submitted to Provincial Treasury				
		2005/06	2006/07	2007/08	2008/09	2009/10
City of Cape Town	High	Yes	Yes	Yes	Yes	Yes
Matzikama	Medium	Not applicable	Yes	Yes	Yes	Yes
Cederberg	Low	Not applicable	Yes	Yes	Yes	Yes
Bergriver	Medium	Not applicable	Yes	Yes	Yes	Yes
Saldanha Bay	High	Yes	Yes	Yes	Yes	Yes
Swartland	Medium	Not applicable	Yes	Yes	Yes	Yes
West Coast DM	Medium	Yes	Yes	Yes	Yes	Yes
Witzenberg	Low	Not applicable	Yes	Yes	Yes	Yes
Drakenstein	High	Yes	Yes	Yes	Yes	Yes
Stellenbosch	High	Yes	Yes	Yes	Yes	Yes
Breede Valley	High	Yes	Yes	Yes	Yes	No
Langeberg	Medium	Yes	Yes	Yes	Yes	Yes
Cape Winelands DM	Medium	Not applicable	Yes	Yes	Yes	Yes
Theewaterskloof	Medium	Yes	Yes	Yes	Yes	Yes
Overstrand	High	Yes	Yes	Yes	Yes	Yes
Cape Agulhas	Low	Not applicable	Yes	Yes	Yes	Yes
Swellendam	Low	Not applicable	Yes	Yes	Yes	No
Overberg DM	Medium	Not applicable	Yes	Yes	Yes	Yes
Kannaland	Medium	Not applicable	Yes	Yes	Yes	Yes
Hessequa	Medium	Not applicable	Yes	Yes	Yes	Yes
Mossel Bay	High	Yes	Yes	Yes	Yes	Yes
George	High	Yes	Yes	Yes	Yes	Yes
Oudtshoorn	Medium	Not applicable	No	No	Yes	Yes
Bitou	Medium	Yes	Yes	Yes	Yes	Yes
Knysna	Medium	Yes	Yes	Yes	Yes	Yes
Eden DM	Medium	Yes	Yes	Yes	Yes	No
Laingsburg	Medium	Not applicable	Yes	Yes	Yes	Yes
Prince Albert	Medium	Not applicable	Yes	Yes	Yes	Yes
Beaufort West	Medium	Not applicable	Yes	Yes	Yes	Yes
Central Karoo DM	Medium	Yes	Yes	Yes	Yes	Yes

Table 13: Service delivery and budget implementation plans
Source: Provincial Treasury Database

3.8.2 Submission of annual reports

In terms of Section 46 of the MSA, all municipalities in the Province are required to submit Annual Reports which consist of information on its performance on the goals and strategies identified in its IDPs, as expressed through the municipal budget. The Annual Reports should also contain information regarding the identification of poor performing areas, as well as the corrective steps taken in response. The Annual Reports submitted for 2009/10 are listed below:

Municipality	Capacity (NT)	Date on which annual report was submitted
City of Cape Town	High	26 January 2011
Matzikama	Medium	24 November 2011
Cederberg	Low	6 December 2010
Bergriver	Medium	27 January 2011
Saldanha Bay	High	17 March 2011
Swartland	Medium	31 January 2011
West Coast DM	Medium	24 November 2010
Witzenberg	Low	25 January 2011
Drakenstein	High	26 January 2011
Stellenbosch	High	27 January 2011
Breedee Valley	High	31 January 2011
Langeberg	Medium	2 December 2010
Cape Winelands DM	Medium	27 January 2011
Theewaterskloof	Medium	25 January 2011
Overstrand	High	26 January 2011
Cape Agulhas	Low	26 January 2011
Swellendam	Low	Non compliance
Overberg DM	Medium	8 March 2011
Kannaland	Medium	28 January 2011
Hessequa	Medium	25 January 2011
Mossel Bay	High	27 January 2011
George	High	20 January 2011
Oudtshoorn	Medium	Non compliance
Bitou	Medium	25 January 2011
Knysna	Medium	25 January 2011
Eden DM	Medium	15 December 2011
Laingsburg	Medium	25 January 2011
Prince Albert	Medium	3 January 2011
Beaufort West	Medium	8 December 2011
Central Karoo DM	Medium	25 February 2011

Table 14: Submission of annual reports
Source: Provincial Treasury Database

3.8.3 Adoption of oversight reports

Out of the 28 municipalities who tabled their Annual reports to the municipal councils, only 14 adopted their oversight report within two months from the date of tabling, while 14 municipalities only adopted the Oversight reports after the required deadline, as indicated in table 15.

Kannaland Municipality did not adopt its Oversight Report subsequent to the tabling of the Annual Report.

Due to the fact that the Annual reports of Swellendam and Oudtshoorn Municipalities have not been tabled to council, the councils are not in a position to adopt Oversight Reports. It should be noted that Central Karoo District Municipality and Cape Agulhas Municipality adopted their Oversight Reports on the same day as tabling their Annual Reports to council.

Municipality	Tabling date	Expected date of adoption (within 2 months)	Actual Adoption date
City of Cape Town	26 January 2011	26 March 2011	30 March 2011
Matzikama	31 January 2011	31 March 2011	28 March 2011
Cederberg	6 December 2010	06 February 2011	18 March 2011
Bergriver	27 January 2011	27 March 2011	29 May 2011
Saldanha Bay	17 March 2011	17 May 2011	06 May 2011
Swartland	31 January 2011	31 March 2011	31 March 2011
West Coast DM	24 November 2010	24 January 2011	01 February 2011
Witzenberg	25 January 2011	25 March 2011	28 February 2011
Drakenstein	26 January 2011	26 March 2011	30 March 2011
Stellenbosch	27 January 2011	27 March 2011	24 March 2011
Breede Valley	31 January 2011	31 March 2011	23 March 2011
Langeberg	2 December 2010	02 February 2011	22 February 2011
Cape Winelands DM	27 January 2011	27 March 2011	31 March 2011
Theewaterskloof	25 January 2011	25 March 2011	24 March 2011
Overstrand	26 January 2011	26 March 2011	30 March 2011
Cape Agulhas	26 January 2011	26 March 2011	26 January 2011
Swellendam	Non Compliance	-	Non Compliance
Overberg DM	08 March 2011	08 May 2011	15 April 2011
Kannaland	28 January 2011	28 March 2011	Non Compliance
Hessequa	25 January 2011	25 March 2011	22 March 2011
Mossel Bay	27 January 2011	27 March 2011	31 March 2011
George	27 January 2011	27 March 2011	15 March 2011
Oudtshoorn	Non compliance	-	Non Compliance
Bitou	25 January 2011	25 March 2011	25 March 2011
Knysna	25 January 2011	25 March 2011	17 March 2011
Eden DM	15 December 2010	15 February 2011	30 March 2011
Laingsburg	25 January 2011	25 March 2011	28 March 2011
Prince Albert	3 January 2011	03 March 2011	13 May 2011
Beaufort West	8 December 2011	08 February 2011	28 February 2011
Central Karoo DM	25 February 2011	25 April 2011	25 February 2011

Table 15: Adoption of oversight reports
Source: Local Government Database

3.8.4 Councils' Resolutions on Annual Reports

Of the 28 municipalities who tabled their Annual reports to council, 23 Municipal Annual reports were approved without reservations. The Annual reports of Saldanha Bay, Stellenbosch and Knysna Municipalities were approved with reservations. The Annual Report of Overberg District Municipality was referred back for revision but was subsequently approved. None of the municipalities' Annual reports were rejected by Council.

Municipality	Annual report approved without reservations	Annual report approved with reservations	Annual report rejected	Annual report referred back for revision
City of Cape Town and Entities	Yes	No	No	No
West Coast District	Yes	No	No	No
Matzikama	Yes	No	No	No
Berg River	Yes	No	No	No
Saldanha Bay	No	Yes	No	No
Swartland	Yes	No	No	No
Cederberg	Yes	No	No	No
Cape Winelands District	Yes	No	No	No
Witzenberg	Yes	No	No	No
Stellenbosch	No	Yes	No	No
Breede Valley	Yes	No	No	No
Langeberg	Yes	No	No	No
Drakenstein	Yes	No	No	No
Overberg District	Yes	No	No	Yes
Theewaterskloof	Yes	No	No	No
Swellendam				
Cape Agulhus	Yes	No	No	No
Overstrand & Entity	Yes	No	No	No
Eden District	Yes	No	No	No
Kannaland				
Hessequa	Yes	No	No	No
George	Yes	No	No	No
Oudtshoorn				
Knysna	No	Yes	No	No
Bitou	Yes	No	No	No
Mosselbay	Yes	No	No	No
Central Karoo District	Yes	No	No	No
Laingsburg	Yes	No	No	No
Prince Albert	Yes	No	No	No
Beaufort West	Yes	No	No	No

Table 16: Councils' resolutions on Annual Reports
Source: Local Government Database

CHAPTER 4

BASIC SERVICE DELIVERY

4.1 Introduction

Municipalities are at the forefront of attempts to achieve high levels of service delivery. Service delivery has assumed centre stage in South Africa, due to highly publicized events related to wide-spread protests within various communities. This has put even greater pressure on municipalities to deliver on their mandates and to ensure effective service delivery. The role of municipalities is crucial in dealing with many of the challenges that have led to such high levels of discontent. A crucial aspect of this process is the provision of basic services such as water, electricity and sanitation for all communities. The historical backlogs in the provision of basic infrastructure for service delivery require that municipalities establish a delicate balance between delivering and improving current services, maintaining existing infrastructure and extending the infrastructure to eradicate the backlog in service delivery. The Department of Local Government must ensure that Municipalities in the province is fully functional to enable the delivery of infrastructure and municipal services. This chapter attempts to give an indication of the performance of the municipalities in the Western Cape during the municipal financial year ending June 2010. Information used throughout this chapter was submitted by municipalities during May 2011.

4.2 Provision of basic services

4.2.1 Serviced households – level of services

This table indicates the level of service provision per municipality.

Municipality	Type of service	Housing	Water (on site)	Sanitation	Refuse removal (at least once a week at site)	Electricity (in house)	Streets and storm water system (frontage to a gravel street)
City of Cape Town	Total nr of households (Municipal data)	902 278	902 278	902 278	902 278	902 278	-
	Total nr of households serviced	1 041	850 600	832 040	893 255	828 624	-
	%	0.12	94.3	92.22	99	92.18	-
	Nr of indigent households	-	487 107	468 587	190 006	230 997	-
	%	-	53.99	51.93	21.27	25.60	-

Matzikama	Total nr of households (Municipal data)	14 705	14 705	14 705	14 705	14 705	14 705
	Total nr of households serviced	13 133	13 133	13 133	13 133	12 860	13 133
	%	89.31	89.31	89.31	89.31	87.45	89.31
	Nr of indigent households	1 599	1 872	1 981	2 054	1 599	1 872
	%	10.87	12.73	13.47	13.97	10.87	12.73
Cederberg	Total nr of households (Municipal data)	6 062	6 062	6 062	6 062	6 062	6 062
	Total nr of households serviced	6 062	6 062	6 062	6 062	6 062	6 062
	%	100	100	100	100	100	100
	Nr of indigent households	1 539	1 539	1 539	1 539	1 539	1 049
	%	25.38	25.38	25.38	25.38	25.38	16.98
Bergriver	Total nr of households (Municipal data)	8 105	8 105	8 105	8 105	8 105	8 105
	Total nr of households serviced	8 105	8 105	8 105	8 105	8 105	8 105
	%	100	100	100	100	100	100
	Nr of indigent households	1 625	1 625	1 625	1 625	1 625	1 625
	%	20.05	20.05	20.05	20.05	20.05	20.05
Saldanha Bay	Total nr of households (Municipal data)	22 209	22 209	-	22 209	22 209	1 650
	Total nr of households serviced	22 209	22 209	-	22 209	22 209	1 650
	%	100	100	-	100	100	100
	Nr of indigent households	5 878	5 878	-	5 878	5 775	-
	%	26.47	26.47	-	26.47	26	-
Swartland	Total nr of households (Municipal data)	6 120	21 000	21 000	21 000	21 000	-
	Total nr of households serviced	6 120	17 764	16 425	16 888	13 944	-
	%	100	100 of urban	100 of urban	100 of urban	100 of urban	-
	Nr of indigent households	-	4 344	4 173	4 395	3 079	-
	%	-	24.50	25.41	20.9	22.08	-

West Coast DM	Total nr of households (Municipal data)	930	930	930	930	930	930
	Total nr of households serviced	930	930	930	930	930	930
	%	100	100	100	100	100	100
	Nr of indigent households	-	-	-	-	-	-
	%	-	-	-	-	-	-
Witzenberg	Total nr of households (Municipal data)	11 581	11 581	11 581	11 581	9 960	11 581
	Total nr of households serviced	11 581	11 581	11 581	11 581	9 960	11 581
	%	100	100	100	100	100	100
	Nr of indigent households	3 706	3 706	3 706	3 706	3 706	3 706
	%	32	32	32	32	37.21	32
Drakenstein	Total nr of households (Municipal data)	-	34 622	34 622	34 622	-	-
	Total nr of households serviced	-	33 728	33 728	34 622	-	-
	%	-	97.42	97.42	100	-	-
	Nr of indigent households	-	-	-	-	-	-
	%	-	-	-	-	-	-
Stellenbosch	Total nr of households (Municipal data)	-	38 191	38 191	23 000	-	23 000
	Total nr of households serviced	-	28 343	28 343	23 000	-	23 000
	%	-	74	74	100	-	100
	Nr of indigent households	-	8 099	8 099	6 000	-	6 000
	%	-	21	21	26	-	26
Breede Valley	Total nr of households (Municipal data)	-	36 494	36 494	36 494	32 857	36 494
	Total nr of households serviced	-	28 804	28 804	20 645	31 000	20 645
	%	-	78.93	78.93	56.57	94.35	56.57
	Nr of indigent households	-	-	-	-	6 227	-
	%	-	-	-	-	18.95	-
Langeberg	Total nr of households (Municipal data)	21 856	21 856	21 856	21 856	21 856	21 856
	Total nr of households serviced	-	14 143	-	14 378	14 471	14 143
	%	-	64.71	-	65.79	66.21	64.71
	Nr of indigent households	-	5 657	-	5 733	5 703	5 703
	%	-	25.88	-	26.23	26.09	26.09

Cape Winelands DM	Do not render any services in DMA area						
Theewaterskloof	Total nr of households (Municipal data)	-	13 343	-	13 963	-	-
	Total nr of households serviced	-	-	-	-	-	-
	%	-	-	-	-	-	-
	Nr of indigent households	-	5 911	-	5 911	-	5 911
	%	-	44.30	-	42.33	-	-
Overstrand	Total nr of households (Municipal data)	-	31 054	-	31 054	31 054	-
	Total nr of households serviced	-	26 819	-	26 611	-	-
	%	-	86.36	-	85.69	-	-
	Nr of indigent households	-	2 864	-	-	2 864	-
	%	-	9.22	-	-	9.22	-
Cape Agulhas	Total nr of households (Municipal data)	-	-	-	-	-	-
	Total nr of households serviced	-	-	-	-	-	-
	%	-	-	-	-	-	-
	Nr of indigent households	-	-	-	-	-	-
	%	-	-	-	-	-	-
Swellendam	Total nr of households (Municipal data)	-	-	-	-	-	-
	Total nr of households serviced	-	-	-	-	-	-
	%	-	-	-	-	-	-
	Nr of indigent households	-	-	-	-	-	-
	%	-	-	-	-	-	-
Overberg DM	Do not render any services in DMA area						
Kannaland	Total nr of households (Municipal data)	-	-	-	-	-	-
	Total nr of households serviced	-	-	-	-	-	-
	%	-	-	-	-	-	-
	Nr of indigent households	-	-	-	-	-	-
	%	-	-	-	-	-	-
Hessequa	Total nr of households (Municipal data)	-	-	-	-	-	-
	Total nr of households serviced	-	-	-	-	-	-
	%	-	-	-	-	-	-
	Nr of indigent households	-	-	-	-	-	-
	%	-	-	-	-	-	-

Mossel Bay	Total nr of households (Municipal data)	-	34 747	2 348	28 250	33 358	-
	Total nr of households serviced	1 100	32 473	2 348	28 250	31 709	1 396
	%	-	93.45	100	100	95.05	-
	Nr of indigent households	-	-	-	7 010	514	-
	%	-	-	-	24.81	1.54	-
George	Total nr of households (Municipal data)	-	42 793	42 793	37 755	42 793	-
	Total nr of households serviced	14 271	42 793	270	37 000	77 629	-
	%	-	100	0.63	98.0	100	-
	Nr of indigent households	-	14 376	270	14 376	14 376	-
	%	-	33.59	0.63	38.08	33.59	-
Oudtshoorn	Total nr of households (Municipal data)	14 932	14 932	14 932	14 932	14 932	14 932
	Total nr of households serviced	14 932	14 932	14 932	14 932	14 932	14 932
	%	100	100	100	100	100	100
	Nr of indigent households	4 914	4 914	4 850	4 850	4 914	-
	%	32.91	32.91	32.48	32.48	32.91	-
Bitou	Total nr of households (Municipal data)	-	12 805	-	-	15 029	-
	Total nr of households serviced	-	-	-	-	14 023	-
	%	-	-	-	-	93.34	-
	Nr of indigent households	-	4 667	-	-	4 990	-
	%	-	-	-	-	33.20	-
Knysna	Total nr of households (Municipal data)	-	19 886	8	34 302	20 000	-
	Total nr of households serviced	-	19 886	8	34 302	18 377	-
	%	-	100	100	100	91.89	-
	Nr of indigent households	-	-	-	1 281	8 500	-
	%	-	-	-	3.73	42.50	-
Eden DM	Total nr of households (Municipal data)	1 655	1 655	1 655	1 655	1 655	1 655
	Total nr of households serviced	-	1 318	-	1 305	1 485	-
	%	-	79.64	-	78.85	89.73	-
	Nr of indigent households	-	345	-	345	-	-
	%	-	20.85	-	20.85	-	-

Laingsburg	Total nr of households (Municipal data)	1 214	1 214	1 214	1 214	1 214	69
	Total nr of households serviced	1 214	1 214	1 214	1 214	1 214	69
	%	100	100	100	100	100	100
	Nr of indigent households	592	592	592	592	592	69
	%	49	49	49	49	49	100
Prince Albert	Total nr of households (Municipal data)	-	2 206	2 206	2 206	2 206	-
	Total nr of households serviced	-	2 206	2 206	2 206	2 206	-
	%	-	100	100	100	100	-
	Nr of indigent households	-	889	889	889	889	-
	%	-	40.29	40.29	40.29	40.29	-
Beaufort West	Total nr of households (Municipal data)	9 186	9 214	20	9 186	10 387	4 184
	Total nr of households serviced	9 186	9 186	20	9 186	10 387	4 184
	%	100	99.70	100	100	100	100
	Nr of indigent households	-	4 630	20	5 000	4 383	4 151
	%	-	50.25	100	54.43	42.20	99.21
Central Karoo DM	Total nr of households (Municipal data)	1 460	1 460	-	-	1 460	1 460
	Total nr of households serviced	1 460	1 460	-	-	1 460	1 460
	%	100	100	-	-	100	100
	Nr of indigent households	800	800	-	-	800	800
	%	54.79	54.79	-	-	54.79	54.79

Table 17: Serviced households – level of services
Source: Questionnaires, June 2011

4.2.2 Basic service delivery backlogs

This table indicates the backlogs per type of service at the individual municipal level.

Municipality	Type of service	Housing	Water (on site)	Sanitation	Refuse removal (at least once a week at site)	Electricity (in house)	Streets and storm water
City of Cape Town	Area/s	Whole area	Whole area	Whole area	Whole area	Whole area	-
	Total nr of households	386 590	25 106	43 626	-	90 024	-
	Total cost to address (R'000)	100 000	4 017	128 312	-	450 120	-
Matzikama	Area/s	Whole area	Whole area	Whole area	Whole area	Whole area	Whole area
	Total nr of households	4 936	600	600	-	300	250
	Total cost to address (R'000)	271 480	7 000	14 000	-	3 000	8 000
Cederberg	Area/s	Whole area	Whole area	Whole area	Whole area	Whole area	Whole area
	Total nr of households	4 344	3 950	3 999	-	-	17 km Gravel road 5 km storm water
	Total cost to address (R'000)	237 399	23 700	23 994	-	-	2 466 2 217
Bergriver	Area/s	Whole area	Whole area	Whole area	Whole area	Whole area	Whole area
	Total nr of households	3 780	3 780	3 780	3 780	3 780	3 780
	Total cost to address (R'000)	332 000	9 110	14 570	9 090	10 930	9 500
Saldanha Bay	Area/s	-	-	-	-	Middelpos, Saldanha	-
	Total nr of households	-	-	-	-	951	-
	Total cost to address (R'000)	-	-	-	-	9 500	-
Swartland	Area/s	Whole area	-	-	-	-	Upgrading of streets: Riebeeck West, Koringberg, chartsworth, Riverlands, Kalbaskraal, Moorreesburg, Abbotsdale, Darling
	Total nr of households	11 100	-	-	-	-	2 856
	Total cost to address (R'000)	1 110 000	-	-	-	-	122,8 million

West Coast DM	Area/s	Bitterfontein DMA	-	-	-	-	-
	Total nr of households	48	-	-	-	-	-
	Total cost to address (R'000)	2 880	-	-	-	-	-
Witzenberg	Area/s	Whole area	Informal areas (serviced, but not to RDP standards)	Informal areas (serviced, but not to RDP standards)	-	-	Informal areas
	Total nr of households	6 785	1 542	1 542	-	1 542	1 542
	Total cost to address (R'000)	746 000					
Drakenstein	Area/s	Whole area	Farms	Farms	Paarl East	-	Whole area
	Total nr of households	26 000	894	890	2 055	-	-
	Total cost to address (R'000)	-	5 364	5 340	-	-	55 000
Stellenbosch	Area/s	Whole area	-	Whole area	Whole area	Langrug/ Kayamandi/ Klipmuts	-
	Total nr of households	20 852	-	100	55	10 000	-
	Total cost to address (R'000)	2 085 200	-	-	-	6 500	-
Breede Valley	Area/s	Whole area	Whole area	Whole area	Whole area	Whole area	Whole area
	Total nr of households	17 450	7 690	7 690	7 690	-	7 690
	Total cost to address (R'000)	-	-	-	-	-	-
Langeberg	Area/s	Whole area	Whole area	Whole area	Whole area	Whole area	Whole area
	Total nr of households	7 886	-	-	7 886	7 886	7 886
	Total cost to address (R'000)	483 931	57 082	504 p/m	63 080	198 109	

Hessequa	Area/s	-	-	-	-	-	-
	Total nr of households	-	-	-	-	-	-
	Total cost to address (R'000)	-	-	-	-	-	-
Mossel Bay	Area/s	Great Mossel Bay	Whole area	Whole area	Whole area	Whole area	Whole area
	Total nr of households	12 543	840	-	-	1 649	-
	Total cost to address (R'000)	1 254 000	17 000	20 000	-	12 000	60 000
George	Area/s	George	-	George	-	-	-
	Total nr of households	22 000	-	270	-	-	-
	Total cost to address (R'000)	22 000	-	-	-	-	-
Oudtshoorn	Area/s	Greater Oudtshoorn	Greater Oudtshoorn	Oudtshoorn	Greater Oudtshoorn	Greater Oudtshoorn	Greater Oudtshoorn (Informal areas)
	Total nr of households	12 000	154	945	800	800	800
	Total cost to address (R'000)	600 000	-	-	-	-	-
Bitou	Area/s	Whole area	Whole area	Whole area	-	Informal areas of Qolweni, Bossiesgif, Kurland and Kraanshoek	Kwanokuthula, Kraanshoek
	Total nr of households	7 950	7 950	7 950	-	740	7 950
	Total cost to address (R'000)	-	11 289	24 857	-	4 884	9 748

Knysna	Area/s	Greater Knysna	Informal areas: Sizemile, Smutsville, Northern areas	Informal areas: Sizemile, Smutsville, Northern areas	-	Informal areas: Sizemile, Smutsville, Northern areas	Greater knysna
	Total nr of households	7 989	5 062	5 062	-	900	All
	Total cost to address (R'000)	869 000	84 000	Included in water	-	74 200	-
Eden DM	Area/s	DMA	-	-	-	-	-
	Total nr of households	750	-	-	-	-	-
	Total cost to address (R'000)	52 500	-	-	-	-	-
Laingsburg	Area/s	Whole area	Whole area	Whole area	Whole area	Whole area	Whole area
	Total nr of households	520	520	520	520	520	520
	Total cost to address (R'000)	2 808	4 800	35 000	26	4 560	15 140
Prince Albert	No backlogs						
Beaufort West	Area/s	Whole area	-	-	-	-	-
	Total nr of households	4 784	-	-	-	-	-
	Total cost to address (R'000)	277 000	-	-	-	-	-
Central Karoo DM	Area/s	Murraysburg	-	-	-	-	Murraysburg
	Total nr of households	70	-	-	-	-	10 km
	Total cost to address (R'000)	4 200	-	-	-	-	14 000

Table 18: Basic service delivery backlogs
Source: Questionnaires, June 2011

4.2.3 Analysis of basic service delivery

The lack of credible municipal-level data remains a challenge. The abovementioned datasets bear testament to this, as some municipalities were unable to provide the relevant information. The problem is especially acute in rural and informal areas. Despite these clear limitations, an analysis of the data indicates that:

- Services in regards to housing increased to 98%, while the percentage of households classified as indigent increased slightly to 36%;
- An average of 97% of households are serviced with water on site;
- An average of 80% of households are serviced with sanitation;
- An average of 93% of households are serviced with refuse removal on site;
- An average of 95% of households are serviced with electricity in house;
- An average of 92% of households is serviced with streets and storm water.

