



Annual Report 2010/11



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ABBREVIATIONS

| | |
|---------------|---|
| ABET | Adult Basic Education and Training |
| Aids | Acquired Immunodeficiency Syndrome |
| BBBEE | Broad-Based Black Economic Empowerment |
| BD | Backyard Dwellers |
| COID | Compensation for Occupational Injuries and Diseases |
| CPTR | Current Public Transport Record |
| CRR | Capital Replacement Reserve |
| CT-SBW | Cape Town Small Business Week |
| CWDM | Cape Winelands District Municipality |
| DBSA | Development Bank of South Africa |
| DCF | District Co-ordinating Forum |
| DEDT | Department of Economic Development and Tourism |
| DITP | District Integrated Transport Plan |
| DMA | District Management Area |
| DORA | Division of Revenue Act |
| DPLGH | Department of Local Government and Housing |
| DSTTT | District Sectoral Technical Task Teams |
| DWAF | Department of Water Affairs and Forestry |
| ECD | Early Childhood Development |
| EE | Employment Equity |
| EPWP | Expanded Public Works Programmes |
| ESTA | Extension of Security of Tenure Act |
| FAS | Foetal Alcohol Syndrome |
| FYLGA | Five Year Local Government Strategic Agenda |
| GAAP | Generally Accepted Accounting Practice |
| GAMAP | Generally Accepted Municipal Accounting Practice |
| GDP | Gross Domestic Product |
| GDS | Growth and Development Strategy |
| GGP | Gross Geographical Product |
| GRAP | Generally Recognised Accounting Practice |
| HDI | Historically Disadvantaged Individuals |
| HDF | Housing Development Fund |
| HIV | Human Immunodeficiency Virus |
| HRM | Human Resource Management |
| IAS | International Accounting Standards |
| IDP | Integrated Development Plan |

| | |
|----------------|--|
| IMFO | Institute of Municipal Finance Officers |
| IPSAS | International Public Sector Accounting Standards |
| KPA | Key Performance Areas |
| KPI | Key Performance Indicators |
| LED | Local Economic Development |
| LG | Local Government |
| LLF | Local Labour Forum |
| MBFP | Mayoral Bursary Fund Policy |
| MEs | Municipal Entities |
| MEC | Member of Executive Council |
| MFMA | Municipal Finance Management Act |
| MIG | Municipal Infrastructure Grant (Preciously CMIP) |
| MRF | Materials Recovery Facilities |
| MSA | Municipal Systems Act |
| NCBF | National Capacity Building Framework |
| OHS | Occupational Health and Safety |
| OLS | Operating Licensing Strategy |
| PAWC | Provincial Administration of the Western Cape |
| PMS | Performance Management System |
| PMSFP | Performance Management System Framework Policy |
| R&D | Research and Development |
| RSC | Regional Services Council |
| SA GAAP | South African Statements of Generally Accepted Accounting Practice |
| SAP | Student Assistance Policy |
| SARS | South African Revenue Services |
| SDBIP | Service Delivery Budget Implementation Plan |
| SDF | Spatial Development Framework |
| SIP | Strategic Infrastructure Plan |
| SMME | Small Medium Manufacturing Enterprise |
| TB | Tuberculosis |
| THD | Tourism Helpdesk |
| VCT | Voluntary Counselling and Testing |
| WMP | Waste Management Plan |
| WSP | Workplace Skills Plan |

1. INTRODUCTION



EXECUTIVE MAYOR: Alderman CA DE BRUYN

support our tourism industry through clever marketing activities in our key source markets, ensuring that we play our part in winning this battle together. Therefore, apart from the present, somewhat weakened, world-wide economic outlook, we will be creative in our thinking and make sure that we adapt our systems and strategies to cope with this new economic scenario.

The CWDM has an excellent team of experienced directors and staff who are committed to efficient service delivery. I trust that this municipality will once again exceed expectations, as it has done in the past.

1.1 EXECUTIVE MAYOR'S FOREWORD

As the incoming executive mayor of the Cape Winelands District Municipality (CWDM), it gives me much pleasure to present the 2010/11 annual report. This report outlines our municipality's achievements of the past financial year, reflecting our vision and plans for communities in the Cape Winelands.

It will be noted that our municipality has continued to invest in the infrastructure needed to ensure that our council continues to provide appropriate services, facilities, business and employment opportunities to meet the growing needs of the residents of our region. Other CWDM programmes aimed at ensuring that services are delivered in line with our Economic Development Strategy were managed efficiently; we will continue to work hard to raise the bar even higher.

Looking into the year that has just begun, our new Mayoral Committee is very aware of the work that awaits us and the expectations of our people out there. I get very excited when I see the high levels of excitement amongst my colleagues to see things done.

There is also no doubt in my mind that the partner-ships that have been established over the last few years with all of our partners in business, academia and the civil society will continue to be strengthened and used as essential platforms for engaging with these stakeholders as we go along.

Recent media and tourism industry reports indicate a drop in tourism arrivals and several closures of some top accommodation establishments in parts of our province. We're following these developments with keen interest and we intend to continue working hard to

1. INTRODUCTION



MUNICIPAL MANAGER: MR M MGAJO

service delivery and, by extension, the lives of residents of the Cape Winelands. This is, after all, what we're here for.

However, despite the developments referred to above, the vast majority of our tourism businesses are still doing well, and so do other sectors of our economy. Our municipality continues to manage programmes aimed at fast-tracking rural development, increasing training for jobs and business opportunities in the 'green economy', constructing affordable houses and other facilities for residents of the Cape Winelands.

As it has been the case over the last few years, this annual report demonstrates the extensiveness and quality of our work and shows the team's dedication in delivering better service for all. We intend to continue focusing on doing all to realise our vision of growing, sharing, delivering and innovating together!

With the backing of Council, I look forward to leading our team over the next year.

1.2 MUNICIPAL MANAGER'S FOREWORD

The 2010/11 annual report has been compiled in accordance with the Local Government Municipal Systems Act 32 of 2000, the Local Government Municipal Finance Management Act 56 of 2003, as well as the National Treasury Circular