The municipal information varies a great deal across time, perhaps due to differing annual data-gathering cycles, as well as to the varying formats (with some municipalities including costs related to bulk services and investigations). These challenges are especially acute with regards to the information related to service delivery backlogs. However, table 22 indicates that there are still backlogs throughout the Province and that addressing them has severe cost implications in the short to medium term.

4.3 Percentage of capital budget spent on each service for 2009/10

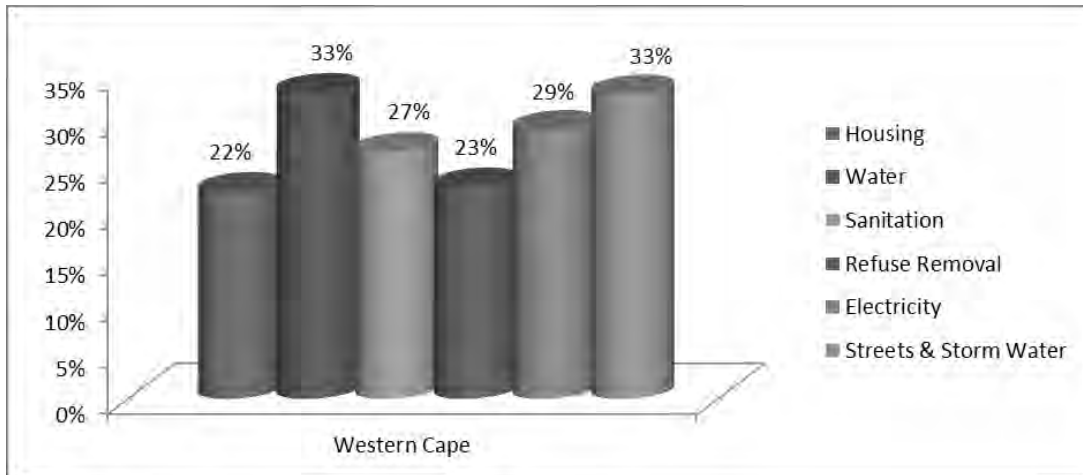
This table indicates the percentage of capital budget spent on each service by municipalities. However, the data provided by municipalities was again problematic, as the same format was not followed throughout. The data is still a challenge due to the fact that certain municipalities indicated the percentage spent of the budget that was allocated for the specific service, instead of the percentage of the capital budget that was spent on the type of service.

Municipality	Housing	Water	Sanitation	Refuse Removal	Electricity	Streets & Storm Water
City of Cape Town	5	88.8		90	93	34
Matzikama	15.18	1.29	39.32	0	12.46	11.80
Cederberg	100	100	100	0	100	5.0
Bergriver	0	5	3	30	14	6
Saldanha Bay	10.56	65.71	0	12.48	47.26	40.44
Swartland	9.5	11.3	10.5	3.9	13.9	42.2
West Coast DM	No info					
Witzenberg	No budget	85	No budget	88	92	104

Drakenstein	77	97	98	97	96	84
Stellenbosch	6.53	4.49	15.01	4.47	14.25	29.55
Breede Valley	No info	19.7	44	1.6	6.8	14.8
Langeberg	107.98	95.59	0	77.57	90.65	67.53
Cape Winelands DM	16	4	20	1	1	34
Theewaterskloof	29	31	5	0	6	21
Overstrand	0	25.84	0	5.20	24.07	23.01
Cape Agulhas	No information					
Swellendam	No information					
Overberg DM	Do not render any services in DMA area					
Kannaland	No information					
Hessequa	No information					
Mossel Bay	1.20	40.50	9.40	0.80	17.30	21.50
George	0.63	50.18	8.84	0	19.98	15.23
Oudtshoorn	0	9	11	0	10	33
Bitou	88	99.40	No info	78	78	99
Knysna	3.6	54.1	0	0.1	12.1	11.5
Eden DM	0	11.19	23.44	0	0	54.79
Laingsburg	0	20	15	10	0	55
Prince Albert	No information					
Beaufort West	100	110.70	110.60	100	37.90	58.20
Central Karoo DM	No information					

Table 19: Percentage (%) of capital budget spent on each service
Source: Questionnaire, June 2011

The following graph illustrates the combined results of table 18 and indicates the total average percentage of Municipal capital budgets spent per type of service.



Graph 3: Total average percentage (%) capital spent per type of service

The graph shows that the distribution of spending across different services was largely consistent.

4.4 Percentage (%) of capital budget spent

The table below indicates municipal performance on capital budgets for 2009/10:

Municipality	% of Capital budget spent					Reasons for under spending 2009/10
	2005/06	2006/07	2007/08	2008/09	2009/10	
City of Cape Town	71.39	76.76	78.61	96.2	83	Reasons are varied, per different projects and departments
Matzikama	31.63	26.23	95.00	70.00	90	10% carried over to the next financial year
Cederberg	52.52	49.97	61.00	60.67	100	-
Bergriver	52.20	48.93	45.00	58.00	58	Housing grant of R15 million not spent
Saldanha Bay	89.94	82.75	59.50	64.80	55.21	Major projects were put on hold due to the investigation of suspected tender irregularities
Swartland	92.57	77.11	88.00	81.66	78	Late delivery of electricity equipment by overseas supplier; Chatworth housing project delayed until next financial year due to EIA problems
West Coast DM	70.95	52.83	100	99.66	100	N/A
Witzenberg	49.22	79.80	101.9	79.45	88	Complications with procurement processes
Drakenstein	85.92	64.94	79.00	95.61	92.69	No info
Stellenbosch	62.46	62.51 (Spending on own funds for capital was 94.8%)	100.00	85.00	66.25	Problems with litigation, providers, loan approval. In addition, certain projects were delayed due to varying reasons, while certain expenditures are not reflected in the capital budget.

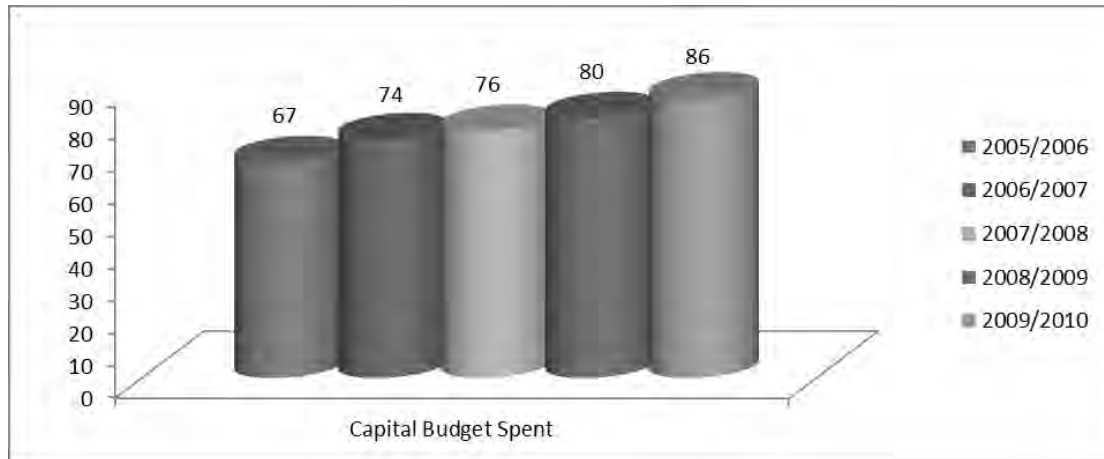
Breede Valley	83.08	77.05	No info	82.49	92.60	No info
Langeberg	83.77	354.48	77.50	76.18	89.44	The funds for the Thusong centre were not received
Cape Winelands DM	55.82	55.82	78.00	100	86	Obtaining the required approvals from all relevant authorities for the implementation of housing projects; difficulty with procurement of goods and services
Theewaterskloof	81.23	63.28	100.00	70.56	82.3	Roll-over loans and roll-over projects
Overstrand	86.38	87.44	97.00	94.00	95.50	Final actual cost less than budget
Cape Agulhas	82.49	68.19 for total budget (90 of own capital funds budget)	55.30	98.80	No info	-
Swellendam	66.90	56.94	45.70	55.81	No info	-
Overberg DM	84.44	59.15	99.0	27.0	No info	-
Kannaland	19.01	83.75	177.63	48.0	No info	-
Hessequa	73.26	69.90	88.66	83.50	No info	-
Mossel Bay	49.38	74.99	83.20	93.54	86.50	Funds for the Energy Efficiency and Demand Side projects were only received from the Department of Energy during November 2009. Due to the lengthy delivery period on material 60% was spent up to the end of June 2010. The projects will be rolled over to the 2010/11 financial year as agreed by the Department of Energy; A saving of R1.5 million was effected on the project for the Extension to the Municipal building, due to the fact that only professional fees were paid to complete the design and documentation. The project was terminated in order to proceed with the Reverse Osmosis plant; Two housing projects did not proceed as planned. Motivations were sent to National Treasury for the roll-over of these funds to the 2010/11 financial year; Late transfer of grant funding from Department of Energy
George	96.50	91.40	98.90	99.35	86.70	Emergency sewerage water recycling pipeline has been delayed due to the lack of the availability of funds and transfer from DWAF. R10 million was provided for on the 2010/11 capital budget; Energy Management - Late approval from DME of the project and delay of delivery of material due to a transport strike. R2 million

						has been rolled over to the next financial year; Mobility Strategy - Approval from province was late for this project and R3 million has been rolled over to the next financial year. CCTV cameras project of 2 million has been rolled over to the next financial year, this project is also funded from the Mobility Strategy Grant
Oudtshoorn	Not available	Capital budget detail not in fin. statements, still IMFO standards	80.00	65.00	83	SCM procedures; roll over project to the value of R3.5 million budgeted in 2010/11 financial year
Bitou	32.82	39.66	76.46	90.31	No info	Housing - Kurland services still under construction; Refuse - Saving on feasibility studies for waste transfer station; Electricity - Demand management projects underspent, portion of payment to Eskom treated as deposit instead of capital
Knysna	83.36	89.55	68.30	89.98	89.85	Neighbourhood development partnership grant plan requires NT approval before commencement; informal housing and human settlements grant capital underspent but operating overspent as more spent on top structures than infrastructure; various multi-year electricity projects.
Eden DM	78.54	Cannot be accurately determined due to implementation of GAMAP/GRAP- re-evaluation of land and buildings took place, which gives unrealistic %	85.00	95.81	100	N/A
Laingsburg	82.71	65.90	54.67	90.04	100	N/A
Prince Albert	50.63	79.34	58.78	73.00	No info	No info
Beaufort West	63.05	54.41	81.20	64.00	69.00	Delays in delivery on imported equipment for electricity; PTIP funds received late
Central Karoo DM	84.63	115.88	45.00	44.88	No info	-
Average % for Province	66.56	73.63	76.24	80.17	86.21	

Table 20: Percentage (%) of capital budget spent

Source: Questionnaires, June 2011 & Municipal Financial Statements 2005/06, 2006/07, 2007/08, 2008/09 & 2009/10

The following graph illustrates the Provincial performance on Capital Budget expenditure for the past five years, as indicated in table 19.



Graph 4: Percentage (%) of capital budget spent

4.5 Analysis of percentage of capital budget spent on each service and percentage of total capital budget spent

Inadequate information was provided by municipalities in relation to the percentage of capital budget spent on each service, as some municipalities indicated the percentage of the budget spent for each individual service, as opposed to the percentage of the total capital budget. This means that a relevant analysis of the data in this regard is not possible.

As a baseline, the figure for total expenditure on capital budgets for 2005/06 for the Western Cape stood at 66.56%. During 2006/07, this figure improved to 73.63% and by 2008/09 it had reached a much more satisfactory level of 80.17%. This encouraging trend continued during the 2009/10 financial year, with the Provincial average on capital budget expenditure reaching an impressive 86.21%. However, when taking into account the data on service delivery backlogs, it becomes clear that the continued underspending needs to be addressed. Even though underspending has declined by 41% from 2005/06 to 2009/10, the effective utilization of the 13.79% which was not spent during the year under review could have played a significant role in addressing the service delivery shortfalls in the Western Cape. The reasons for the continued underspending are manifold, with municipalities indicating that the implementation of service delivery projects were often hampered by procedural delays. Another common factor which undermined processes were delays with regards to the transfer of funding from relevant Departments in other governmental spheres. Funds were sometimes transferred at a very late stage during the financial year, impeding the ability of municipalities to spend it within the set timeframe.

4.6 Free basic services

4.6.1 Free basic services provided per type of service per household

This table indicates the status with regard to the provision of free basic services by individual Western Cape municipalities.

Municipality	Electricity		Water		Sanitation		Refuse removal	
	No of indigent household s receiving free service	Units per household (kwh)	No of indigent household s receiving free service	Units per house -hold (kl)	No of indigent household s receiving free service	Units/ R value pm per house- hold	No of indigent household s receiving free service	Units/ R value pm per house- hold
City of Cape Town	270 660	50	211 879	6	211 879	No info	No info	No info
Matzikama	1 599	50	1 872	12	1 981	1 unit/month	2 054	1 unit/week
Cederberg	1 539	50	1 539	6	1 539	63.73	1 539	54.09
Bergriver	1 366	50	1 366	6	1 366	79.78	1 366	70.21
Saldanha Bay	5 005	50/25	5 878	6	5 878	41.99	5 878	80.72
Swartland	3 079	50	4 344	10	4 173	1 unit/month	4 395	1 unit/month
West Coast DM	886	100	886	6	266	36.00	698	28.00
Witzenberg	2 518	50	2 518	6	2 518	122.85	2 518	131.90
Drakenstein	11 899	100	11 899	10	11 899	87.50	11 899	87.50
Stellenbosch	No information							
Breede Valley	6 227	60	No info	No info	No info	No info	No info	No info
Langeberg	5 083	50	5 657	6	869	84.00	871	68.00
	620	20			4 857	50.40	4 862	40.80
Cape Winelands DM	Do not render any services in DMA							
Theewaterskloof	508	50	5 911	6	5 911	71.20	5 911	70.20
Overstrand	2 864	50	2 864	6	2 864	171.05	2 964	92.11
Cape Agulhas	No information							
Swellendam	No information							
Overberg DM	Local municipal function							
Kannaland	No information							
Hessequa	No information							
Mossel Bay	6 061	50	6 313	6	5 697	100% of tariff	6 912	100% of tariff
George	14 376	70	14 376	18	14 376	118.90	14 376	89.21

Oudtshoorn	No info	70	4 914	6	4 850	No info	4 850	No info
Bitou	2 212	50	2 212	6	2 212	67.29	2 212	53.00
Knysna	No info	50	No info	No info	No info	No info	No info	No info
Eden DM	0	-	345	No info	345	76.38	345	27.04
Laingsburg	538	50	592	6	592	No info	592	No info
Prince Albert	644	50	889	6	889	No info	889	No info
Beaufort West	4 041	50	4 041	6	3 826	No info	1 292	1 unit/week
Central Karoo DM	No information							
Provincial total and average	336 720	55.71	284 417	7.4	282 909	85.76	70 545 (excludes City of Cape Town)	67.67

Table 21: Free basic services provided per type of service per household

Source: Questionnaires, June 2011

4.6.2 Analysis of the provision of free basic services

Western Cape municipalities continued to provide nationally mandated free basic services to registered indigent households within their areas during the 2009/10 financial year. During 2007/08, 313 000 households received free basic services in the Province. By the time the contemporary analysis was undertaken, this figure had increased to 336 000. According to the available data, households receiving free basic water declined from 324 000 in 2007/08 to 284 000 by 2009/10. However, the data for these totals is not entirely comprehensive, as certain municipalities did not provide the information. Additionally, the average amount subsidized for electricity increased to 55.71 kilowatt hours per household, while free basic water increased to 7.4 kilolitres per household. The average amount credited on indigent debtor accounts for free basic sanitation increased from R64.80 per month in 2008/09 to R85.76 per month in 2009/10, while the figure for free basic refuse removal increased from R50.80 per month in 2008/09 to R67.67 per month in 2009/10.

4.7 Municipal Infrastructure Grant (MIG)

4.7.1 MIG expenditure

This table indicates the performance of municipalities on the MIG grant during the past 5 years.

Municipality	Description	2005/06	2006/07	2007/08	2008/09	2009/10
City of Cape Town	Available funding (R'000)	211 325	196 656	219 485	273 357	327 790
	Amount spent (R'000)	211 325	196 656	166 891	233 042	327 790
	% Spent	100	100	76	85	100

Matzikama	Available funding (R'000)	3 078	5 729	3 366	6 381	9 404
	Amount spent (R'000)	1 646	5 437	2 249	6 381	9 404
	% Spent	53	95	67	100	100
Cederberg	Available funding (R'000)	4 031	1 999	2 159	4 889	7 625
	Amount spent (R'000)	1 657	1 999	2 159	4 889	7 625
	% Spent	41	100	100	100	100
Bergriver	Available funding (R'000)	0	0	0	4 432	7 080
	Amount spent (R'000)	0	0	0	4 432	7 080
	% Spent	0	0	0	100	100
Saldanha Bay	Available funding (R'000)	2 758	2 928	3 291	6 287	9 292
	Amount spent (R'000)	2 758	2 928	3 291	6 287	9 292
	% Spent	100	100	100	100	100
Swartland	Available funding (R'000)	4 597	3 555	2 872	5 770	8 675
	Amount spent (R'000)	4 597	3 555	2 872	5 770	8 675
	% Spent	100	100	100	100	100
West Coast DM	Available funding (R'000)	6 503	4 329	2 246	6 786	5 117
	Amount spent (R'000)	3 844	4 311	1 573	6 786	5 117
	% Spent	59	99	70	100	100
Witzenberg	Available funding (R'000)	Part of district municipality allocation	3 795	4 265	7 491	10 728
	Amount spent (R'000)		3 693	4 265	7 491	10 728
	% Spent		97	100	100	100
Drakenstein	Available funding (R'000)	13 950	9 821	11 037	15 857	20 704
	Amount spent (R'000)	11 322	9 821	11 037	15 857	20 704
	% Spent	81	100	100	100	100
Stellenbosch	Available funding (R'000)	14 912	9 407	7 200	11 116	15 051
	Amount spent (R'000)	10 435	8 192	7 200	8 634	15 051
	% Spent	70	87	100	78	100
Breede Valley	Available funding (R'000)	7 406	6 905	7 760	11 809	15 877
	Amount spent (R'000)	7 406	6 905	7 760	11 809	15 877
	% Spent	100	100	100	100	100
Langeberg	Available funding (R'000)	3 550	4 223	4 402	7 660	10 929
	Amount spent (R'000)	3 550	4 223	4 402	7 660	10 929
	% Spent	100	100	100	100	100

Cape Winelands DM	Available funding (R'000)	4 408	0	344	2 647	4 951
	Amount spent (R'000)	4 408	0	344	2 647	4 951
	% Spent	100	0	100	100	100
Theewaterskloof	Available funding (R'000)	8 133	6 673	22 916	11 486	15 492
	Amount spent (R'000)	8 133	5 082	21 533	11 486	15 492
	% Spent	100	76	94	100	100
Overstrand	Available funding (R'000)	4 463	4 574	3 834	6 958	10 093
	Amount spent (R'000)	4 072	4 574	2 963	6 958	10 093
	% Spent	91	100	77	100	100
Cape Agulhas	Available funding (R'000)	Part of district municipality allocation			3 689	6 196
	Amount spent (R'000)				3 689	6 196
	% Spent				100	100
Swellendam	Available funding (R'000)	Part of district municipality allocation			4 099	6 683
	Amount spent (R'000)				4 099	6 683
	% Spent				100	100
Overberg DM	Available funding (R'000)	3 856	2 410	3	3	-
	Amount spent (R'000)	3 856	2 410	3	3	-
	% Spent	100	100	100	100	-
Kannaland	Available funding (R'000)	Part of district municipality allocation	3 817	4 294	4 294	6 915
	Amount spent (R'000)		3 817	4 294	4 294	6 915
	% Spent		100	100	100	100
Hessequa	Available funding (R'000)	400	Part of district municipality allocation	4 923	4 923	8 487
	Amount spent (R'000)	400		1 160	1 160	8 487
	% Spent	100		24	24	100
Mossel Bay	Available funding (R'000)	3 577	5 749	7 061	7 061	10 215
	Amount spent (R'000)	3 577	5 749	7 061	7 061	10 215
	% Spent	100	100	100	100	100
George	Available funding (R'000)	9 048	9 461	15 356	15 356	20 107
	Amount spent (R'000)	9 048	9 461	15 356	15 356	20 107
	% Spent	100	100	100	100	100
Oudtshoorn	Available funding (R'000)	6 162	3 609	7 232	7 232	10 419
	Amount spent (R'000)	6 162	3 609	7 232	7 232	10 419
	% Spent	100	100	100	100	100

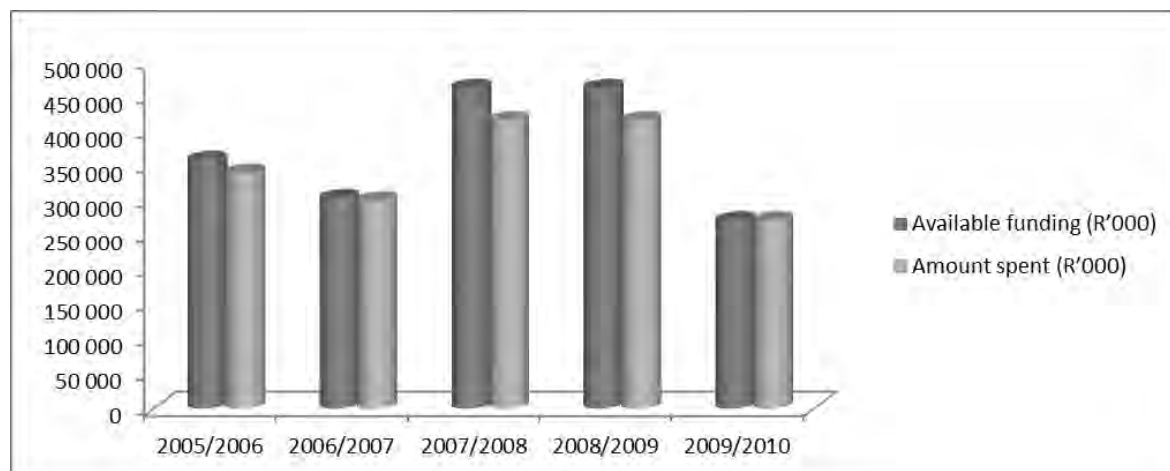
Bitou	Available funding (R'000)	6 271	2 601	5 834	5 834	8 715
	Amount spent (R'000)	6 271	2 601	5 834	5 834	8 715
	% Spent	100	100	100	100	100
Knysna	Available funding (R'000)	6 011	5 968	10 508	10 508	14 325
	Amount spent (R'000)	4 398	5 968	10 508	10 508	14 325
	% Spent	73	100	100	100	100
Eden DM	Available funding (R'000)	8 528	6 707	3 542	3 542	6 018
	Amount spent (R'000)	8 291	6 707	3 542	3 542	6 018
	% Spent	97	100	100	100	100
Laingsburg	Available funding (R'000)	Part of district municipality allocation		0	2 664	4 971
	Amount spent (R'000)			0	2 664	4 971
	% Spent			0	100	100
Prince Albert	Available funding (R'000)	Part of district municipality allocation		0	2 842	5 184
	Amount spent (R'000)			0	2 842	5 184
	% Spent			0	100	100
Beaufort West	Available funding (R'000)	Part of district municipality allocation		0	3 821	6 351
	Amount spent (R'000)			0	3 821	6 351
	% Spent			0	100	100
Central Karoo DM	Available funding (R'000)	26 145	3 208	3 984	3 984	6 545
	Amount spent (R'000)	23 545	3 208	3 984	3 984	6 545
	% Spent	90	100	100	100	100
Total	Available funding (R'000)	359 122	304 136	462 778	462 778	599 975
	Amount spent (R'000)	340 710	300 918	416 218	416 218	599 975
	% Spent	95	99	90	90	100

Table 22: MIG expenditure

Source: Department of Local Government Database

*All figures accurate as of March 2011 and excludes finds still to be transferred

The following graph illustrates the Provincial performance on MIG expenditure for the past five years, as indicated in table 20.



Graph 5: Total performance on MIG expenditure for the past five years

4.7.2 Analysis of the MIG expenditure

MIG expenditure reached 100% during 2009/10 for the first time during the measured timeframe. This is a very significant achievement, as it reverses a trend of decline since 2005/06. It had reached a level of 90% by 2008/09. However, the 2009/10 financial year arrested and reversed this trend, a fact which represents a hugely positive development.

4.8 Housing

4.8.1 Housing grant expenditure

This table indicates the performance of municipalities on the housing fund during the past 5 years.

Municipality	Description	2005/06 (April 2005- March 2006)	2006/07 (April 2006- March 2007)	2007/08 (April 2007- March 2008)	2008/09 (April 2008- March 2009)	2009/10 (April 2009- March 2010)
City of Cape Town	Allocation (R'000)	416 716	335 037	450 425	550 086	663 496
	Amount spent (R'000)	371 066	324 672	447 286	508 751	686 050
	% Spent	89	97	99	92	103
	No of houses built	12 122	11 875	5 536	9 161	9 538
	No of sites serviced	10 778	12 713	5 653	6 922	4 964

Matzikama	Allocation (R'000)	948	8 600	2 223	20 178	6 478
	Amount spent (R'000)	5 465	2 873	12 877	24 637	6 227
	% Spent	574	33	579	122	96
	No of houses built	274	111	0	545	0
	No of sites serviced	0	0	547	143	155
Cederberg	Allocation (R'000)	908	1 077	2 128	4 382	5 482
	Amount spent (R'000)	226	1 079	5 829	0	10 191
	% Spent	25	100	274	0	186
	No of houses built	12	0	0	0	60
	No of sites serviced	0	313	301	0	394
Bergriver	Allocation (R'000)	2 304	2 734	5 400	1 601	8 002
	Amount spent (R'000)	0	299	2 901	283	10 060
	% Spent	0	11	54	18	126
	No of houses built	0	0	0	0	150
	No of sites serviced	0	25	0	105	0
Saldanha Bay	Allocation (R'000)	4 066	4 825	9 530	17 112	21 408
	Amount spent (R'000)	4 061	15 754	13 902	19 965	10 086
	% Spent	99	326	146	117	47
	No of houses built	0	0	0	373	646
	No of sites serviced	800	542	397	0	0
Swartland	Allocation (R'000)	1 543	9 500	3 618	15 707	19 650
	Amount spent (R'000)	8 127	7 952	11 036	13 884	32 684
	% Spent	527	83	305	88	166
	No of houses built	0	0	0	0	540
	No of sites serviced	435	365	258	420	0
West Coast DM	Allocation (R'000)	169	0	0	0	0
	Amount spent (R'000)	284	0	0	0	0
	% Spent	168	0	0	0	0
	No of houses built	6	0	0	0	0
	No of sites serviced	0	0	0	0	0

Witzenberg	Allocation (R'000)	3 510	9 750	8 107	20 841	24 562
	Amount spent (R'000)	12 977	3 797	19 470	25 726	36 585
	% Spent	369	39	240	123	149
	No of houses built	105	0	199	465	392
	No of sites serviced	264	262	176	315	0
Drakenstein	Allocation (R'000)	12 871	15 275	29 728	38 244	62 844
	Amount spent (R'000)	10 799	16 129	22 520	17 984	61 350
	% Spent	83	106	76	47	98
	No of houses built	316	208	561	347	920
	No of sites serviced	757	208	40	0	1 617
Stellenbosch	Allocation (R'000)	12 871	14 000	29 728	22 293	27 889
	Amount spent (R'000)	10 868	18 222	34 597	11 299	12 708
	% Spent	84	130	116	51	46
	No of houses built	71	11	45	392	10
	No of sites serviced	390	828	0	0	80
Breede Valley	Allocation (R'000)	13 662	43 500	31 555	41 786	27 255
	Amount spent (R'000)	5 815	22 925	12 881	36 974	32 200
	% Spent	42	53	41	88	118
	No of houses built	573	245	69	255	88
	No of sites serviced	884	251	0	1 551	767
Langeberg	Allocation (R'000)	4 680	10 554	10 810	14 908	18 651
	Amount spent (R'000)	1 518	3 689	3 735	9 359	16 668
	% Spent	32	35	35	63	89
	No of houses built	50	140	46	48	112
	No of sites serviced	0	0	0	42	343
Cape Winelands DM	Allocation (R'000)	0	0	0	0	0
	Amount spent (R'000)	117	0	0	627	0
	% Spent	0	0	0	0	0
	No of houses built	0	0	0	0	0
	No of sites serviced	0	0	0	0	0

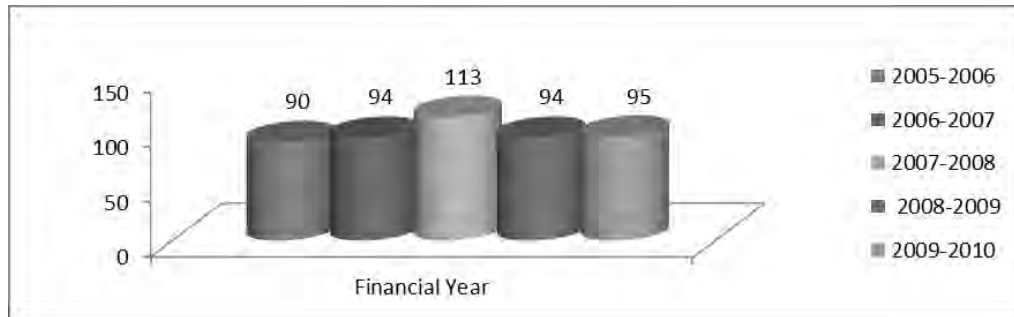
Theewaterskloof	Allocation (R'000)	10 167	27 000	23 425	19 718	24 668
	Amount spent (R'000)	16 373	15 341	29 873	18 568	24 324
	% Spent	161	57	128	94	99
	No of houses built	180	311	637	126	140
	No of sites serviced	1 030	510	266	0	523
Overstrand	Allocation (R'000)	4 054	12 000	9 340	1 052	26 337
	Amount spent (R'000)	3 826	5 508	3 205	58	14 680
	% Spent	94	46	34	6	56
	No of houses built	145	134	50	0	88
	No of sites serviced	0	184	414	0	188
Cape Agulhas	Allocation (R'000)	1 763	7 092	4 063	2 668	10 838
	Amount spent (R'000)	564	8 261	2 851	5 066	16 312
	% Spent	31	116	70	190	151
	No of houses built	0	74	76	0	250
	No of sites serviced	76	73	0	250	0
Swellendam	Allocation (R'000)	2 702	3 207	6 226	3 518	4 401
	Amount spent (R'000)	4 905	5 049	5 049	0	2 902
	% Spent	181	157	81	0	66
	No of houses built	95	280	280	0	20
	No of sites serviced	0	0	0	0	71
Overberg DM	Allocation (R'000)	0	0	0	0	0
	Amount spent (R'000)	0	0	0	0	0
	% Spent	0	0	0	0	0
	No of houses built	0	0	0	0	0
	No of sites serviced	0	0	0	0	0
Kannaland	Allocation (R'000)	666	5 790	8 562	3 059	3 827
	Amount spent (R'000)	0	6 402	1 543	0	3 855
	% Spent	0	111	18	0	101
	No of houses built	0	0	387	64	0
	No of sites serviced	0	335	28	0	0

Hessequa	Allocation (R' 000)	3 065	8 637	3 793	15 263	37 839
	Amount spent (R' 000)	11 659	12 310	7 100	16 157	37 862
	% Spent	380	143	187	106	100
	No of houses built	383	301	297	0	809
	No of sites serviced	684	0	0	809	0
Mossel Bay	Allocation (R' 000)	3 998	4 744	9 262	12 577	24 734
	Amount spent (R' 000)	6 027	17 322	17 901	12 408	16 320
	% Spent	150	365	193	99	66
	No of houses built	1	0	3 266	28	241
	No of sites serviced	242	257	0	28	0
George	Allocation (R' 000)	6 751	8 012	29 844	27 194	34 020
	Amount spent (R' 000)	4 561	5 427	15 640	24 717	12 675
	% Spent	67	68	52	91	37
	No of houses built	437	88	189	90	33
	No of sites serviced	155	18	0	1 335	0
Oudtshoorn	Allocation (R' 000)	4 209	4 996	9 752	12 243	11 563
	Amount spent (R' 000)	2 775	9 740	8 903	24 368	9 724
	% Spent	65	195	91	199	84
	No of houses built	80	25	58	519	35
	No of sites serviced	0	663	0	0	0
Bitou	Allocation (R' 000)	6 547	14 700	15 168	9 475	51 854
	Amount spent (R' 000)	14 972	10 783	23 380	5 606	64 099
	% Spent	228	73	154	59	124
	No of houses built	137	499	89	99	210
	No of sites serviced	700	295	265	0	1 161
Knysna	Allocation (R' 000)	6 396	17 591	14 819	25 577	31 997
	Amount spent (R' 000)	20 095	24 265	41 552	38 109	37 158
	% Spent	314	314	280	149	116
	No of houses built	61	73	725	374	613
	No of sites serviced	600	1039	400	975	942

Eden DM	Allocation (R'000)	173	0	0	0	17 943
	Amount spent (R'000)	0	0	18 428	0	20 553
	% Spent	0	0	0	0	115
	No of houses built	0	0	0	0	0
	No of sites serviced	0	0	0	0	0
Laingsburg	Allocation (R'000)	1 251	1 485	3 096	447	559
	Amount spent (R'000)	400	1 907	655	0	0
	% Spent	32	128	21	0	0
	No of houses built	0	70	29	0	0
	No of sites serviced	0	0	0	0	0
Prince Albert	Allocation (R'000)	528	627	1 307	1 870	2 338
	Amount spent (R'000)	6 119	0	0	0	61
	% Spent	115	0	0	0	3
	No of houses built	52	0	0	0	0
	No of sites serviced	0	0	0	0	0
Beaufort West	Allocation (R'000)	812	10 300	2 009	18 552	15 443
	Amount spent (R'000)	9 129	7 433	18 190	31 305	23 712
	% Spent	1124	72	905	169	154
	No of houses built	270	399	0	569	225
	No of sites serviced	513	0	448	140	306
Central Karoo DM	Allocation (R'000)	190	0	0	0	0
	Amount spent (R'000)	7 420	0	36	0	0
	% Spent	3905	0	0	0	0
	No of houses built	276	0	0	0	0
	No of sites serviced	0	0	0	0	0
Total	Allocation (R'000)	527 649	581 033	706 014	900 351	1 581 425
	Amount spent (R'000)	472 393	547 139	795 047	845 851	1 497 546
	% Spent	90	94	113	94	95
	No of houses built	15 646	14 844	12 259	13 445	10 569
	No of sites serviced	17 278	18 881	9 193	13 035	14 522

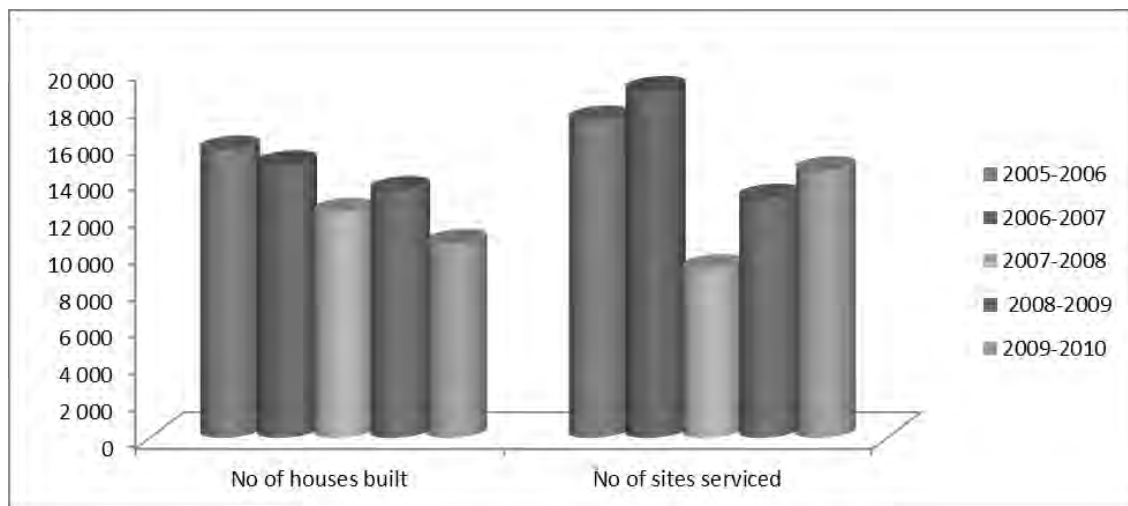
Table 23: Housing grant expenditure
Source: Department of Human Settlements Database

The following graph illustrates the performance of Western Cape municipalities on housing grant expenditure during the past five financial years.



Graph 6: Total percentage (%) of available housing funds spent

The following graph illustrates the number of houses built and the number of sites serviced during the past five years.



Graph 7: No of houses built and sites serviced

4.8.2 Analysis of performance on housing allocations

The average percentage of housing allocations spent remained steady during the 2009/10 financial year. Levels have varied between 90% and 113% during the preceding four financial years and the trend continued with the Western Cape achieving a figure of 95% during the period under review. However, there was a decline in the total number of houses built during the financial year, with the Provincial total for 2009/10 amounting to 10 569. In contrast, there was an increase in the number of sites serviced to a total of 14 522. In total, 72 909 sites were serviced and 66 763 houses were built during the past five financial years.

CHAPTER 5

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

5.1 Introduction

Financial viability is crucial in determining a municipality's ability to ensure effective service delivery to its community. There are two factors that play determining roles in the financial viability of all municipalities, i.e. the availability of adequate funding combined with prudent financial management by the municipality itself. The 2009/10 financial year was a challenging one in both regards. Firstly, the global economy was still emerging from the financial crisis. The effects of the crisis meant that it had become even more difficult to adequately fund municipalities. This had a spill-over effect on the importance of financial management, as municipalities could not afford any financial missteps during a period when financial austerity played a more important role than ever before in ensuring service delivery. The Municipal Finance Management Act of 2003 and the Municipal Property Rates Act of 2004 were introduced to provide municipalities with guidelines for effective systems to maximise their revenue potential and transparent management of their finances. This is aimed at aiding municipalities in becoming more accountable and financially sustainable, in order to effectively deliver services.

5.2 Budget and budget related matters

5.2.1 Approval of budgets

In terms of Section 24 of the MFMA, a Municipal Council must consider the approval of the annual budget at least 30 days before the start of the budget year. An annual budget must be approved before the start of the financial year (1 July). This table indicates the dates on which individual municipalities approved their budgets during the past five years.

Municipality	Date approved by council				
	2005/06	2006/07	2007/08	2008/09	2009/10
City of Cape Town	31 May 2005	31 May 2006	30 May 2007	28 May 2008	30 March 2009
Matzikama	31 May 2005	26 May 2006	31 May 2007	26 May 2008	31 March 2009
Cederberg	31 May 2005	30 May 2006	29 May 2007	25 May 2008	1 April 2009
Bergriver	31 May 2005	30 May 2006	12 June 2007	29 May 2008	31 March 2009
Saldanha Bay	31 May 2005	23 May 2006	31 May 2007	26 May 2008	24 March 2009
Swartland	26 May 2005	25 May 2006	9 May 2007	25 May 2008	26 March 2009
West Coast DM	26 April 2005	31 May 2006	30 May 2007	26 May 2008	25 February 2009
Witzenberg	7 June 2005	31 May 2006	30 May 2007	29 May 2008	31 March 2009
Drakenstein	30 May 2005	30 May 2006	29 May 2007	28 May 2008	31 March 2009
Stellenbosch	10 May 2005	16 May 2006	29 May 2007	25 May 2008	26 March 2009
Breedse Valley	1 June 2005	30 May 2006	6 June 2007	29 May 2008	30 April 2009
Langeberg	20 April 2005	30 May 2006	29 May 2007	29 May 2008	24 March 2009
Cape Winelands DM	12 May 2005	18 May 2006	24 May 2007	26 May 2008	9 March 2009
Theewaterskloof	24 May 2005	31 May 2006	30 May 2007	25 May 2008	26 March 2009

Overstrand	31 May 2005	31 May 2006	30 May 2007	28 May 2008	30 March 2009
Cape Agulhas	24 May 2005	31 May 2006	29 May 2007	28 May 2008	29 March 2009
Swellendam	26 May 2005	30 May 2006	31 May 2007	26 May 2008	28 May 2009
Overberg DM	1 June 2005	31 May 2006	31 May 2007	28 May 2008	30 March 2009
Kannaland	6 June 2005	23 May 2006	31 May 2007	29 May 2008	31 March 2009
Hessequa	26 May 2005	30 May 2006	29 May 2007	26 May 2008	30 March 2009
Mossel Bay	31 May 2005	30 May 2006	30 May 2007	15 May 2008	31 March 2009
George	11 May 2005	23 May 2006	30 May 2007	26 May 2008	23 April 2009
Oudtshoorn	31 May 2005	6 June 2006	21 June 2007	28 May 2008	30 March 2009
Bitou	25 May 2005	31 May 2006	24 April 2007	26 May 2008	25 March 2009
Knysna	31 May 2005	30 May 2006	31 May 2007	29 May 2008	26 March 2009
Eden DM	31 May 2005	31 May 2006	31 May 2007	29 May 2008	30 April 2009
Laingsburg	30 May 2005	30 May 2006	24 May 2007	26 May 2008	30 March 2009
Prince Albert	25 May 2005	21 June 2006	30 May 2007	26 May 2008	31 March 2009
Beaufort West	24 May 2005	5 June 2006	12 June 2007	27 May 2008	31 March 2009
Central Karoo DM	27 May 2005	6 May 2006	4 June 2007	29 May 2008	19 March 2009

Table 24: Approval of budgets

Source: Provincial Treasury Database

5.2.2 Performance against budgets

This table indicates the performance against budgets for the past five years.

Municipality	Financial year	Revenue			Operating expenditure		
		Budget R'000	Actual R'000	Difference R'000	Budget R'000	Actual R'000	Difference R'000
City of Cape Town	05/06	9 944 536	9 636 685	-307 851	9 862 338	9 634 712	227 626
	06/07	11 466 895	10 466 068	-1 000 827	10 789 533	9 606 014	1 183 519
	07/08	12 528 206	12 699 063	170 857	12 081 021	12 197 970	-116 949
	08/09	17 035 737	17 007 440	-28 297	14 34 8760	13 871 253	477 507
	09/10	16 746 940	16 660 190	-86 750	16 599 833	16 156 041	443 792
Matzikama	05/06	70 361	79 374	9 013	60 558	78 139	-17 581
	06/07	74 056	94 307	20 251	74 057	91 312	-17 255
	07/08	84 590	114 673	30 083	88 801	109 654	-20 853
	08/09	115 793	160 427	44 634	121 559	126 224	-4 665
	09/10	126 156	150 277	24 121	133 879	133 953	-74
Cederberg	05/06	56 994	54 899	-2 095	54 550	51 644	2 906
	06/07	61 883	64 094	2 211	61 789	57 515	4 274
	07/08	71 972	70 189	-1 783	71 445	70 490	955
	08/09	110 903	108 690	-2 213	110 617	105 954	4 663
	09/10	113 631	139 240	25 609	113 331	134 515	-21 184
Bergriver	05/06	68 517	69 327	810	68 602	67 761	841
	06/07	78 318	91 140	12 822	71 173	81 524	-10 351

	07/08	115 032	107 197	-7 835	90 746	98 935	-8 189
	08/09	113 655	123 298	9 643	115 913	115 330	583
	09/10	124 452	149 523	25 071	126 452	147 929	-21 477
Saldanha Bay	05/06	255 527	303 705	48 178	226 838	219 073	7 765
	06/07	336 265	351 822	15 557	318 150	263 290	54 860
	07/08	378 314	382 665	4 351	349 686	306 003	43 683
	08/09	395 992	417 006	21 014	395 992	340 072	55 920
	09/10	468 717	476 798	8 081	468 717	431 146	37 571
Swartland	05/06	173 386	193 741	20 355	173 386	171 408	1 978
	06/07	230 602	200 578	-30 024	178 967	172 655	6 312
	07/08	277 674	257 259	-20 415	206 893	190 967	15 926
	08/09	227 244	277 666	50 422	247 658	232 285	15 373
	09/10	333 297	325 967	-7 330	320 948	360 258	-39 910
West Coast DM	05/06	184 134	174 406	-9 728	184 134	148 863	35 271
	06/07	187 327	202 823	15 495	187 327	165 722	21 605
	07/08	191 155	193 571	2 416	193 155	154 992	38 163
	08/09	206 249	228 540	22 291	206 249	206 894	-645
	09/10	248 851	215 901	-32 949	248 851	197 211	51 639
Witzenberg	05/06	130 806	133 400	2 594	130 798	128 153	2 645
	06/07	149 675	145 750	-3 925	149 674	145 468	4 206
	07/08	161 529	164 061	2 532	161 515	167 020	-5 505
	08/09	199 701	187 376	-12 325	198 571	188 474	10 097
	09/10	324 533	263 649	60 884	256 906	252 421	4485
Drakenstein	05/06	516 169	546 117	29 948	516 169	481 784	34 385
	06/07	566 112	603 510	37 398	556 112	547 380	8 732
	07/08	595 821	620 908	25 087	595 821	611 784	-15 963
	08/09	786 352	824 788	38 436	786 352	777 306	9 046
	09/10	979 199	942 883	36 316	1 011 344	950 236	61 108
Stellenbosch	05/06	390 036	377 724	-12 312	390 036	386 867	3 169
	06/07	412 562	478 929	66 367	412 562	428 363	-15 801
	07/08	465 728	500 053	34 325	447 647	465 728	-18 081
	08/09	543 423	589 038	45 615	543 423	540 904	2 519
	09/10	626 841	734 641	-107 800	703 645	687 995	15 650

Breede Valley	05/06	299 219	309 628	10 409	256 513	245 423	11 090
	06/07	342 389	326 170	-16 219	295 918	278 071	17 846
	07/08	330 405	338 255	7 850	332 025	322 767	9 258
	08/09	468 641	462 440	-6 201	459 551	422 258	37 293
	09/10	472 863	468 724	-4 139	488 693	474 170	14 523
Langeberg	05/06	157 850	190 909	33 059	157 620	172 856	-15 236
	06/07	184 462	197 020	12 558	184 233	185 943	-1 710
	07/08	201 324	211 565	10 241	201 317	199 027	2 290
	08/09	249 004	268 332	19 328	264 576	252 548	12 028
	09/10	331 204	334 470	-3 266	306 147	307 009	-862
Cape Winelands DM	05/06	277 472	257 555	-19 917	277 472	231 821	45 651
	06/07	305 423	284 142	-21 281	258 490	250 628	7 862
	07/08	287 864	659 461	371 597	287 864	647 944	-360 080
	08/09	317 254	327 564	10 310	317 254	309 930	7 324
	09/10	349 290	342 072	7 217	349 290	317 738	31 552
Theewaters-kloof	05/06	188 112	183 147	-4 965	188 112	179 627	8 485
	06/07	206 671	191 675	-14 996	206 671	183 193	23 478
	07/08	260 394	238 631	-21 763	260 394	232 324	28 070
	08/09	235 916	218 778	-17 138	230 374	208 656	21 718
	09/10	259 388	251 228	-8 160	269 222	244 528	24 694
Overstrand	05/06	259 647	280 030	20 383	256 277	251 290	4 987
	06/07	340 673	375 698	35 025	340 673	375 698	35 025
	07/08	360 638	378 766	18 128	318 177	307 938	10 239
	08/09	435 510	423 407	-12 103	412 733	399 963	12 770
	09/10	527 619	521 284	-6 335	587 595	558 169	29 425
Cape Agulhas	05/06	73 717	72 108	1 609	73 717	69 620	4 097
	06/07	90 551	88 447	-2 104	88 401	81 070	7 331
	07/08	91 683	93 940	2 257	91 683	85 006	6 677
	08/09	102 350	122 432	20 082	102 354	107 909	-5 555
	09/10	124 982	146 536	21 554	119 817	139 193	-19 376

Swellendam	05/06	47 019	49 011	1 992	47 015	45 796	1 219
	06/07	57 077	57 805	728	57 085	54 063	3 022
	07/08	67 444	81 903	14 459	67 437	69 984	-2 547
	08/09	81 390	98 677	17 287	80 866	92 742	-11 876
	09/10	No information					
Overberg DM	05/06	46 674	46 723	49	51 119	46 723	4 396
	06/07	126 264	129 638	3 374	130 661	135 921	-5 260
	07/08	94 464	90 163	-4301	94 092	89 216	4 876
	08/09	97 042	91 909	-5 133	96 959	93 114	-3 845
	09/10	103 398	89 910	-13 488	103 273	101 080	2 193
Kannaland	05/06	37 975	37 402	-573	37 975	35 313	2 662
	06/07	52 269	52 565	296	52 259	67 615	15 356
	07/08	52 609	50 895	-1 714	52 934	51 305	1 629
	08/09	67 748	66 800	-948	62 796	55 044	7 752
	09/10	61 557	73 892	12 336	53 409	75 776	-22 367
Hessequa	05/06	93 323	139 900	46 577	94 448	114 284	-19 836
	06/07	143 584	144 025	441	134 099	121 607	12 492
	07/08	169 595	137 931	-31 664	142 563	125 501	17 062
	08/09	225 126	217 388	-7 738	182 095	166 320	15 775
	09/10	314 331	288 650	-25 681	268 438	252 421	16 017
Mossel Bay	05/06	257 503	320 253	62 750	257 456	249 194	8 262
	06/07	380 513	372 091	-8 422	379 845	353 767	26 078
	07/08	481 605	396 088	-85 517	478 461	352 318	126 143
	08/09	472 321	449 577	-22 744	471 106	405 020	66 086
	09/10	579 437	619 145	39 708	521 527	634 389	-112 862
George	05/06	442 406	498 482	56 076	511 550	476 213	35 337
	06/07	529 833	591 814	61 981	606 358	567 568	38 790
	07/08	623 102	667 553	44 451	623 068	608 558	14 510
	08/09	654 206	642 421	-11 785	670 404	670 005	399
	09/10	791 742	765 150	-26 592	791 649	756 062	35 587

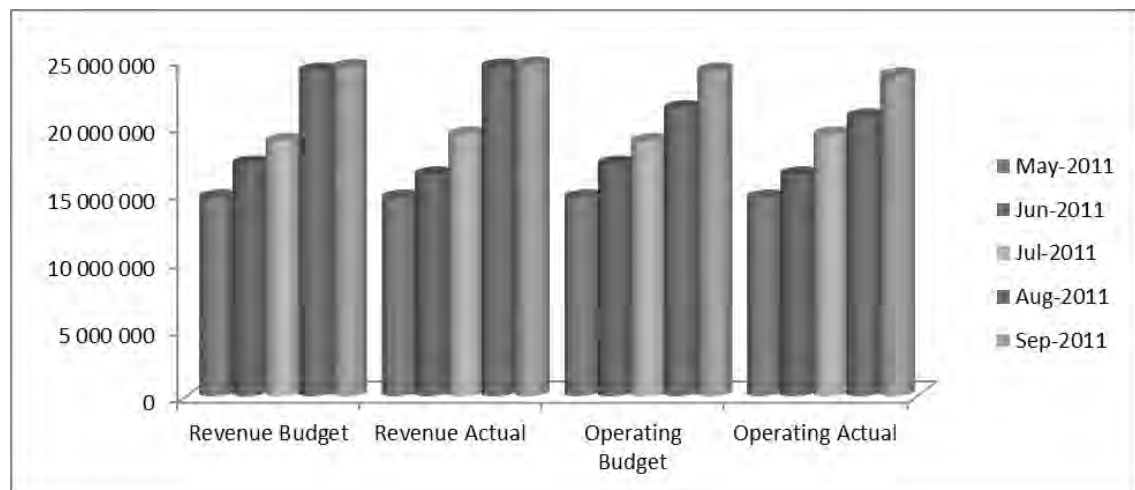
Oudtshoorn	05/06	138 253	139 699	1 446	138 253	127 645	10 608
	06/07	152 262	173 662	21 400	154 429	152 865	1 564
	07/08	Financial statements have not been submitted to date					
	08/09	Financial statements have not been submitted to date					
	09/10	Financial statements have not been submitted to date					
Bitou	05/06	119 250	140 090	20 840	119 208	120 054	-846
	06/07	139 447	152 941	13 494	139 390	138 992	398
	07/08	180 873	197 402	16 529	168 666	175 876	-7 210
	08/09	241 934	231 364	-10 570	226 577	225 887	690
	09/10	320 116	291 390	-28 726	259 629	266 006	-6 377
Knysna	05/06	202 651	201 682	-969	202 651	189 622	13 029
	06/07	248 421	270 214	21 793	248 414	277 028	-28 614
	07/08	323 380	294 312	-29 068	273 079	281 499	-8 420
	08/09	344 234	352 110	7 876	334 409	327 114	7 295
	09/10	433 216	455 430	12 214	363 056	376 055	-12 999
Eden DM	05/06	149 243	134 912	14 331	179 927	128 546	51 382
	06/07	218 033	163 268	-54 765	218 535	163 267	55 268
	07/08	306 828	254 386	-52 442	351 558	299 469	52 089
	08/09	190 883	278 822	87 939	169 382	257 350	-87 968
	09/10	No info	318 171	-	No info	316 274	-
Laingsburg	05/06	15 385	13 752	-1 633	15 385	12 751	2 634
	06/07	15 553	16 145	592	18 019	16 865	1 154
	07/08	19 359	20 764	1 405	19 349	20 759	-1 410
	08/09	14 451	21 072	6 621	18 147	22 887	-4 740
	09/10	25 336	33 921	8 585	30 462	32 888	-2 426
Prince Albert	05/06	9 863	9 912	49	9 830	9 819	11
	06/07	11 660	12 203	543	11 280	12 072	792
	07/08	14 084	14 084	0	14 020	14 020	0
	08/09	19 232	27 625	8 393	18 604	23 305	-4 701
	09/10	19 232	27 315	8 083	18 604	22 620	4 016

Beaufort West	05/06	57 713	62 021	4 308	57 696	61 733	-4 037
	06/07	82 536	88 139	5 603	82 067	73 540	8 527
	07/08	113 745	119 032	5 287	100 622	112 098	-11 476
	08/09	116 717	150 322	33 605	98 386	140 431	-42 045
	09/10	191 669	164 960	-26 709	173 792	139 470	34 322
Central Karoo DM	05/06	62 372	65 477	3 105	62 993	64 163	-1 170
	06/07	51 136	48 466	-2 669	53 591	47 614	5 977
	07/08	52 398	46 929	-5 469	54 994	51 237	3 757
	08/09	66 442	56 251	-10 191	61 566	51 408	10 158
	09/10	63 790	61 111	-2 679	55 200	53 988	1 212
Total	05/06	14 726 113	14 722 071	-4 042	14 726 113	14 722 071	461 729
	06/07	17 242 452	16 435 149	-807 303	17 242 452	16 435 149	1 363 132
	07/08	18 901 443	19 404 649	503 206	18 901 443	19 404 649	-201 177
	08/09	24 135 449	24 437 560	302 111	21 353 232	20 737 247	615 985
	09/10	24 395 457	24 585 470	190 013	24 138 311	23 776 488	-361 829

Table 25: Performance against budgets

Source: Municipal Financial Statements 2005/06, 2006/07, 2007/08, 2008/09 & 2009/10

The following graph illustrates the combined Provincial results on performance against budgets.



Graph 8: Total performance against budgets

The graph illustrates that most municipalities are performing well against their budgets.

5.2.3 Performance against total grants, donations and contributions received

In terms of Section 123(1) of the MFMA, municipalities must disclose information on any allocations received from an organ of state, either from another municipality or municipal entity, or from the national and provincial sphere of government in their annual financial statements. Municipalities also receive grants, donations and contributions from private sector institutions, as well as from individual members of the public. The following table indicates the performance of the municipalities of the Western Cape against the funds they have received during the past four years.

Municipality	Description	2006/07	2007/08	2008/09	2009/10
City of Cape Town	Total available: R'000	799 785	2 261 758	2 338 802	2 514 170
	Total spent: R'000	583 962	1 354 231	3 237 209	2 362 135
	% Spent	73	60	138	94
Matzikama	Total available: R'000	33 651	42 594	79 093	51 397
	Total spent: R'000	28 446	39 859	79 267	56 345
	% Spent	85	94	100	110
Cederberg	Total available: R'000	33 281	45 995	65 091	32 150
	Total spent: R'000	22 899	33 423	53 455	38 181
	% Spent	69	73	82	119
Bergriver	Total available: R'000	19 004	8 903	15 190	35 043
	Total spent: R'000	15 859	6 276	11 939	35 066
	% Spent	83	70	79	100
Saldanha Bay	Total available: R'000	45 872	40 920	55 206	38 921
	Total spent: R'000	39 097	29 958	40 722	26 775
	% Spent	85	73	74	69
Swartland	Total available: R'000	36 478	20 575	25 286	38 653
	Total spent: R'000	32 244	15 764	25 837	37 515
	% Spent	88	77	102	97
West Coast DM	Total available: R'000	12 976	16 295	18 480	18 444
	Total spent: R'000	20 879	18 085	23 653	33 570
	% Spent	161	111	128	182
Witzenberg	Total available: R'000	56 879	19 825	92 486	103 374
	Total spent: R'000	39 640	0	77 499	78 723
	% Spent	70	0	84	76

Drakenstein	Total available: R'000	107 847	133 874	184 433	135 061
	Total spent: R'000	64 420	69 191	133 056	154 952
	% Spent	60	52	72	115
Stellenbosch	Total available: R'000	80 411	60 984	58 053	69 415
	Total spent: R'000	57 225	47 923	57 053	57 788
	% Spent	71	79	98	83
Breede Valley	Total available: R'000	75 143	62 823	138 858	137 182
	Total spent: R'000	64 087	46 529	128 961	113 363
	% Spent	85	74	93	83
Langeberg	Total available: R'000	38 505	37 888	49 681	82 694
	Total spent: R'000	28 378	31 688	30 267	80 029
	% Spent	74	84	61	97
Cape Winelands DM	Total available: R'000	20 870	25 176	18 127	15 164
	Total spent: R'000	8 821	10 293	9 838	7 490
	% Spent	42	41	54	49
Theewaterskloof	Total available: R'000	36 919	69 493	41 431	98 964
	Total spent: R'000	30 634	65 766	33 004	91 845
	% Spent	83	95	80	93
Overstrand	Total available: R'000	29 741	13 735	23 040	48 662
	Total spent: R'000	28 311	22 806	22 805	59 803
	% Spent	95	166	99	123
Cape Agulhas	Total available: R'000	16 204	13 735	27 057	51 148
	Total spent: R'000	14 729	11 146	21 517	39 973
	% Spent	91	81	80	78
Swellendam	Total available: R'000	8 679	6 277	24 844	No info
	Total spent: R'000	8 093	No info	17 258	No info
	% Spent	93	No info	69	No info
Overberg DM	Total available: R'000	84 814	7 394	6 072	6 218
	Total spent: R'000	80 604	4 775	2 571	1 952
	% Spent	95	65	42	32

Kannaland	Total available: R'000	33 597	61 999	27 942	31 663
	Total spent: R'000	23 535	49 939	14 973	20 354
	% Spent	70	81	54	64
Hessequa	Total available: R'000	76 014	59 076	92 920	140 476
	Total spent: R'000	33 612	35 484	68 128	130 804
	% Spent	44	60	73	93
Mossel Bay	Total available: R'000	69 447	54 508	81 890	107 252
	Total spent: R'000	56 386	81 441	67 571	94 047
	% Spent	81	149	83	88
George	Total available: R'000	77 296	163 288	212 514	77 430
	Total spent: R'000	47 279	163 288	202 937	64 019
	% Spent	61	100	95	83
Oudtshoorn	Total available: R'000	No info	No info	No info	No info
	Total spent: R'000				
	% Spent				
Bitou	Total available: R'000	26 876	45 412	76 306	109 251
	Total spent: R'000	7 975	28 344	43 134	86 715
	% Spent	30	62	57	79
Knysna	Total available: R'000	83 747	97 960	109 412	127 434
	Total spent: R'000	53 090	76 705	84 063	126 927
	% Spent	63	78	77	100
Eden DM	Total available: R'000	61 145	58 788	78 863	83 534
	Total spent: R'000	43 759	31 122	48 456	63 408
	% Spent	72	53	61	76
Laingsburg	Total available: R'000	10 537	7 806	9 018	15 941
	Total spent: R'000	7 007	5 105	8 219	8 180
	% Spent	66	65	91	51
Prince Albert	Total available: R'000	5 999	7 190	15 412	23 205
	Total spent: R'000	5 192	6 378	12 421	19 728
	% Spent	87	89	81	85

Beaufort West	Total available: R'000	18 012	44 835	74 162	93 916
	Total spent: R'000	14 658	36 439	52 885	71 933
	% Spent	81	81	71	77
Central Karoo DM	Total available: R'000	45 421	41 321	49 263	62 274
	Total spent: R'000	31 966	21 454	51 147	56 093
	% Spent	70	52	104	85
Total	Total available: R'000 (City of Cape town included)	2 045 150	3 510 415	4 088 932	4 349 036
	Total available: R'000 (City of Cape town excluded)	1 245 365	1 268 669	1 750 130	1 834 866
	Total spent: R'000 (City of Cape town included)	1 492 787	2 332 266	4 659 845	4 017 713
	Total spent: R'000 (City of Cape town excluded)	908 825	989 181	1 422 636	1 655 578
	% Spent (City of Cape town included)	73	66	113	92
	% Spent (City of Cape town excluded)	79	77	81	90

Table 26: Performance against total grants, donations and contributions received

Source: Municipal Financial Statements 2006/07, 2007/08, 2008/09 & 2009/10

Note: Total amount available does not in all instances include the balance at the end of 2005/06, 2006/07 and 2007/08, due to non-disclosure by some municipalities in their financial statements

5.2.4 Analysis of budget performance and performance against grants received

Municipalities received a total amount of R24.6 billion for 2009/10 with regard to their operating revenue, which is R200 million more than during the 2008/09 financial year. This represents an increase of only 0.6%. When compared to the 26% increase in revenue between 2007/08 and 2008/09, it is clear that the availability of revenue was severely constrained during the contemporary period. The situation become particularly clear once the increase in the operating expenditure is assessed on a year-on-year basis: it increased by 13% between 2008/09 and 2009/10. This is compared to an increase of only 7% between 2007/08 and 2008/09. Thus, even though operating revenue expanded by only 0.6%, the pressure on operating expenditure grew by 13% during 2009/10. Furthermore, 0.8% more was received by municipalities within the Western Cape when comparing the budgeted operating revenue and the actual operating revenue. With regards to operating expenditure, 1.5% less was actually spent than was budgeted for.

Western Cape municipalities continued to improve their overall performance regarding the spending of grants. Analysis of the 2008/09 financial year excluded the City of Cape Town as expenditure on the construction of the Cape Town Stadium for the 2010 FIFA World Cup skewed the overall figure. However, the 2009/10 figures indicate a normalization of the situation, as there is only a 2% difference between the performance of the Province when including the City. This means that the City does not significantly skew the figure for 2009/10. When excluding the City, there was a 9% increase in the effectiveness of the Province's municipalities with regards to the usage of grants. The figure has reached 90% for the first time and this reflects the continuous improvement that has taken place over the past three years. However, there are still various factors that prevent municipalities from spending 100% of the total grants they receive. Most of these are related to the fact that allocations are often made from other spheres of government during a very late stage of the budget cycle, which impacts on their ability to effectively plan for the utilization of the transfers. Funds that are earmarked for expenditure on certain projects also go unspent in some cases, due to challenges with finalizing the planning for said projects.

5.3 Submission of Financial statements and the Reports of the Auditor-General

5.3.1 Submission of Financial Statements

In terms of Section 126 of the MFMA, the Accounting Officer of a municipality must prepare the annual financial statements of the municipality and, within two months after the end of the financial year (31 August) to which those statements relate, submit the statements to the Auditor-General for auditing.

5.3.1.1 Submission dates and types of Auditor-General reports received

This table indicates on which date financial statements were submitted and the types of Auditor-General reports received by municipalities for the past five financial years.

Municipality	Capacity NT	Financial year	Date submitted	Type of report from the AG				
				Unqualified opinion with no findings	Unqualified opinion with findings on predetermined objectives and/or compliance with laws and regulations	Qualified opinion	Disclaimer of opinion	Adverse Opinion
City of Cape Town	High	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					

Matzikama	Medium	2005/06	19 Sep 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Cederberg	Low	2005/06	12 April 2007					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	1 Sep 2009					
		2009/10	20 Sep 2010					
Bergriver	Medium	2005/06	18 Sep 2006					
		2006/07	15 Oct 2007					
		2007/08	5 Sep 2008					
		2008/09	22 Sep 2009					
		2009/10	31 Aug 2010					
Saldanha Bay	High	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	1 Sep 2010					
Swartland	Medium	2005/06	11 Sep 2006					
		2006/07	21 Sep 2007					
		2007/08	21 Sep 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					

West Coast DM	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Witzenberg	Low	2005/06	13 Sep 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Drakenstein	High	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Stellenbosch	High	2005/06	30 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	28 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Breede Valley	High	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	15 Sep 2009					
		2009/10	10 Sep 2010					

Langeberg	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Cape Winelands DM	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Theewatersk loof	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Overstrand	High	2005/06	31 Aug 2006					
		2006/07	17 Sep 2007					
		2007/08	2 Sep 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Cape Agulhas	Low	2005/06	4 Aug 2006					
		2006/07	8 Aug 2007					
		2007/08	28 Aug 2008					
		2008/09	7 Sep 2009					
		2009/10	31 Aug 2010					

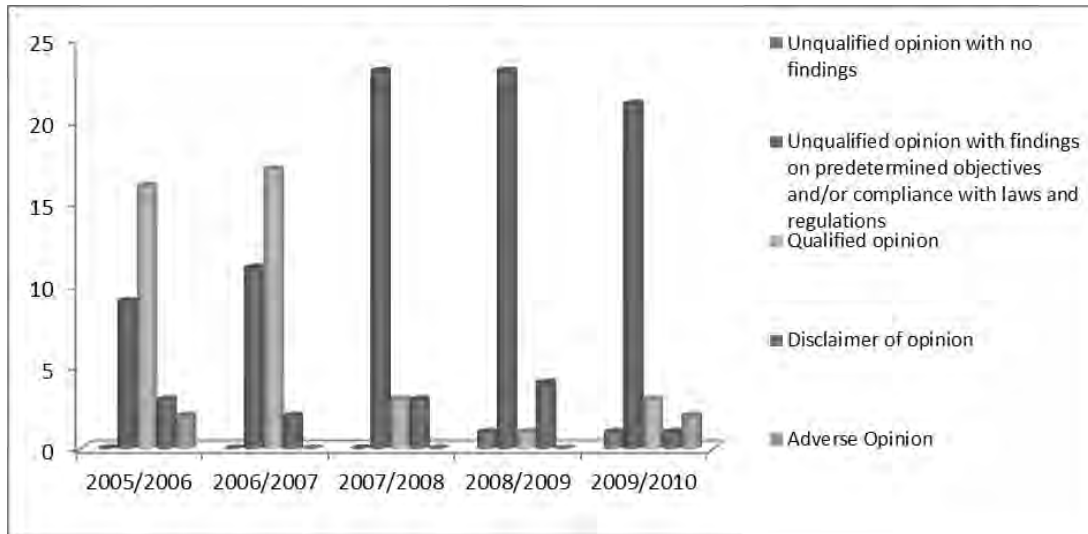
Swellendam	Low	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	11 Sep 2008					
		2008/09	11 Sep 2009					
		2009/10	31 Mar 2011	Final financial statements submitted late				
Overberg DM	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	19 Nov 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Kannaland	Medium	2005/06	30 Aug 2006					
		2006/07	31 Oct 2007					
		2007/08	25 Aug 2008					
		2008/09	3 Sep 2009					
		2009/10	31 Aug 2010					
Hessequa	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Mossel Bay	High	2005/06	7 Sep 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					

George	High	2005/06	14 Sep 2006					
		2006/07	13 Sep 2007					
		2007/08	31 Aug 2008					
		2008/09	23 Sep 2009					
		2009/10	31 Aug 2010					
Oudtshoorn	Medium	2005/06	22 Nov 2006					
		2006/07	31 Oct 2007					
		2007/08	N/A	Final financial statements not submitted				
		2008/09	N/A	Final financial statements not submitted				
		2009/10	21 Jan 2011	Final financial statements submitted late				
Bitou	Medium	2005/06	29 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Knysna	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Eden DM	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					

Laingsburg	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Prince Albert	Medium	2005/06	31 Aug 2006					
		2006/07	31 July 2007					
		2007/08	20 Oct 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Beaufort West	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Central Karoo DM	Medium	2005/06	31 Aug 2006					
		2006/07	8 Aug 2007					
		2007/08	8 Aug 2008					
		2008/09	31 Aug 2009					
		2009/10	31 Aug 2010					
Total		2005/06	0	9	16	3	2	
		2006/07	0	11	17	2	0	
		2007/08	0	23	3	3	0	
		2008/09	1	23	1	4	0	
		2009/10	1	21	3	1	2	

Table 27: Submission dates and types of Auditor-General reports received
Source: Auditor-General Database

The following graph compares the outcomes of Auditor-General reports for the past five financial years.



Graph 9: Comparison with previous years: Auditor-General report outcomes

The graph illustrates that there has been a slight regression with regards to Western Cape audit outcomes in terms of the amount of municipalities receiving unqualified opinions. This figure regressed from 24 to 22 on a year-on-year basis. However, the figures also illustrate that the Province has sustained its overall levels of improvement when compared to the audit outcomes prior to the 2007/08 financial year, when only 9 municipalities received unqualified opinions.

5.3.2 Key findings in the reports of the Auditor-General

Note: Only the findings that were raised in most municipalities for the 2005/06, 2006/07, 2007/08, 2008/09 and 2009/10 financial years in the reports are indicated:

- 1: Internal control weaknesses/ Internal audit
- 2: Non-compliance with laws and regulations: MFMA & MSA
- 3: Financial statement issues
- 4: Supply chain management (SCM)
- 5: Fruitless, wasteful, irregular and unauthorised expenditure

Municipality	Financial Year	Key Findings				
		1	2	3	4	5
City of Cape Town	05/06					
	06/07					
	07/08					
	08/09	No issues of this nature were raised				
	09/10	No issues of this nature were raised				
Matzikama	05/06					
	06/07					
	07/08					
	08/09					
	09/10					

Cederberg	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Bergriver	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Saldanha Bay	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Swartland	05/06					
	06/07					
	07/08					
	08/09	No issues of this nature were raised				
	09/10					
West Coast DM	05/06					
	06/07					
	07/08					
	08/09	No issues of this nature were raised				
	09/10					
Witzenberg	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Drakenstein	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Stellenbosch	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Breede Valley	05/06					
	06/07					
	07/08					
	08/09					
	09/10					

Langeberg	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Cape Winelands DM	05/06					
	06/07					
	07/08					
	08/09	No issues of this nature were raised				
	09/10					
Theewaters-kloof	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Overstrand	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Cape Agulhas	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Swellendam	05/06					
	06/07					
	07/08					
	08/09					
	09/10	Financial Statements have not been submitted to date				
Overberg DM	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Kannaland	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Hessequa	05/06					
	06/07					
	07/08					
	08/09	No issues of this nature were raised				
	09/10					

Mossel Bay	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
George	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Oudtshoorn	05/06					
	06/07					
	07/08	Financial statements have not been submitted to date				
	08/09	Financial statements have not been submitted to date				
	09/10	Financial statements have not been submitted to date				
Bitou	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Knysna	05/06					
	06/07					
	07/08					
	08/09	No issues of this nature were raised				
	09/10					
Eden DM	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Laingsburg	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Prince Albert	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Beaufort West	05/06					
	06/07					
	07/08					
	08/09					
	09/10					

Central Karoo DM	05/06					
	06/07					
	07/08					
	08/09					
	09/10					
Total findings	05/06	60	57	43	43	20
	06/07	29	78	39	25	4
	07/08	40	60	22	6	19
	08/09	5	16	0	12	13
	09/10	15	24	5	14	20

Table 28: Key findings in the reports of the Auditor-General
Source: Auditor-General Reports

5.3.3 Analysis of the reports of the Auditor-General

The trend of sound overall audit performances by municipalities in the Province clearly continued during the 2009/10 financial year. The improvement is largely based on the extremely low base, with only 9 municipalities having received unqualified opinions during 2005/06. An analysis of the audit outcomes of the past three years points to 2007/08 being the year that represents a turnaround in the Province's performance, as it represented a huge improvement in outcomes. Levels largely remained static during the ensuing two financial years, with 2009/10 showing a slight regression when compared to 2008/09. In all, the outcomes of three municipalities regressed, while two improved on their previous performance. This means that 23 outcomes remained unchanged. Prince Albert, Laingsburg and George Municipalities were the three that regressed, while Saldanha Bay and Cederberg Municipalities showed improvement during 2009/10.

However, there are still various issues which need to be addressed. The report of the Auditor-General identifies three fundamental areas that need to be strengthened within the Province. Governance must be improved through the maintenance of effective risk assessments and strategies, including fraud prevention plans, to address identified weaknesses. Effective internal audit functions that monitor the adequacy and implementation of internal control should also be ensured, while the functioning of audit committees that promote independent accountability and service delivery needs to be strengthened. Secondly, stronger leadership is required. This is to be achieved by executive mayors enhancing their oversight and monitoring roles. By monitoring key controls on a monthly basis, executive mayors would enhance the level of accountability and improve the quality of reporting on financial and service delivery information. The monitoring capacity of municipal leadership would be further enhanced through capacitating finance units with skilled staff, while ensuring the effective functioning of audit committees. Lastly, effective financial and performance management has to be entrenched. Appropriate systems should be put in place for the preparation of reliable monthly financial statements and

performance reports, supported by basic financial controls for the daily processing of transactions and monthly reconciliation of accounts. Financial statements and other information should be reviewed by management to validate its accuracy prior to its submission for audit. Proper record keeping and management needs to be instituted in order to ensure that supporting documents are properly filed and easily retrievable.

5.4 Outstanding debt and debt management

5.4.1 Outstanding consumer debt per service

Municipality	Financial year	Type of service					
		Rates	Trading services (Elect & water)	Economic services (Sewerage & Refuse)	Housing rentals	Other	Total
		R'000	R'000	R'000	R'000	R'000	R'000
City of Cape Town	05/06	1 525 858	2 040 130	841 445	307 325	369 322	5 084 080
	06/07	983 954	1 803 889	740 311	225 659	367 035	4 120 848
	07/08	1 228 355	1 950 373	835 985	310 377	369 129	4 694 219
	08/09	1 527 334	2 498 445	1 045 937	365 716	386 232	5 823 664
	09/10	1 892 464	2 860 460	1 121 551	393 706	392 659	6 660 840
Matzikama	05/06	13 430			3 174	0	16 604
	06/07	16 622			2 708	2 471	17 228
	07/08	20 916			2 645	2 427	25 988
	08/09	24 174			3 041	-	27 215
	09/10	No info	7 814	7 170	No info	13 394	28 502
Cederberg	05/06	Not indicated in this format in financial statements					31 120
	06/07	5 400	10 891	8 375	1 059	1 466	27 191
	07/08	4 810	8 471	6 678	459	601	21 019
	08/09	8 086	13 964	7 993	451	1 544	32 038
	09/10	11 263	10 203	7 260	337	3 506	32 569
Bergriver	05/06	5 882	5 482	2 504	0	3 555	17 423
	06/07	6 292	5 933	2 419	0	5 060	19 704
	07/08	8 627	7 160	0	0	6 928	22 715
	08/09	8 710	8 833	5 888	309	11 341	35 081
	09/10	9 632	11 809	8 242	280	12 341	42 303
Saldanha Bay	05/06	21 050	8 599	12 738	22 438	75 972	21 050
	06/07	24 985	20 463	9 829	26 626	94 159	24 985
	07/08	16 824	30 824	22 628	9 586	8 473	88 335
	08/09	15 923	22 938	16 888	9 899	1 305	66 955
	09/10	25 248	31 713	23 878	9 993	3 632	94 464
Swartland	05/06	5 115	6 767	4 806	384	0	17 075
	06/07	5 061	10 554	4 060	224	0	19 901
	07/08	5 852	12 638	4 569	225	0	23 284
	08/09	6 780	15 889	5 271	194	0	28 135
	09/10	8 038	19 033	5 963	121	0	33 155
West Coast	05/06	13	3 270	25	48	1 542	4 898

DM	06/07	25	4 479	25	51	1 401	5 981
	07/08	39	4 375	30	59	3 667	8 170
	08/09	79	4 629	34	95	63	4 901
	09/10	60	2 519	39	76	74	2 768
Witzenberg	05/06	Not indicated in this format in financial statements					39 805
	06/07	Not indicated in this format in financial statements					47 995
	07/08	Not indicated in this format in financial statements					58 513
	08/09	Not indicated in this format in financial statements					65 330
	09/10	9 086	30 396	27 055	1 671	1 305	69 513
Drakenstein	05/06	18 524	44 702	21 161	6 138	2 868	93 393
	06/07	29 425	51 955	38 473	10 865	3 543	134 261
	07/08	30 222	61 977	54 959	20 358	0	167 516
	08/09	28 607	87 224	68 105	21 480	0	205 417
	09/10	11 624	62 890	13 832	2 069	671	91 086
Stellenbosch	05/06	18 584	22 713	13 883	-	55 180	18 584
	06/07	17 868	24 902	14 850	-	57 620	17 868
	07/08	16 266	24 322	14 371	16 749	0	71 708
	08/09	23 946	31 947	17 465	25 209	0	98 568
	09/10	34 372	31 248	13 386	26 076	0	105 082
Breede Valley	05/06	18 630	31 309	23 966	7 182	14 142	95 229
	06/07	18 254	25 412	14 759	6 797	15 005	80 227
	07/08	17 867	26 226	16 473	10 487	6 665	77 718
	08/09	12 830	33 710	14 828	6 571	8 181	76 120
	09/10	11 123	34 250	12 338	2 988	9 087	69 786
Langeberg	05/06	Not indicated in this format in financial statements					27 329
	06/07	0	10 016	5 901	1 243	2 187	19 348
	07/08	0	10 085	5 158	1 136	6 060	77 718
	08/09	4 060	12 720	6 147	710	1 429	25 066
	09/10	4 774	16 951	4 811	634	6 008	33 179
Cape Winelands DM	05/06	No consumer debtors					
	06/07	No consumer debtors					
	07/08	No consumer debtors					
	08/09	No consumer debtors					
	09/10	No consumer debtors					
Theewaters-kloof	05/06	Not indicated in this format in financial statements					56 007
	06/07	Not indicated in this format in financial statements					71 926
	07/08	Not indicated in this format in financial statements					92 832
	08/09	23 058	26 177	33 022	0	9 315	91 572
	09/10	22 877	32 104	38 188	0	8 498	101 667
Overstrand	05/06	6 880	19 010	9 330	979	0	36 200
	06/07	9 671	17 232	7 556	9	2 689	37 160
	07/08	9 084	18 903	9 380	10	3 739	41 116
	08/09	Not indicated in this format in financial statements					53 326
	09/10	Not indicated in this format in financial statements					58 655
Cape Agulhas	05/06	1 763	4 190	1 671	189	2 439	10 252
	06/07	1 703	3 981	1 449	118	3 605	10 856

	07/08	1 583	3 992	1 618	116	3 802	11 111
	08/09	2 067	6 186	1 920	92	1 302	11 567
	09/10	2 672	7 167	1 971	81	1 001	12 892
Swellendam	05/06	Not indicated in this format in financial statements					23 146
	06/07	Not indicated in this format in financial statements					26 262
	07/08	Not indicated in this format in financial statements					25 610
	08/09	8 967	9 509	11 083	235	6 975	36 769
	09/10	No information					-
Overberg DM	05/06	Not indicated in this format in financial statements					3 784
	06/07	0	28	5	36	2 909	2 978
	07/08	0	19	4	41	193	257
	08/09	0	15	7	70	232	324
	09/10	0	19	8	162	0	189
Kannaland	05/06	5 313	4 804	11 823	331	0	22 271
	06/07	6 543	5 698	13 979	369	0	26 589
	07/08	7 877	2 857	15 479	413	0	26 626
	08/09	10 556	4 116	19 468	111	595	34 846
	09/10	9 732	4 815	24 249	100	663	39 560
Hessequa	05/06	5 309	6 564	6 006	2 838	5 582	26 299
	06/07	4 735	6 310	5 268	207	5 219	21 739
	07/08	4 922	6 345	4 082	78	3 614	19 041
	08/09	4 808	6 271	3 950	77	3 517	18 624
	09/10	10 452	8 206	4 149	11	2 615	25 433
Mossel Bay	05/06	7 833	20 553	19 204	444	4 848	52 882
	06/07	7 256	27 952	26 168	440	4 627	66 443
	07/08	6 110	22 668	22 750	1 680	2 052	55 260
	08/09	6 497	23 532	20 506	296	2 999	53 830
	09/10	8 598	24 902	21 571	294	4 131	50 898
George	05/06	15 918	29 274	25 339	772	18 331	89 634
	06/07	12 305	30 038	21 779	629	12 134	76 885
	07/08	13 153	43 637	19 125	610	4 191	80 716
	08/09	16 771	43 818	18 754	2 153	2 615	84 111
	09/10	Not indicated in this format in financial statements					-
Oudtshoorn	05/06	Not indicated in this format in financial statements					50 794
	06/07	Not indicated in this format in financial statements					78 017
	07/08	Financial statements have not been submitted to date					-
	08/09	Financial statements have not been submitted to date					-
	09/10	Financial statements have not been submitted to date					-
Bitou	05/06	Not indicated in this format in financial statements					26 437
	06/07	5 639	10 217	9 825	378	3 647	31 457
	07/08	6 747	9 980	10 167	542	3 314	30 750
	08/09	8 778	12 283	13 465	805	3 450	39 871
	09/10	No info	16 228	15 245	1 416	5 102	50 737
Knysna	05/06	10 083	13 686	5 489	5 436	7 036	41 730
	06/07	10 844	16 410	5 753	3 810	7 834	44 651
	07/08	10 214	18 149	12 661	1 840	5 841	48 705

	08/09	16 339	28 648	16 591	2 618	3 774	67 970
	09/10	25 058	36 786	16 863	2 968	5 378	87 053
Eden DM	05/06	1 835	2 077	1 362	50	1 874	7 198
	06/07	0	2 758	1 773	345	1 831	6 707
	07/08	0	4 122	2 230	619	3 059	10 030
	08/09	2 380	4 642	2 691	0	3 542	13 255
	09/10	No info	5 996	3 279	1 535	3 695	13 410
Laingsburg	05/06	726	377		0	0	1 103
	06/07	644	288		0	0	932
	07/08	925			198	896	2 019
	08/09	1 124	510		67	0	1 702
	09/10	257	167		7	0	579
Prince Albert	05/06	Not indicated in this format in financial statements					2 169
	06/07	Not indicated in this format in financial statements					1 778
	07/08	Not indicated in this format in financial statements					2 284
	08/09	724	3 087	0	43	322	4 564
	09/10	705	1 399	1 571	1	0	3 676
Beaufort West	05/06	3 760	5 207	7 093	427	10 811	27 298
	06/07	4 632	6 651	8 628	459	13 426	33 796
	07/08	2 120	3 789	4 804	136	17 044	27 893
	08/09	4 025	5 470	6 991	107	11 542	28 135
	09/10	6 517	6 031	8 566	93	12 225	33 432
Central Karoo DM	05/06	421	2 093	1 161	0	246	3 921
	06/07	478	2 434	1 737	0	276	4 925
	07/08	738	2 785	2 370	0	210	6 103
	08/09	659	1 276	1 639	0	85	3 659
	09/10	838	1370	2 586	0	97	4 976
Total	05/06						5 947 715
	06/07						5 124 096
	07/08						5 761 977
	08/09						7 032 615
	09/10						7 746 404

Table 29: Outstanding consumer debt per service

Source: Municipal Financial Statements 2005/06, 2006/07, 2007/08, 2008/09 & 2009/10

Notes:

- Provisions for bad debt were not taken into account in the total amount outstanding per municipality
- Due to phased implementation of GRAP, figures under correction due to different formats of financial statements

5.4.2 Comparison with previous year: Total consumer debt outstanding per municipality

Municipality	Total Outstanding Debt								
	2005/06	2006/07	2007/08	2008/09	2009/10	Difference 2005/06 & 2006/07	Difference 2006/07 & 2007/08	Difference 2007/08 & 2008/09	Difference 2008/09 & 2009/10
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
City of Cape Town	5 084 080	4 120 848	4 694 219	5 823 664	6 660 840	-963 232	573 371	1 129 445	837 176
Matzikama	16 604	17 228	25 988	24 174	28 502	624	8 760	-1 814	4 328
Cederberg	31 120	27 191	21 019	32 038	32 569	-3 929	-6 172	11 019	531
Bergriver	17 423	19 704	26 653	35 081	42 303	2 281	6 949	8 428	7 222
Saldanha Bay	21 050	72 194	88 335	66 955	94 464	51 144	16 141	-21 380	27 509
Swartland	19 837	23 284	27 962	28 135	33 155	3 447	4 678	173	5 020
West Coast DM	4 898	5 981	8 170	4 901	2 768	1 083	2 189	-3 269	-2 133
Witzenberg	39 805	47 995	58 513	65 330	69 513	8 190	10 518	6 817	4 183
Drakenstein	93 393	141 973	167 515	205 417	91 086	48 580	25 542	37 902	-114 331
Stellenbosch	18 584	17 868	71 708	98 568	78 819	-716	53 840	26 860	-19 749
Breede Valley	95 229	80 227	77 718	76 120	69 786	-15 002	-2 509	-1 598	-28 782
Langeberg	27 329	19 348	22 439	25 066	33 179	-7 981	3 091	2 627	8113
Cape Winelands DM	No Consumer Debtors								-
Theewaterskloof	56 007	71 926	92 832	91 572	101 667	15 919	20 906	-1 260	10 095
Overstrand	36 200	37 160	41 116	53 326	58 655	960	3 956	12 210	5 329
Cape Agulhas	10 252	10 856	11 111	11 567	12 892	604	255	456	1 325
Swellendam	No information								
Overberg DM	3 784	2 978	257	1 602	2 024	-806	-2 721	1 345	422
Kannaland	No info	No info	No info	No info	39 560	-	-	-	-
Hessequa	26 299	21 739	19 041	18 624	25 433	-4 560	-2 698	-417	6 809
Mossel Bay	52 882	66 443	55 260	53 830	50 898	13 561	-11 183	-1 430	-2 932
George	89 634	70 994	80 716	84 111	No info	-18 640	9 722	3 395	-
Oudtshoorn	No information								
Bitou	26 437	29 706	30 750	39 871	50 737	3 269	1 044	9 121	10 866
Knysna	41 730	44 651	48 705	67 970	87 053	2 921	4 054	19 265	19 083
Eden DM	7 198	8 552	10 030	13 255	13 410	1 354	1 478	3 225	155
Laingsburg	1 103	1 483	2 019	1 702	578	380	536	-317	-1124
Prince Albert	2 169	1 778	2 284	4 564	3 676	-391	506	2 280	-888
Beaufort West	27 298	33 796	27 893	28 135	33 432	6 498	-5 903	242	5 297
Central Karoo DM	3 921	4 925	6 103	3 659	4 976	1 004	1 178	-2 444	1 317
Total	5 947 715	5 089 570	5 761 977	7 032 615	7 746 404	-858 145	672 407	1 270 638	713 789

Table 30: Total consumer debt outstanding per municipality

Source: Municipal Financial Statements 2005/06, 2006/07, 2007/08, 2008/09 & 2009/10

Notes:

- Provisions for bad debt were not taken into account in the total amount outstanding per municipality
- Due to phased implementation of GRAP, figures under correction due to different formats of financial statements

5.4.3 Consumer debtor age analysis

Municipality	Financial year	Debtor age analysis				
		< 30 days	30-60 days	60-90 days	> 90 days	Total
		R'000	R'000	R'000	R'000	R'000
City of Cape Town	05/06	703 486	197 139	141 979	4 041 476	5 084 080
	06/07	908 300	154 140	294 138	2 764 270	4 120 848
	07/08	830 825	171 772	183 875	3 507 747	4 694 219
	08/09	1 638 016	233 163	195 424	3 757 061	5 823 664
	09/10	2 044 294	289 369	139 093	4 188 084	6 660 840
Matzikama	05/06	Not indicated in this format in financial statements				16 604
	06/07	5 745	690	953	9 234	16 622
	07/08	6 055	1 067	856	18 010	25 988
	08/09	7 386	1 264	956	17 608	27 215
	09/10	10 218	1 256	920	16 108	28 502
Cederberg	05/06	Not indicated in this format in financial statements				31 120
	06/07	2 838	2 191	712	21 450	27 191
	07/08	2 332	1 108	557	17 022	21 019
	08/09	4 664	2 764	1 499	23 111	32 038
	09/10	5 738	3 017	1 742	22 072	32 569
Bergriver	05/06	Not indicated clearly in financial statements				17 423
	06/07	Not indicated clearly in financial statements				19 704
	07/08	7 213	900	712	17 828	26 653
	08/09	15 021	1 095	1 429	17 536	35 081
	09/10	12 847	1 987	969	16 869	32 673
Saldanha Bay	05/06	Not indicated clearly in financial statements				75 972
	06/07	12 750	2 132	5 802	51 510	72 194
	07/08	13 651	2 051	2 730	69 902	88 334
	08/09	21 619	2 191	1 811	41 331	66 955
	09/10	27 671	3 004	3 354	60 435	94 464
Swartland	05/06	7 983	1 857	1 226	6 009	17 075
	06/07	9 586	1 997	534	7 784	19 837
	07/08	14 204	2 287	583	6 210	23 284
	08/09	17 433	2 793	634	7 275	28 135
	09/10	24 252	662	403	6 749	33 155
West Coast DM	05/06	2 907	287	167	1 537	4 898
	06/07	4 470	52	31	1 428	5 981
	07/08	6 949	119	80	1 022	8 170
	08/09	4 373	152	157	219	4 901
	09/10	2 204	165	116	282	2 768
Witzenberg	05/06	7 581	1 490	981	29 753	39 805
	06/07	7 654	1 603	1 122	33 448	47 995
	07/08	8 687	1 733	1 165	46 928	58 513
	08/09	8 652	2 369	1 768	52 707	65 330
	09/10	11 554	2 191	3 807	51 709	69 513

Drakenstein	05/06	35 831	5 704	4 220	47 638	93 393
	06/07	45 703	18 182	10 234	67 854	141 973
	07/08	45 866	9 183	7 141	105 326	167 516
	08/09	53 733	9 617	7 333	134 733	205 417
	09/10	78 398	9 116	7 150	164 489	259 154
Stellenbosch	05/06	17 257	2 253	1 372	34 298	55 180
	06/07	16 603	2 181	1 335	37 501	57 620
	07/08	16 276	2 587	1 871	50 974	71 708
	08/09	21 961	4 683	2 776	69 148	98 568
	09/10	-52	19 410	4 306	81 419	105 083
Breede Valley	05/06	13 795	2 842	2 167	76 425	95 229
	06/07	17 471	2 295	2 496	57 965	80 227
	07/08	17 574	2 764	2 065	55 315	77 718
	08/09	34 152	3 022	1 925	37 021	76 120
	09/10	28 622	2 830	1 581	36 754	69 786
Langeberg	05/06	Not indicated in this format in financial statements				27 329
	06/07	6 615	872	496	11 364	19 348
	07/08	8 475	1 262	901	11 801	22 439
	08/09	10 908	1 890	1 119	11 149	25 065
	09/10	12 550	3 508	959	7 004	24 021
Cape Winelands DM	05/06	No consumer debtors				
	06/07	No consumer debtors				
	07/08	No consumer debtors				
	08/09	No consumer debtors				
	09/10	No consumer debtors				
Theewaters-kloof	05/06	Not indicated in this format in financial statements				56 007
	06/07	Not indicated in this format in financial statements				71 926
	07/08	Not indicated in this format in financial statements				92 833
	08/09	Not indicated in this format in financial statements				91 572
	09/10	9 217	4 500	3	87 947	101 667
Overstrand	05/06	14 646	3 416	1 273	16 865	36 200
	06/07	17 525	4 491	1 725	13 419	37 160
	07/08	22 238	1 548	967	16 363	41 116
	08/09	Not indicated in this format in financial statements				53 326
	09/10	Not indicated in this format in financial statements				
Cape Agulhas	05/06	3 204	1 256	271	3 297	1 420
	06/07	3 533	1 344	269	2 170	2 820
	07/08	4 208	1 093	275	5 535	11 111
	08/09	5 948	1 278	367	3 974	11 567
	09/10	6 642	1 400	422	4 428	12 892
Swellendam	05/06	2 090	581	477	114 457	18 067
	06/07	2 192	775	759	16 845	21 047
	07/08	2 700	874	721	21 315	25 610
	08/09	13 020	945	908	21 896	36 769
	09/10	No information				

Overberg DM	05/06	Not indicated in this format in financial statements				3 784
	06/07	Not indicated in this format in financial statements				2 978
	07/08	21	66	37	133	257
	08/09	46	11	2	265	324
	09/10	27	4	8	147	186
Kannaland	05/06	1 370	519	759	19 623	22 271
	06/07	1 424	565	491	24 108	26 589
	07/08	1 842	506	392	23 886	26 626
	08/09	2 129	643	528	31 546	34 846
	09/10	2 150	901	788	35 719	39 560
Hessequa	05/06	4 206	1 409	933	19 751	26 299
	06/07	4 589	1 757	822	14 571	21 739
	07/08	8 425	1 222	724	8 670	19 041
	08/09	6 813	1 944	757	9 110	18 624
	09/10	9 956	3 883	1 291	10 303	25 433
Mossel Bay	05/06	16 058	1 870	1 459	33 495	52 882
	06/07	20 805	1 928	1 722	41 988	66 443
	07/08	18 299	1 868	1 306	33 787	55 260
	08/09	21 401	1 946	1 665	28 818	53 830
	09/10	19 466	2 276	1 970	27 185	50 898
George	05/06	1 856	17 795	4 366	65 617	89 634
	06/07	27 012	2 094	1 636	46 143	76 885
	07/08	37 946	3 033	1 543	38 194	80 716
	08/09	46 798	2 415	1 758	33 140	84 111
	09/10	Not indicated in this format in financial statements				-
Oudtshoorn	05/06	Not indicated in this format in financial statements				50 794
	06/07	Not indicated in this format in financial statements				78 017
	07/08	Financial statements have not been submitted to date				-
	08/09	Financial statements have not been submitted to date				-
	09/10	No information				-
Bitou	05/06	Not indicated in this format in financial statements				26 437
	06/07	8 430	1 693	934	18 649	29 706
	07/08	8 475	1 566	798	19 911	30 750
	08/09	7 619	1 069	612	30 571	39 871
	09/10	15 889	3 370	1 923	29 555	50 737
Knysna	05/06	9 351	2 621	1 038	28 720	41 730
	06/07	10 853	4 074	1 503	28 221	44 651
	07/08	12 073	4 525	1 661	30 446	48 705
	08/09	19 306	7 210	2 888	38 566	67 970
	09/10	23 657	7 362	3 551	52 483	87 053
Eden DM	05/06	Not indicated in this format in financial statements				7 198
	06/07	380	191	204	5 932	6 707
	07/08	-9	438	269	9 332	10 030
	08/09	4 327	687	398	7 843	13 255
	09/10	-1 020	1 159	381	13 374	13 410

Laingsburg	05/06	Not indicated in this format in financial statements				1 103
	06/07	Not indicated in this format in financial statements				932
	07/08	Not indicated in this format in financial statements				2 019
	08/09	Not indicated in this format in financial statements				1 702
	09/10	Not indicated in this format in financial statements				578
Prince Albert	05/06	Not indicated in this format in financial statements				2 169
	06/07	Not indicated in this format in financial statements				1 778
	07/08	Not indicated in this format in financial statements				2 284
	08/09	620	648	291	3 005	4 564
	09/10	878	490	185	2 033	3 586
Beaufort West	05/06	Not indicated in this format in financial statements				27 298
	06/07	3 415	1 362	878	28 141	33 796
	07/08	4 782	1 298	884	20 929	27 893
	08/09	4 368	834	789	22 144	28 135
	09/10	5 466	840	628	26 498	33 432
Central Karoo DM	05/06	178	143	112	3 488	3 921
	06/07	159	145	147	4 474	4 925
	07/08	179	149	142	5 633	6 103
	08/09	151	121	81	3 306	3 659
	09/10	364	181	125	4 306	4 976
Total	05/06	931 390	332 282	254 004	4 519 673	6 025 793
	06/07	1 199 778	291 713	422 721	3 252 226	5 157 639
	07/08	1 099 286	215 019	212 255	4 235 417	5 761 977
	08/09	1 970 464	284 754	227 876	4 549 521	7 032 615
	09/10	2 350 958	362 881	175 675	4 945 952	7 746 404

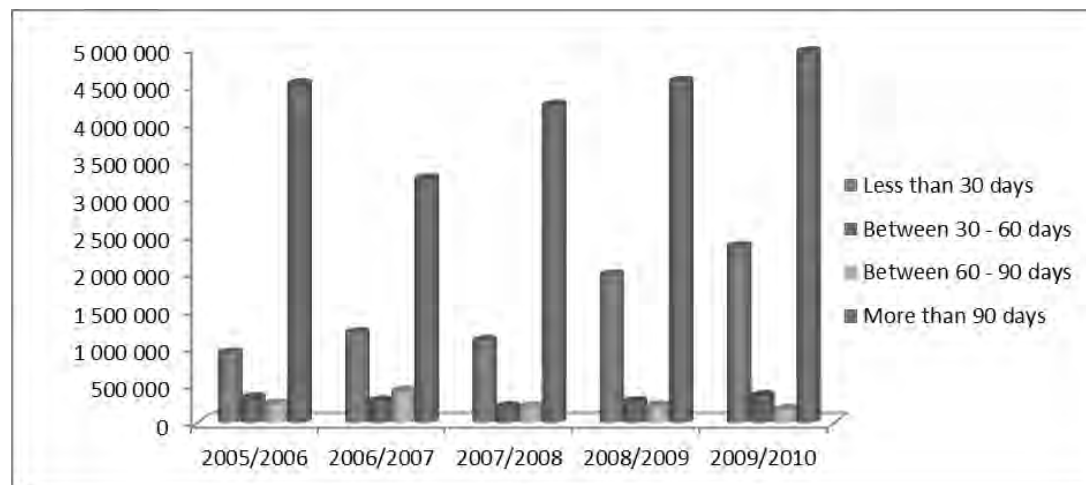
Table 31: Consumer debt age analysis

Source: Municipal Financial Statements 2005/06, 2006/07, 2007/08, 2008/09 & 2009/10

Notes:

- Provisions for bad debt were not taken into account in the total amount outstanding per municipality
- Due to phased implementation of GRAP, figures under correction due to different formats of financial statements

The following graph compares debt age during the past five years.



Graph 10: Comparison of debt age analysis for the past five years

5.4.4 Analysis of consumer debtors

It is important to note that provisions for bad debt were not taken into account in the total amount outstanding for debtors per municipality and that, due to the phased implementation of GRAP over the past years, the figures are not available in the correct format in all instances. This is due to the fact that not all municipalities used the same formats in compiling their financial statements.

The year-on-year comparison indicates that total outstanding debtors with provision for bad debt not taken into account have increased by 9.3% or R713 789 million from R7 billion at the end of 2008/09 financial year to R7.7 billion as at the end of 2009/10. During the 2008/09 financial year, the City of Cape Town accounted for much of this increase. During 2009/10, the City's debt increased by 13% and once again set the tone for overall Provincial debt levels. The City of Cape Town's debt accounted for 86% of the total for the Western Cape during this period. With regards to all other municipalities, the total stood at around R1 billion. This actually represents a reduction in the share of Provincial debt held by these municipalities, as it amounted to 14% during 2009/10, compared to 17% for 2008/09.

5.5 Performance against additional viability indicators

The following indicators are used by most banks and financial institutions to determine the financial health of a municipality.

5.5.1 Staff cost as percentage of total operating expenditure (excludes Councillor allowances)

Municipality	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10		
						Total Expenditure salaries and allowances	Total Operating Expenditure	Percentage
	%	%	%	%	%	R'000	R'000	%
City of Cape Town	32	28	31	28	33	5 586 998	16 434 931	34
Matzikama	38	35	32	31	29	42 774	134 129	32
Cederberg	37	39	42	42	25	39 978	132 481	30
Bergriver	43	43	40	39	41	51 998	147 929	35
Saldanha Bay	36	32	31	29	32	125 066	430 120	29
Swartland	29	31	32	34	32	88 219	360 258	24
West Coast DM	25	23	21	21	21	55 812	197 031	28
Witzenberg	33	35	36	34	34	70 425	252 294	28
Drakenstein	32	31	31	29	26	234 112	950 236	25

Stellenbosch	34	33	34	33	31	192 411	687 996	28
Breede Valley	32	33	30	28	26	143 638	474 170	30
Langeberg	28	29	30	33	31	92 866	307 009	30
Cape Winelands DM	37	30	27	11	26	96 569	317 738	30
Theewaterskloof	25	23	24	25	34	84 600	242 110	35
Overstrand	33	32	33	34	31	156 844	555 473	28
Cape Agulhas	37	35	32	36	35	48 466	139 193	35
Swellendam	41	41	37	36	33	No info	No info	-
Overberg DM	39	48	36	43	48	53 869	101 080	53
Kannaland	32	29	15	25	27	22 086	75 776	29
Hessequa	45	33	33	37	31	68 053	252 421	27
Mossel Bay	34	31	39	29	32	153 958	634 389	24
George	25	24	25	34	27	210 702	756 062	28
Oudtshoorn	39	43	43	-	-	No info	No info	-
Bitou	-	39	37	31	33	89 744	266 006	34
Knysna	30	33	40	31	31	113 922	376 093	30
Eden DM	42	36	32	21	27	85 023	316 275	27
Laingsburg	36	38	32	32	34	7 290	26 724	27
Prince Albert	44	45	41	38	29	9 579	30 168	32
Beaufort West	41	41	38	29	25	40 693	139 582	29
Central Karoo DM	18	19	20	22	18	10 043	53 988	19
Total	32	29	31	28	32	7 975 738	24 791 662	32

Table 32: Staff cost as percentage (%) of total operating expenditure (excludes Councillor allowances)
Source: Provincial Treasury Database

5.5.2 Level of reliance on grants

Municipality	2006/07	2007/08	2008/09	2009/10		
				Total grants and subsidies received	Total Operating Revenue	Percentage
	%	%	%	R'000	R'000	%
City of Cape Town	14	18	30	4 491 668	18 540 505	24
Matzikama	31	35	48	56 345	150 277	38
Cederberg	16	16	20	55 589	139 240	40
Bergriver	18	8	9	33 962	149 523	23
Saldanha Bay	15	11	13	38 921	476 798	8
Swartland	12	8	9	52 038	325 967	16
West Coast DM	11	8	36	18 444	215 901	9

Witzenberg	21	12	38	78 722	263 649	30
Drakenstein	11	22	15	153 546	942 883	16
Stellenbosch	12	12	9	94 922	734 642	13
Breede Valley	20	19	26	113 363	468 724	24
Langeberg	9	18	16	80 029	334 470	24
Cape Winelands DM	55	4	76	263 920	342 037	77
Theewaterskloof	31	41	28	91 845	251 228	37
Overstrand	8	6	3	56 652	518 688	11
Cape Agulhas	7	15	18	41 759	146 536	29
Swellendam	2	8	23	No information		
Overberg DM	62	73	74	70 111	89 910	78
Kannaland	44	32	42	32 297	73 892	44
Hessequa	23	13	33	129 291	288 650	45
Mossel Bay	13	14	16	94 047	619 145	15
George	19	24	13	158 507	760 032	21
Oudtshoorn	8	-	-	No information		
Bitou	8	17	24	86 716	291 390	30
Knysna	24	25	24	129 255	445 430	29
Eden DM	34	85	50	164 351	318 172	52
Laingsburg	52	38	44	13 739	26 581	52
Prince Albert	49	51	46	12 582	27 315	46
Beaufort West	27	40	46	81 783	164 498	50
Central Karoo DM	39	88	92	55 691	61 111	91
Total	16	19	19	2 258 427	8 626 689	26

Table 33: Level of reliance on grants

Source: Municipal Financial Statements 2005/06, 2006/07, 2007/08, 2008/09 & 2009/10

5.5.3 Liquidity ratio

Municipality	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10		
	Ratio	Ratio	Ratio	Ratio	Ratio	Net current assets R'000	Net current liabilities R'000	Ratio
City of Cape Town	1.4:1	1.3:1	1.2:1	1.3:1	1.4:1	8 412 729	5 634 330	1.5:1
Matzikama	3.7:1	4.2:1	1.4:1	1.3:1	1.4:1	39 395	28 730	1.4:1
Cederberg	2.1:1	1.6:1	2.6:1	2.3:1	2.3:1	53 941	35 545	1.5:1
Bergriver	2.6:1	4.6:1	2.4:1	2.3:1	2.0:1	64 600	32 705	2:1
Saldanha Bay	4.5:1	3.2:1	3.5:1	40.5:1	43.5:1	502 914	10 178	49.4:1
Swartland	1.0:1	0.7:1	0.8:1	3.0:1	4.1:1	231 280	66 347	3.5:1
West Coast DM	0.4:1	0.3:1	3:1	2.7:1	3.8:1	164 783	40 351	4.1:1
Witzenberg	0.8:1	0.9:1	0.8:1	0.9:1	1.3:1	74 205	75 348	1:1
Drakenstein	2.5:1	1.8:1	1.7:1	1.6:1	1.4:1	2 985 877	258 825	11.5:1
Stellenbosch	2.6:1	2.4:1	2.3:1	2.2:1	2.8:1	336 199	156 016	2.2:1
Breede Valley	1.6:1	1.9:1	2.4:1	2.0:1	2.4:1	183 034	129 890	1.4:1
Langeberg	2.9:1	3.5:1	2.2:1	2.7:1	2.4:1	401 291	62 960	6.4:1

Cape Winelands DM	1.6:1	1.5:1	6.9:1	4.1:1	10.9:1	371 463	44 249	8.4:1
Theewaterskloof	1.6:1	1.5:1	2.3:1	1.7:1	1.1:1	36 349	50 697	0.7:1
Overstrand	1.5:1	1.6:1	1.7:1	1.1:1	0.7:1	116 181	104 729	1.1:1
Cape Agulhas	7.2:1	9.2:1	6.7:1	5.6:1	4.1:1	77 544	27 815	2.8:1
Swellendam	5.0:1	9.3:1	6.5:1	3.1:1	1.6:1	No information		
Overberg DM	2.4:1	1.88:1	1.2:1	1.5:1	1.3:1	8 983	15 975	0.6:1
Kannaland	1.9:1	2.3:1	0.7:1	0.8:1	0.7:1	10 347	27 003	0.4:1
Hessequa	1.9:1	2.2:1	1.7:1	1.6:1	1.6:1	95 469	51 426	1.9:1
Mossel Bay	3.5:1	3.8:1	3.1:1	4.9:1	3.4:1	278 808	121 941	2.3:1
George	2.9:1	3.2:1	2.9:1	3.2:1	4.1:1	609 356	171 422	3.6:1
Oudtshoorn	2.8:1	3.4:1	4.4:1			No information		
Bifou	1.3:1	2.9:1	4.1:1	1.8:1	1.3:1	62 438	79 508	0.8:1
Knysna	2.0:1	2.1:1	1.6:1	0.95:1	1.2:1	103 747	80 862	1.3:1
Eden DM	1.7:1	2.8:1	2.5:1	0.95:1	1.1:1	66 186	65 622	1:1
Laingsburg	17.1:1	3.9:1	4.3:1	5.0:1	2.9:1	16 626	8 659	1.9:1
Prince Albert	9.5:1	8.1:1	11.1:1	6.8:1	2.3:1	22 581	8 623	2.6:1
Beaufort West	2.5:1	1.4:1	1.7:1	1.6:1	1.3:1	62 518	42 601	1.5:1
Central Karoo DM	1.4:1	1.3:1	1.4:1	0.78:1	0.7:1	7 591	10 614	0.7:1
Total	1.6:1	1.5:1	1.5:1	1.5:1	1.7:1	15 549 186	7 484 784	2.1:1

Table 34: Liquidity ratio: Measurement against debts and liabilities to determine the ability to meet debt obligations
Source: Municipal Financial Statements 2005/06, 2006/07, 2007/08, 2008/09 & 2009/10

5.5.4 Analysis of viability indicators

In terms of Section 71(7) of the MFMA, the Provincial Treasury publishes quarterly consolidated statements on the state of municipalities' budgets within 30 days after the end of each quarter. These quarterly statements provide details on various matters, including municipal revenue and expenditure, and are submitted to the Provincial Legislature.

The total average for staff cost as a percentage of operating expenditure for 2009/10 remained static at 32%. This means that the Province continued to operate within the nationally accepted norm of between 35% and 40%. The total average grant dependency for 2009/10 increased on a year-on-year basis, reaching 26%. This represents a 7% increase from the relatively stable levels of around 18% during the previous three financial years. Municipalities which are reliant on grants include Central Karoo, Eden, Overberg and Cape Winelands District Municipalities, as well as the Beaufort West, Laingsburg, Prince Albert, Hessequa, Kannaland and Cederberg Municipalities. The total average of the Provincial liquidity ratio continued to increase from 1.5:1 in 2007/08 to 1.7:1 in 2008/09 and 2.1:1 in 2009/1. Most municipalities continued to achieve the recommended ratio of 1.5:1, but the continued increase is becoming a concern.

CHAPTER 6

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

6.1 INTRODUCTION

Good governance is important in the local government sphere. Local government is often the first, or even only, sphere of government that citizens interact with on a regular basis. As such, public confidence in government can only be assured if the local sphere is seen to be operating according to the requirements and spirit of the South African Constitution. This means that each municipality has an important responsibility to govern its constituents in a manner that speaks to its honesty, integrity and openness.

A central aspect in achieving good governance according to democratic principles is through effective public participation. Not only does public participation allow constituents to monitor the governance record of its elected officials, but it also encourages the public to take an active interest in the performance of their municipality and region. It is only through broad public participation that citizens will recognise that their interests are taken to heart – especially the needs of the most vulnerable members of society. This allows all citizens to be heard in determining the political, social and economic priorities through the establishment of a broad societal consensus that includes civil society, government and the private sector. Active ward-based plans and consultative forums are central structures through which public participation and, ultimately, good governance can be achieved.

This necessarily means that municipalities need to be enabled to perform their duties in order to ensure the implementation of good governance practices and public participation. Section 151 of Chapter 7 of the South African Constitution gives each municipality the right to govern the local government affairs of its community on its own initiative, subject to national and provincial legislation. Additionally, the by-laws of municipal councils are legislative acts that are not reviewable in terms of administrative law.

However, community participation alone is not sufficient in ensuring that good governance practices are adopted. Institutional integrity is of equal importance and individual municipalities should ensure that its Finance Committee, Audit Committee, Council and sub-committees are fully functional. This should be done through the adoption of effective by-laws and policies that entrench the effective performance of all aspects of municipal governance. As such, this chapter will analyse various indicators related to good

governance and public participation in order to determine the extent to which municipalities in the Western Cape have succeeded in implementing these strategies.

6.2 Good governance indicators as at May 2010

Municipality	All admin delegations adopted	S59 MSA Delegations adopted	Roles of Committees and Political Office Bearers defined	Meetings convened					Number of meetings where quorum was not achieved		Code of conduct adopted (Council & staff)	Code communicated to community	Interests of councillors and staff declared	Councillors and staff members in arrears with municipal accounts
				Council	Executive mayoral committee	Portfolio Committee	Municipal Management	IDP Representatives	Council	Executive mayoral committee				
City of Cape Town	Yes	Yes	Yes	7	12	85	46	N/A	4	14	Yes	N/A	Yes	Yes
Matzikama	Yes	No	No	11	10	45	10	3	0	0	Yes	No	Yes	Yes
Cederberg	Yes	Yes	Yes	14	11	12	20	1	0	0	Yes	Yes	Yes	No
Bergriver	Yes	Yes	Yes	12	19	29	10	2	1	0	Yes	No	Yes	NI
Saldanha Bay	Yes	Yes	Yes	26	26	12	0	0	NI	NI	No	Yes	Yes	Yes
Swartland	Yes	Yes	Yes	7	15	10	11	1	0	0	Yes	Yes	Yes	No
West Coast DM	Yes	Yes	No	10	13	40	42	NI	0	0	Yes	No	Yes	No
Witzenberg	Yes	Yes	Yes	14	17	25	12	12	0	0	Yes	Yes	Yes	Yes
Drakenstein	Yes	Yes	Yes	11	23	8	21	NI	0	0	Yes	No	Yes	NI
Stellenbosch	Yes	Yes	Yes	11	11	34	15	0	0	0	Yes	No	Yes	Yes
Breede Valley	Yes	Yes	NI	13	8	0	NI	NI	0	0	Yes	Yes	Yes	NI
Langeberg	Yes	Yes	Yes	13	14	40	16	2	0	0	Yes	Yes	Yes	No
Cape Winelands DM	Yes	Yes	Yes	9	13	17	17	NI	0	0	Yes	Yes	Yes	No
Theewaterskloof	Yes	Yes	No	7	6	32	NI	13	0	0	Yes	Yes	Yes	Yes
Overstrand	Yes	Yes	Yes	12	12	24	12	2	0	0	Yes	Yes	Yes	Yes
Cape Agulhas	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
Swellendam	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
Overberg DM	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
Kannaland	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
Hessequa	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
Mossel Bay	Yes	Yes	Yes	19	12	40	22	0	0	0	Yes	Yes	Yes	Yes
George	Yes	Yes	No	18	16	7	42	0	0	0	Yes	No	No	Yes
Oudtshoorn	N/A	Yes	Yes	20	20	NI	18	4	NI	NI	Yes	Yes	Yes	No
Bitou	Yes	Yes	Yes	13	17	NI	5	NI	NI	NI	Yes	No	Yes	No

Knysna	Yes	Yes	Yes	15	9	25	40	8	0	0	Yes	No	Yes	Yes
Eden DM	Yes	Yes	Yes	12	12	77	37	NI	2	0	Yes	Yes	Yes	No
Laingsburg	Yes	Yes	Yes	14	N/A	3	4	3	0	N/A	Yes	Yes	Yes	No
Prince Albert	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
Beaufort West	Yes	Yes	Yes	11	4	21	6	NI	NI	NI	Yes	Yes	Yes	No
Central Karoo DM	Yes	Yes	Yes	NI	NI	NI	NI	NI	NI	NI	Yes	Yes	Yes	NI

Table 35: Good governance indicators

Source: Questionnaire, June 2011

NI = No information

6.3 Anti-corruption

Progress with the implementation of anti-corruption strategies by municipalities according to the Department is indicated in the table below:

Municipality	Anti-corruption and/or Fraud Prevention Plan compiled?	Have council adopted the Anti-corruption and/or Fraud Prevention Plan?	Is the plan being implemented?
City of Cape Town	Yes	Yes	Yes
Matzikama	Yes	Yes	Yes
Cederberg	Yes	Yes	Yes
Bergrivier	Yes	No	Municipality has received assistance and training
Saldanha Bay	Yes	Yes	Yes
Swartland	Yes	Yes	Yes
West Coast District Municipality	Yes	Yes	Yes
Witzenberg	Yes	Yes	Municipality has received assistance and training
Drakenstein	Yes	Yes	Partially
Stellenbosch	Yes	Yes	Yes
Breede Valley	Yes	No	Municipality has received assistance and training
Langeberg	Yes	Yes	Municipality has received assistance and training
Cape Winelands District Municipality	Yes	Yes	Yes
Theewaterskloof	Yes	Yes	Yes
Overstrand	Yes	Yes	Yes
Cape Agulhas	Yes	Yes	Municipality has received assistance and training
Swellendam	Yes	Yes	No
Overberg District Municipality	Yes	Yes	No
Kannaland	No	No	Municipality has received assistance and training
Hessequa	Yes	Yes	Yes
Mossel Bay	Yes	No	Municipality has received assistance and training
George	Yes	Yes	Yes
Oudtshoorn	Yes	Yes	Yes

Bitou	Yes	Yes	No
Knysna	Yes	Yes	Municipality has received assistance and training
Eden District Municipality	No	No	Municipality has received assistance and training
Laingsburg	Yes	Yes	Municipality has received assistance and training
Prince Albert	Yes	Yes	Municipality needs assistance
Beaufort West	Yes	Yes	Municipality has received assistance and training
Central Karoo District Municipality	Yes	Yes	Municipality has received assistance and training

Table 36: Municipal anti-corruption progress
Source: Department of Local Government Database

6.3.1 Analysis of good governance and anti-corruption indicators

Institutional measures to support municipal good governance are indicated in tables 43 and 44. 23 Western Cape Municipalities have adopted administrative delegations, while 7 did not provide the information. 23 municipalities have complied with the adoption of delegations according to Section 59 of the Municipal Systems Act, with 6 not providing the information. 19 municipalities have defined the roles of committees and political office bearers, 4 have not, and 7 did not provide any information. Furthermore, Council, Executive Mayoral Committee, Portfolio Committee, Municipal Management and IDP Forum meetings took place fairly regularly and there were very few meetings where quorum was not achieved.

Codes of conduct were adopted in accordance with the Municipal Systems Act by all but one municipality. The interests of Councillors and staff were declared in 23 cases, while municipal employees were in arrears in 10 of the Province's municipalities.

Anti-corruption measures are an integral part of ensuring good governance at municipalities and this is one aspect that showed continued improvement. Anti-corruption plans were developed in 28 municipalities, while these plans were adopted by Council in 25. These represent extremely significant improvements, as only 30% of municipalities had anti-corruption plans during the 2007/08 financial year. By 2008/09, this figure had improved to 78% and the 2009/10 financial year clearly continued this positive trend.

6.4 Ward committees

Ward committees are established in terms of Chapter 4 of the Municipal Systems Act of 2000 and the Municipal Structures Act of 1998. The ward committee system was designed

to ensure that citizens' inputs are taken into account during planning and decision-making processes at local government level.

Ward committees have been established in most municipalities. This includes the City of Cape Town, which has established a ward participatory systems referred to as "ward forums" and not ward committees. However, despite the existence of these committees in most municipalities, implementation remains a challenge. 18 ward committees are classified as being partly functional.

The Department of Local Government played a role in establishing functional ward committee structures throughout the Province. This was done through the development of a Provincial Framework for the implementation of effective ward systems. The framework aims to serve as a guideline to support municipalities with the establishment of ward participatory structures. The Department also provided general assessments, advice and support to municipalities, including the provision of stipends for out of pocket expenses incurred by municipal officials tasked with the establishment of ward committees.

The status of ward committees in the Western Cape is indicated in the table below:

Municipality	Number of wards	Status
City of Cape Town	105	Partly functional: functionality of ward forums vary from area to area, most are not functional
Matzikama	7	Partly functional: there are challenges in having regular ward committee meetings due to geographic spread
Cederberg	6	Partly functional: there are challenges in having regular ward committee meetings due to geographic spread
Bergriver	7	Partly functional: have reviewed ward committees
Saldanha Bay	12	Partly function: some ward committees are not functional; about 60% of wards have regular meetings
Swartland	10	Functional: ward committees have regular meetings
West Coast DM	42	N/A
Witzenberg	11	Partly functional
Drakenstein	31	Partly functional: majority is not having regular meetings, process in place to revive non-functional structures; some have regular meetings

Stellenbosch	19	Partly functional: seventeen have regular meetings, only two need to be revived
Breede Valley	20	Partly functional: in the process of reviving all non-functional structures
Langeberg	10	Functional: all have regular meetings
Cape Winelands DM	91	N/A
Theewaterskloof	12	Partly functional: ward committee has been revived
Overstrand	10	Functional: all wards have regular committee meetings, a challenge exists in Zwelihle to have regular meetings
Cape Agulhas	5	Functional: ward committees have regular meetings
Swellendam	5	Not functional
Overberg DM	32	N/A
Kannaland	5	Partly functional: failing to have regular meetings; there is a great need to capacitate ward committee members in their roles and responsibilities
Hessequa	8	Partly functional: have regular meetings
Mossel Bay	12	Partly functional
George	20	Partly functional
Oudtshoorn	12	Partly functional
Bitou	6	Partly functional
Knysna	8	Partly functional
Eden DM	71	N/A
Laingsburg	N/A	
Prince Albert	N/A	
Beaufort West	7	Partly functional: two wards are struggling to hold meetings
Central Karoo DM	N/A	

Table 37: Status of Ward Committees
Source: Department of Local Government Database

6.5 Community Development Workers

Community Development Workers (CDWs) play an important role in providing linkages between local communities and government services. These workers are defined as civil servants who are passionate about serving their local communities. As such, they have vast grassroots knowledge about local conditions and serve as a valuable resource to make

service delivery more effective. Communities, especially in impoverished areas, are often unaware of their basic minimum service rights related to grant applications, service cuts and school enrolments. CDWs play a crucial role in this regard, informing local communities about government services and assisting in the clearing of service delivery backlogs. This means that these workers form an important communication link between government and communities in order to mobilize their communities to become active participants in government programmes.

In the Western Cape, CDWs are deployed in 7 different regions. Each District Municipality is assigned CDWs, while the Metro is split into two regions that are both serviced by its own workers. By the end of the 2009/10 financial year, there were 174 CDWs in the province, in addition to 10 supervisors. All municipalities where these workers were deployed entered into a Memorandum of Agreement with the Department of Local Government. CDWs aim to:

- Assist communities by collaborating with government departments and key stakeholders;
- Assist and support implementation of projects and programmes;
- Monitor progress on community initiatives and projects, and assist with backlogs through referrals;
- Initiate community self-help programmes;
- Assist communities in understanding IDP;
- Coordinate inter-departmental programmes and encourage improved integration;
- Liaise and advocate on behalf of communities with government, parastatals, NGO's and private sector donors;
- Informing and assisting communities with access to the services provided by government structures;
- Facilitating and promoting the participation of communities in government development projects and programmes;
- Awareness and advocacy work;
- Determining the needs of the communities and communicating these needs to the relevant government structures;
- Identifying service delivery blockages in the communities and developing solutions to address these blockages;
- Networking with the relevant structures of local government, civil society, business and community organizations;
- Keeping up to date with all services rendered by government and the processes and mechanisms to access the services for communities.

Through these mechanisms, CDWs form crucial linkages between local governments and grassroots communities, enabling much broader public participation in government projects.

6.6 Audit findings on governance by the office of the Auditor-General

Municipalities are audited by the Auditor-General on an annual basis and the findings are published in a consolidated report. The following represents a summary on the findings of the Auditor-General related to matters of governance:

Matter of governance	% non-compliance (% of municipalities that did not comply with this legislative requirement for 2007/08)	% non-compliance (% of municipalities that did not comply with this legislative requirement for 2008/09)	% non-compliance (% of municipalities that did not comply with this legislative requirement for 2009/10)
Audit committee			
The municipality had an audit committee in operation throughout the financial year. (This indicates the % of municipalities who did not have an effective functioning audit committee)	31%	17%	17%
The audit committee operates in accordance with approved written terms of reference. (This indicates the % of municipalities whose audit committee did not have an approved written terms of reference)	31%	23%	17%
The audit committee substantially fulfilled its responsibilities for the year, as set out in Section 166(2) of the MFMA. (This indicates the % of municipalities whose audit committee did not fulfil its responsibilities as set out in the MFMA)	45%	33%	23%
Internal audit			
The municipality had an internal audit function in operation throughout the financial year. (This indicates the % of municipalities who did not have a dedicated internal audit function)	31%	13%	10%
The internal audit function operates in terms of an approved internal audit plan. (This indicates the % of municipalities whose internal audit function did not fulfil its functions in terms of an approved audit plan)	41%	30%	13%
The internal audit function substantially fulfilled its responsibilities for the year, as set out in Section 165(2) of the MFMA. (This indicates the % of municipalities whose internal audit function did not fulfil its responsibilities in as set out in the MFMA)	69%	43%	40%
Other matters of governance			
The annual financial statements were submitted for audit as per the legislated deadlines (Section 126 of the MFMA) (This indicates the % of municipalities that did not submit their financial statements before the legislated deadline)	23%	27%	17%
The financial statements submitted for audit were not subject to any material amendments resulting from the audit. (This indicates the % of municipalities whose financial statements were substantially amended during the audit process, due to errors made during compilation)	3%	80%	21%
The annual report was submitted to the auditor for consideration prior to the date of the auditor's report. (This indicates the % of municipalities whose draft annual reports were not available during the audit process to audit the performance data)	62%	57%	23%

Table 38: Audit findings: Governance Matters
Source: Auditor-General Reports

6.7 Analysis, challenges and trends

Good governance indicators were generally positive across the Province, with most municipalities having adopted administrative delegations as legislated, while meetings took place regularly. The adoption of anti-corruption measures is crucial in achieving good governance at municipal level and there was a vast improvement in this regard during the 2009/10 financial year. However, effective communication of these and other strategies to the local communities can be improved.

One way of improving these communication channels would be to further strengthen the ward committee structures in the Western Cape. CDWs represent a credible attempt at achieving this, but many municipalities still require assistance with regards to participatory ward structures. Significant support is also being offered by the department, but it appears as if municipalities generally adopted a compliance approach towards public participation structures and, as such, have not yet reaped the significant benefits that these structures offer.

Western Cape municipalities also continued to improve their levels of compliance in matters of governance, as indicated in the Auditor-General's report. There are however still areas of concern where municipal compliance in relation to governance needs to be improved. These include:

- The main internal control shortcomings that prevented municipalities from achieving clean audits relate to reporting on predetermined service delivery objectives (PDOs) and compliance with laws and regulations;
- Generally, the Framework for Managing Programme Performance issued by National Treasury and the relevant legislation are not consistently understood and applied and, in the majority of cases, the internal audit units and audit committees do not review PDOs;
- Non-compliance issues related to Supply Chain Management (SCM) and unauthorized expenditure resulted from the municipal leadership's failure to address significant deficiencies in the design and implementation of related internal controls even though these lapses were highlighted by both provincial treasury and the AGSA during key control visits. This consequently led to unauthorized and irregular expenditure increasing significantly compared to 2008-09;
- The financial statements that are submitted for audit that are subject to material amendments resulting from the audits;
- The submission of annual reports to the Auditor-General prior to the date of the Auditor-General's report.

Non-compliance with the regulations of the MFMA continues to be one of the main issues raised by the Auditor-General in the General Report on Audit Outcomes for the Western Cape Local Government for 2009/10. These issues need to be addressed in order to prevent the deterioration of future audit outcomes, with a need existing for the strengthening of internal municipal procedures in relation to legislative compliance.

This chapter has thoroughly discussed the situation in the Western Cape regarding issues of good governance. In order to determine the performance of municipalities within the province, internal policies related to good governance and anti-corruption measures were assessed. This was coupled with an analysis of the levels of public participation taking place across the province, including the status of ward committees and the roles of CDWs. Finally, governance matters were assessed according to the outcomes of the report of the Auditor-General for 2009/10, resulting in the presentation of a comprehensive overview of governance practices within the province.

CHAPTER 7

LOCAL ECONOMIC DEVELOPMENT

7.1 Introduction

Local Economic Development (LED) strategies are at the centre of efforts by municipalities to create economic growth and development. It is an absolutely vital tool at the disposal of all municipalities and has the potential to radically improve the lives of all municipal constituents by enabling growth and reducing poverty. However, the strategies associated with LED are not to be viewed as a quick-fix solution to these problems. There are a myriad of potential challenges and obstacles that need to be overcome in implementing such a comprehensive strategy – from local political conditions to the impact of globalization. In essence, the aim of an effective LED strategy is to reduce the impact of factors that adversely affect local economic growth – such as the rapid increase in urbanisation (which affects all municipalities in some way), as well as global economic ruptures, such as the financial crisis which had a significant impact during the year under review. In order to mitigate these risks, LED requires absolute commitment from the various stakeholders involved in its development and implementation.

An LED strategy forms part of the IDP for each municipality. In many respects, it is the most crucial aspect of an IDP and plays a determining role in the effectiveness of the overall IDP approach. As such, an LED strategy needs to ensure the following:

- Assimilation of socio-economic conditions and needs;
- Establishment of the economic profile of the region;
- Selection of priorities;
- Development of policy thrusts;
- Formulation of strategic interventions;
- Formation of implementation plans;
- Programme and project development that addresses strategic objectives;
- Key performance areas for projects and programmes, including timeframes, targets and reporting mechanisms; and
- Indication of budget prioritization and allocation to deliver on economic priorities

LED development is also not a once-off process. Municipal LEDs need to be continually revised, with comprehensive reviews taking place at least once every five years. In order for this oversight role to be effective, LED Forums need to be established. The main reason for establishing such a forum is to expand the scale and scope of LED initiatives, by systematically leveraging support from partners in localities. This will then lead to interactions

within local communities, private sector, organised businesses, sector development organisations, educational institutions and other support institutions that are rich in expertise, resources, relational capital and networks. The LED Forum will, in essence, provide the opportunity for regions to achieve enhanced cooperation through the participation of various institutions and contribute towards the economic development of the region in such a way that all parties will benefit.

A District LED Forum needs to meet at least on a quarterly basis, or when required, on a more regular basis. The District Municipality plays an important role in the co-ordination of these meetings and in ensuring proper communication between the various stakeholders. These meetings need to be coordinated according to a set agenda, which will guide the LED Forum meeting. Issues raised and decisions made at the various meetings need to be recorded in order to keep a record of all decisions made regarding economic development in the region. It is also important that implementation of the decisions made in these meetings by the various parties need to be actioned. This implies that an action plan becomes the essential output of an LED forum meeting.

Ultimately, an effective LED strategy has the potential to improve the quality of life of local communities. However, this is dependent upon the genuine prioritization of the LED by all stakeholders and the active pursuit of its effective implementation. This requires significant levels of coordination between all stakeholders, as well as effective oversight.

7.2 LED strategies and implementation

The table below indicates municipal progress with the implementation of LED strategies:

Municipality	Does the municipality have a LED strategy?	The biggest challenge in the implementation of the strategy	Is the LED strategy overseen by an allocated official?	Does the LED feature in Departmental Business Plans and performance?
City of Cape Town	Yes	Limited resources	Yes	Yes
Matzikama	Yes	Lack of personnel in the LED unit	Yes	Yes
Cederberg	Yes	Staff capacity issues; budget constraints	Yes	Yes
Bergriver	Yes	No dedicated staff	Yes	Yes
Saldanha Bay	Yes	To structure an effective LED unit for the implementation of strategy	Yes	Yes

Swartland	Yes	Insufficient cooperation between local and district municipalities and between spheres of government; insufficient cooperation between government, private sector, NGO's and CBO's; lack of funds and staff dedicated to LED promotion	Yes	Yes
West Coast DM	Yes	Resource mobilisation, investment destination marketing, business partnership in LED, technical capacity (provision)	Yes	Yes
Witzenberg	Yes, currently being revised	Financial support and buy-in of formal business	Yes	Yes
Drakenstein	Yes	Mainstreaming LED in all operations of Municipality	Yes	Yes
Stellenbosch	No	N/A	Yes	Yes
Breede Valley	Yes	Budget, LED needs to be "owned" by senior management	Yes	No
Langeberg	Yes	Address the needs of the HDI, SMME into mainstream of business	Yes	Yes
Cape Winelands DM	In process	Staff capacity issues, Budget constraints, Not having the buy-in from all role-players and stakeholders of the project, Change in strategic direction re what LED should implement as projects, LED regarded as unfunded mandate	No	Yes
Theewaterskloof	Yes	Implementing on schedule	Yes	Yes
Overstrand	Yes	Unemployment, land for enterprise support, financial support, data on economic strategy fragmented, skills development/support, direct intervention from municipality	Yes	Yes
Cape Agulhas	No info	No info	No info	No info
Swellendam	No info	No info	No info	No info
Overberg DM	No info	No info	No info	No info

Kannaland	No info	No info	No info	No info
Hessequa	No info	No info	No info	No info
Mossel Bay	Yes, under review	Funding of projects from government departments and also compile proper implementation plan	Yes	Yes
George	Under review	Considering the poor quality of the strategy no catalytic projects were identified. The strategy was in a report format with suggestions but no concrete actions and responsible parties identified. Those projects that were undertaken in recent years were mainly small scale, socially orientated and in many cases not sustainable. For a number of years the Unit was staffed by temporary or acting staff members. This resulted in a lack of strategic vision and long term focus in the Unit - this is now being addressed.	Yes	No
Oudtshoorn	No info	No info	No info	No info
Bitou	Currently being revised	No info	No	Yes
Knysna	Yes	Funding	Yes	Yes
Eden DM	Yes	Funding to implement initiatives	Yes	Yes
Laingsburg	Yes	Investment, project funding, feasibility study, capacity.	Yes	Yes
Prince Albert	No info	No info	No info	No info
Beaufort West	Yes	Budget constraints, water, investors	Yes	No
Central Karoo DM	Yes	Lack of resources, neglected focus from management towards LED	Yes	No

Table 39: LED and poverty alleviation strategies and implementation
Source: Questionnaire, June 2011

7.3 Crucial economic data relevant to the measurement of municipal performance

The table below indicates the GDP contribution of individual municipalities, as well as the most important economic sectors within individual municipalities.

Municipality	Contribution towards GDP of District (*Contribution towards GDP of province)	Economic sector with highest contribution to GDP
City of Cape Town	74*	Manufacturing, Information and Communications Technology
Matzikama	14.9	Agriculture
Cederberg	10.7	Agriculture
Bergriver	12.5	Agriculture
Saldanha Bay	35.1	Manufacturing
Swartland	25.1	Manufacturing
West Coast DM	4.6*	Manufacturing and Agriculture
Witzenberg	9.2	Agriculture, Forestry and Fishing
Drakenstein	31.9	Finance
Stellenbosch	24.4	Community Services
Breede Valley	24	Agriculture
Langeberg	9.5	Agriculture
Cape Winelands DM	9.9*	Finance and Business Services
Theewaterskloof	40	Agriculture
Overstrand	28.7	Manufacturing
Cape Agulhas	15.3	Finance
Swellendam	15.9	Manufacturing
Overberg DM	3.2*	Manufacturing
Kannaland	3.6	Agriculture
Hessequa	7.4	Finance
Mossel Bay	22.9	Manufacturing
George	29.9	Finance
Oudtshoorn	14.8	Community Services
Bitou	6.6	Trade
Knysna	14.8	Trade
Eden DM	7.8*	Finance and Business Services
Laingsburg	10.8	Finance
Prince Albert	14.8	Agriculture
Beaufort West	74.4	Finance
Central Karoo DM	0.5*	Finance

Table 40: Crucial economic data relevant to the measurement of municipal performance:
Source: Provincial Treasury: Socio-Economic Profiles of Local Government; IHS Global Insights

7.4 Analysis of Local Economic Development

This chapter illustrates that the adoption of effective LED strategies has the potential to bring about significant improvements in the lives of municipal constituents. In general, LED has been prioritized throughout the Province, with most municipalities adopting LED strategies and taking steps to implement them. However, due to the comprehensive nature of these strategies, some significant problems are still being experienced by municipalities in this regard.

CHAPTER 8

CROSS CUTTING MATTERS

8.1 Introduction

The Provincial Department is responsible for monitoring the implementation of various cross-cutting functions. This chapter will discuss relevant areas of significance including broad cross-cutting interventions, disaster management and inter-governmental relations. The aim is to demonstrate the role of both the Provincial Department and individual municipalities in addressing issues that transcend the local governmental sphere.

8.2 Cross-cutting interventions

The Department of Local Government separated from the Housing Department on 1 April 2010 in the Western Cape. This was done in order to further facilitate the vision of the Department to create developmental and well-governed municipalities with integrated, sustainable and empowered communities. This is to be achieved through:

- capacitating municipalities to deliver quality services to communities;
- promoting participative, integrated and sustainable communities;
- ensuring municipal plans reflect national, provincial and local priorities and resources through sound intergovernmental relations;
- being the first port of call for municipalities for advice and support;
- facilitating delivery through sound administration and the engagement of all spheres of government and social partners.

The Department operates according to the prescripts of three key programmes which are aligned to the National Treasury Budget Structure:

- Programme 1 – Administration: this programme consists of Corporate Services, which aims to provide corporate support to the department and make provision for maintenance and accommodation;
- Programme 2 – Local Governance: this programme consists of municipal administration, public participation, and capacity development. It aims to promote and facilitate viable and sustainable local governance, integrated planning, and community participation;
- Programme 3 – Development and Planning: this programme consists of two sub-programmes, namely Municipal Infrastructure, which facilitates and monitors infrastructure development within municipalities to ensure sustainable municipal infrastructure development, and Disaster Management, which ensures the establishment of effective and efficient disaster management mechanisms.

During the 2009/10 financial year, 27 municipalities were supported in amending their Section 12 Establishment Notices in accordance with the Municipal Structures Act. By-elections were also promulgated in the City of Cape Town, Cape Agulhas, Stellenbosch, Beaufort West and Theewaterskloof, with the Provincial Department offering support throughout the processes. Additionally, District Public Participation and Communication Forums were established, while Breede Valley, Matzikama, Langeberg and Witzenberg were supported in reviewing and amending their communication strategies. Finally, Monitoring and Evaluation (M & E) formed a crucial part of cross-cutting interventions during the year under review. Throughout 2009/10, non-financial performance matters were assessed for all municipalities on a quarterly and annual basis. This was done through the gathering, analysis and reporting of municipal-level data. Detailed templates were utilized in accomplishing this as information was collected both from municipalities and internal sector departments. The data analysis enabled the compilation of reports for discussion and the adoption of short-term interventions on a quarterly basis, based on the findings of the reports.

8.3 Disaster Management

Sections in the Constitution of the Republic of South Africa that provide for disaster management includes the Intergovernmental Relations Framework Act, 2005 (Act number 13 of 2005), the Local Government: Municipal Systems Act, 2000 (Act number 32 of 2000), the Disaster Management Act, 2002 (Act number 57 of 2002) and the National Disaster Risk Management Policy Framework of 2005. These sections provide for:

- the establishment, implementation and maintenance of an integrated rapid and effective disaster response system, post-disaster recovery and rehabilitation;
- the identification, assessment, classification and prioritisation of hazards and vulnerable elements;
- the development, implementation, monitoring and evaluation of disaster risk reduction (prevention, mitigation and preparedness) programmes, projects and measures;
- and the establishment, implementation and maintenance of systems and structures through and across the three spheres of government, the state-owned enterprises (SOEs), the Private Sector, non-governmental organisations (NGOs), communities and individuals.

The Western Cape is often prone to experiencing various natural and man-made disasters throughout the year, including widespread flooding during winter and massive wildfires and droughts during summer. The 2009/10 financial year was no exception and various cross-cutting disaster management measures were implemented throughout the province to assist municipalities in addressing disasters. With regards to natural disasters, crippling droughts occurred throughout various regions on the south coast, with the Eden and Central Karoo District Municipalities being severely impacted. The Provincial Department responded by

continually assessing the impacts of the drought in these areas, as well as assisting all eight previously declared disaster areas on issues of recovery interventions and funding. A cross-cutting intervention was also conducted in Eden which involved municipalities, various Provincial Departments including the Department of Local Government and the National Department of Water Affairs. The indaba aimed to draw on the lessons of the 2009/10 drought in order to assure even more effective management of future drought. The Provincial Disaster Management Centre further developed guidelines for the development of drought management plans.

Wildfires were an additional area of concern between November and April, with areas in the West Coast, Cape Winelands and Overberg District Municipalities being severely affected. An intervention that proved successful in combatting this scourge relates to additional 4 fixed-wing bomber aircrafts which provided additional capacity to the existing fleet of spotter planes and helicopters. An important achievement during the contemporary period was the publication of a RADAR report containing in-depth research regarding disasters which had occurred in the province since 2003. The research was conducted by the National Disaster Management Centre, the Department of Local Government and the University of Cape Town and aims to enable more effective responses to future disasters. Armed with this fresh research, a province-wide public awareness campaign was conducted in areas that were deemed vulnerable and especially susceptible to flooding and wildfires. The programme reached 16 000 people and 52 schools through 52 roadshow events. In relation to man-made disasters, the occurrence of social conflict in De Doorns was continually assessed and monitored by the Province. The Province played a vital role in the final closure of the De Doorns Safety Site which allowed for the safe re-integration, repatriation and relocation of affected displaced foreign nationals.

The 2010 FIFA World Cup provided the Western Cape with various significant opportunities, but the sheer magnitude of the event meant that it posed significant disaster risks. As such, extensive and coordinated attempts were made to mitigate these potential negative scenarios. All 30 municipalities in the Province identified risks and drafted contingency plans for the event. The six municipal disaster management centres were also activated for the event and these received Information Communication Technology (ICT) support from the Provincial Disaster Management Centre. This support was also provided to the South African Police Service. The Department of Local Government also developed the extensive 2010 FIFA World Cup Preparedness and Response Plan which:

- focused on provincial preparedness and response strategies and mechanisms; supported the SAPS and individual municipalities in the development of social conflict plans;

and focused on safety and security from a disaster management perspective.

8.4 Inter-governmental Relations (IGR)

It is essential that high levels of cooperation exist between all three spheres of government, in order to ensure effective service delivery. Effective IGR structures are especially important to the developmental role of municipalities. This role can only be fulfilled through the active involvement of all spheres of government in the setting of priorities, resource allocation and development planning. The strategic objective of IGR is to support good governance and accountability between the three spheres of government through effective intergovernmental relations. This was achieved during the year under review through the establishment of functional IGR structures in all District Municipalities in the Province, except Overberg. Additionally, the following municipalities benefitted through the referral of issues between municipalities, national government and provincial government: West Coast and Eden District Municipalities and Swartland, Overstrand, Mosselbay, Kannaland, Cape Agulhas, Prince Albert, Hessequa, Theewaterskloof, Matzikama, and Laingsburg Local Municipalities.

During the 2009/10 financial year, the Provincial and municipal governments continued to institutionalize IGR structures within the Western Cape. At the heart of this process lay a review process undertaken by all stakeholders, culminating in the reconfiguration of processes and structures wherever this was required. As an outcome of this review, the establishment of the Ministers and Executive Mayors Forum (MINMAY) and the Ministers and Executive Mayors Technical Committee (MINMAY TECH) should be viewed as significant steps in strengthening IGR structures within the Province. It is envisioned that their establishment will ensure greater synergy between the Provincial and local governments, resulting in a strengthening of inter-governmental cooperation.

Control over the functioning of Thusong Centres was transferred to the Provincial Department of Local Government in April 2010. These Centres enable local communities to gain easier access to government services. The Overstrand, Oudtshoorn and Matzikama Local Municipalities, as well as the Central Karoo District Municipality, benefitted from the establishment of new Thusong Service Centres. Various government departments and private sector institutions also agreed to provide services at the Service Centres through a Provincial Funding Framework which was developed to facilitate training and rentals for the managers of these Centres in the Western Cape, in collaboration with other Provinces and GCIS Centre Managers.

CHAPTER 9

MUNICIPAL CHALLENGES

9.1 Introduction

This chapter highlights key challenges experienced by municipalities during the year under review.

9.2 Key challenges as identified by municipalities

Municipality	Challenges identified by municipalities
City of Cape Town	Infrastructure investment along development corridor; mobility; densification.
Matzikama	Effective public participation and communication; inadequate funding for housing and basic services; ineffective ward committees.
Cederberg	Lack of sufficient funding.
Bergriver	Vacant positions in a rural area; insufficient funding for bulk infrastructure expansion limits economic growth; income management.
Saldanha Bay	Staff retention; upgrading of Waste Water Treatment Works; ageing of current infrastructure; development of anticipated housing projects will negatively impact on the supply of Bulk Services.
Swartland	Staff costs that amount to more than 37%. Attempts must be made to lower staff costs to the norm of 33%. The long awaited implementation of the TASK job evaluation system can have a further negative impact, but it is also important for the retention of expertise; streets, storm water, sewerage, water and electrical networks that in many instances are older than 50 years and in certain instances even older than 90 years. Besides this, water, sanitation and electricity infrastructure are sub-standard in certain areas and must get urgent attention; huge services backlogs in ward 7 that will cost almost R100 million to eradicate.
West Coast DM	Sustainable bulk water supply; financial viability; perceptions of DM relevance.
Witzenberg	Road infrastructure and maintenance; job creation (poverty stricken area); functionality of ward committees.
Drakenstein	Financial limitation to implement priority projects; scarce skills/retention of technical staff; strengthening roles of community with regards to local government.
Stellenbosch	Refuse removal: access to informal areas/financial constraints due to the operational budget increase. Lack of staff and fleet to render service/landfill site operation and compliance without official funding; streets and storm water – insufficient funding in both the capital and operating budget seriously hampers service delivery. Funding for the day to day operations is inefficient considering the ageing infrastructure and the backlog of the maintenance and replacement programmes built over the years. Capital funding provision has not kept pace with the rapid expansion of Stellenbosch in particular, and bulk infrastructure cannot cope with these increasing demands; water services.
Breede Valley	Borrow money from Development Bank to extend Waste Water Treatment Works while we have already reached the ceiling for borrowing money; the expansion of town due to informal influx of people and associated services while the increase in available maintenance budget was restricted to ± 6% without taking expansion of town into account.
Langeberg	Proactive communication with communities; upgrading of infrastructure; limited technical skills.
Cape Winelands DM	Decline in grants received from national and provincial governments; uncertainty of roles and responsibilities, future of districts and unfunded mandates; intergovernmental relationships.
Theewaterskloof	Insufficient revenue base, attract and retain scarce skills, huge service delivery backlog.

Overstrand	Finding the balance between development and conservation. Resistance against major developmental projects of Overstrand Municipality was experienced from a small but influential group of people, including the Hermanus Ratepayers' Association. Projects like the Station Site Development and the CBD Relief Road were held up for years by objections and even court cases and eventually resulted in an escalation of project costs. In view of this Overstrand Municipality commissioned and adopted a Growth Management Strategy and is advised on conservation matters by several bodies, like the Heritage Committee and the Overstrand Conservation Foundation; a backlog of R2,5 billion in the upgrading of obsolete and inadequate infrastructure. The area's growth and development over the last two decades quickly outstripped the infrastructure capacity which was developed for sea side resorts and fishing villages during the last century. This backlog leads to many complaints regarding the quality of service delivery. Overstrand Municipality adopted a strategy to address this backlog over the next 25 years; the provision of low-cost and GAP housing; A High Court case regarding the allocation of tenders held up the delivery process for a period of two to three years (but the reaching of an agreement during 2009 got the wheels rolling again) and there is not enough land for low cost housing development in the areas where it is needed the most, especially in Zwelihle. This was addressed in the municipality's turnaround strategy and a five year plan for providing houses was approved as part of the 2011/12 IDP.
Cape Agulhas	No information
Swellendam	No information
Overberg DM	No information
Kannaland	No information
Hessequa	No information
Mossel Bay	Securing a continuous water supply for residents against the background of the worst drought experienced in the 132 years that records are kept; to urgently reduce Mossel Bay's dependence on surface water by developing new water sources; to obtain sufficient DORA funding for meaningful progress with housing projects.
George	Suspension of senior staff; political instability; economic climate.
Oudtshoorn	No information
Bitou	No information
Krystna	Slow economic recovery leading to negative pressure on income; insufficient capital funding available to address the requirements as contained in the IDP; aged and failing infrastructure due to insufficient maintenance funding and plans.
Eden DM	Natural disasters (flooding and drought); global economic recession and increased unemployment and poverty in the District; political governance – change of council.
Laingsburg	Small revenue base and budget constraints; capacity constraints; LED.
Prince Albert	No information
Beaufort West	Funding; unemployment; water.
Central Karoo DM	Insufficient revenue; critical posts not filled (MM, LED, Supply Chain Management); shared services.

Table 41: Challenges as identified by municipalities
Source: Questionnaires, June 2011

CHAPTER 10

PROVINCIAL SUPPORT AND CAPACITY BUILDING INITIATIVES

10.1 Introduction

Throughout the 2009/10 financial year, a concerted effort was made by the Provincial Government of the Western Cape to support the 30 municipalities of the Province in ensuring effective service delivery, infrastructure development and good governance practices. Several Provincial Departments were involved in this on-going process, including the Department of Local Government, the Provincial Treasury, the Department of Economic Affairs and Tourism, the Department of Cooperative Governance and Traditional Affairs, the Department of Water Affairs and Forestry and the Department of Agriculture.

10.2 Support and capacity building initiatives in aid of municipalities

Municipality	Responsible Provincial Departments	Type of support provided
West Coast District Municipality	Department of Local Government	<ul style="list-style-type: none"> • Support the Establishment of a Shared Services model for the West Coast District Area
Matzikama	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> • Support the municipality with the review of policies and by-laws • Support the municipality with the review of Delegations • Support the municipality with the establishment of a risk management system • Support the municipality to improve the functionality of its ward committees
Cederberg	Department of Local Government, Provincial Treasury, Department of Economic Affairs and Tourism, Department of Cooperative Governance and Traditional Affairs	<ul style="list-style-type: none"> • Support the skills development of existing employees in the municipality • Support the municipality to lobby for additional funding for the upgrade of the water treatment works in Citrusdal • Support the municipality with the functioning of ward committees
Bergervier	Department of Local Government, National Treasury, Provincial Treasury, Department of Economic Affairs and Tourism	<ul style="list-style-type: none"> • Support the on-going skills development of existing employees in the municipality • Support the municipality to lobby additional funding for the compilation of a Fixed Asset Register • Support the municipality to improve the functionality of its ward committees
Saldanha Bay	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> • Support the municipality to secure MFMA Training/workshops on GRAP Standards • Support the municipality with the Skills Development of existing employees • Support the municipality to establish a PMU

Swartland	Department of Local Government, Department of Cooperative Governance and Traditional Affairs	<ul style="list-style-type: none"> Support the municipality to lobby for additional funding to address the overall service backlogs in Greater Chatsworth
Cape Winelands District Municipality	Department of Local Government, Provincial Treasury, Department of Water Affairs and Forestry, Department of Agriculture	<ul style="list-style-type: none"> Support the Municipality's River Water Quality Improvement Supporting Political Management and Oversight Supporting the management of Debtors to the Municipality Building Municipal Management Capacity Support the critical skills gap within the Municipality
Witzenberg	Department of Local Government, Department of Water Affairs and Forestry, Department of Economic Development and Tourism	<ul style="list-style-type: none"> Support the Municipality's Water Demand Management Initiative Garden Refuse Removal System Support the Maintenance & development of GIS within the Municipality Support Public Participation within the municipal area Provide LED Support to the Municipality River rehabilitation
Drakenstein	Department of Local Government, Provincial Treasury, Department of Economic Development and Tourism	<ul style="list-style-type: none"> Support Public Participation within the municipal area Support the Municipality with their Enterprise Risk Management Provide LED Support to the Municipality Support the critical skills gap within the Municipality
Stellenbosch	Department of Local Government, Department of Economic Development and Tourism	<ul style="list-style-type: none"> Support the development of a PMS Support Public Participation within the municipal area Support the critical skills gap within the Municipality Study into the Organisational Structure Provide LED Support to the Municipality
Breede Valley	Department of Local Government, Department of Water Affairs and Forestry, Development Bank of South Africa	<ul style="list-style-type: none"> Support the development of Storm water Master Plans Support the Municipality's Water Demand Management Initiative Support Public Participation within the municipal area Support the critical skills gap within the Municipality
Langeberg	Department of Local Government, Department of Economic Development and Tourism	<ul style="list-style-type: none"> Support Public Participation within the municipal area Support the development of an automated PMS Provide LED Support to the Municipality
Overberg District Municipality	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> Support the Administrator to conduct a full assessment of the current status of the municipality Support the implementation of the Turnaround Strategy/Recovery Plan

Theewaterskloof	Department of Local Government, Department of Human Settlements, Department of Environmental Affairs and Development Planning, Department of Local Economic Development and Tourism	<ul style="list-style-type: none"> • Support the formalisation of informal settlements in the municipality • Support the municipality to improve the functionality of ward committees • Support municipality to build capacity building of SMME's
Overstrand	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> • Support the municipality to secure MFMA Training/workshops on GRAP Standards
Cape Agulhas	Department of Local Government, Department of Environmental Affairs and Development Planning, Department of Human Settlements	<ul style="list-style-type: none"> • Support the municipality to lobby additional funding to be able to address the growing housing backlog • Support the improvement of the functionality of the ward committee system • Support the review of delegations and by-laws in the municipality
Swellendam	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> • Support the municipality with the development and implementation of the Turnaround Strategy in support of its recovery
Eden District Municipality	Department of Local Government, Provincial Treasury,	<ul style="list-style-type: none"> • Support the Implementation of a Performance Management System • Support the Establishment of a Shared Services model for the Eden District Area. • Support IGR forums within the District. • Support the municipality to secure MFMA Training/workshops on GRAP Standards
Kannaland	Department of Local Government, Provincial Treasury, Department of Water Affairs and Forestry	<ul style="list-style-type: none"> • To support the Municipality with the Development and implementation of a Revenue Enhancement Strategy • To support the municipality to lobby additional funding to upgrade the existing water treatment plant.
Hassequa	Department of Local Government, Provincial Treasury, National Treasury	<ul style="list-style-type: none"> • Performance Management Framework only in place for S57 employees. • Need exists to roll out PMS to all management levels in the municipality • Accounting standards are constantly changing and the municipality require refresher training in this regard. • Insufficient funding available for the compilation of a GRAP compliant Asset Register. • The municipality's policies and by-laws are out-dated.
Mossel Bay	Department of Local Government	<ul style="list-style-type: none"> • Support the Implementation of a Performance Management System • Drought Relief Project
George	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> • Support the municipality with the Implementation of the Turnaround Strategy in support of their recovery. • Support the municipality with the review of by-laws and policies
Oudtshoorn	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> • Support the municipality with the Implementation of the Turnaround Strategy in support of their recovery.

Bitou	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> • Support the Implementation of a Performance Management System • Support Skills Development of existing employees • To support the Municipality with the Development and implementation of a Revenue Enhancement Strategy
Knysna	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> • Support the Implementation of a Performance Management System • Support Skills Development of existing employees • Support the municipality to secure MFMA Training/workshops on GRAP Standards
Central Karoo District Municipality	Department of Local Government, Provincial Treasury, Department of Economic Development and Tourism	<ul style="list-style-type: none"> • To support the municipality to review and implement of LED strategy • Support the Establishment of a Shared Service model for the Central Karoo District Area • Support Skills Development of existing employees • To facilitate support for the smooth transfer of the DMA (Murraysburg) to Beaufort West Municipality
Laingsburg	Department of Local Government, Provincial Treasury, Department of Land Affairs, Department of Economic Development and Tourism, Department of Human Settlements	<ul style="list-style-type: none"> • Support the municipality in skills development of existing employees • To support the municipality with the implementation of the new financial system • Support the municipality to improve its Public Participation • Support the municipality in fast tracking the alternative land identification for housing projects
Prince Albert	Department of Local Government, Provincial Treasury, Department of Economic Development and Tourism	<ul style="list-style-type: none"> • Support the municipality in skills development of existing employees • Support the municipality to improve its Public Participation
Beaufort West	Department of Local Government, Provincial Treasury, Department of Water Affairs and Forestry, Department of Economic Development and Tourism	<ul style="list-style-type: none"> • Support the municipality in skills development of existing employees • Support the review and updating of existing HR policies in the municipality • Support the municipality in Skills Development of Supply Chain Management employees • Support the municipality to improve its Public Participation • Support the municipality to undertake an assessment to determine the status of Bulk Infrastructure

Table 42: Provincial support and capacity building initiatives
Source: Department of Local Government Database

10.3 Conclusion

Table 40 reflects a concerted effort by the Provincial Department to provide relevant and effective support to all municipalities of the Western Cape. The aim of these support programs was to improve the overall performance of municipalities, as reflected by individual Annual Report and Audit Reports, as well as by the contemporary Consolidated Report.

LIST OF ABBREVIATIONS

ANC	African National Congress
ACDP	African Christian Democratic Party
AG	Auditor-General
AMP	African Muslim Party
BO	Breede Vallei Onafhanlike
CoGTA	Department of Cooperative Governance and Traditional Affairs
DA	Democratic Alliance
DBSA	Development Bank of Southern Africa
DEAT	Department of Economic Affairs and Tourism
DLG&H	Department of Local Government and Housing
DM	District Municipality
DPLG	Department of Provincial and Local Government
EE	Employment Equity
EPWP	Extended Public Works Programme
FCPSA	First Communal Party of South Africa
FF+	Freedom Front Plus
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
GDP	Gross Domestic Product
HR	Human Resources
ICOSA	Independent Civics of South Africa
ID	Independent Democrats
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IDEP.	Independent
KCF	Knysna Community Forum
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LGTAS	Local Government Turn-Around Strategy
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act No. 56 of 2003
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MSA	Municipal Systems Act No. 32 of 2000
NSDP	National Spatial Development Perspective
NPP	National People's Party

NT	National Treasury
OCA	Oudtshoorn Civic Association
PAC	Pan African Congress
PDM	People Democratic Movement
PMS	Performance Management System
PT	Provincial Treasury
SAFPA	South African Federal Political Alliance
SDBIP	Service Delivery and Budget Implementation Plan
SCM	Supply Chain Management
SDF	Spatial Development Framework
SDP	Social Democratic Party
TAS	Turn-Around Strategy
UDM	United Democratic Movement
UIF	United Independent Front
UP	United Party
WCC	Western Cape Community

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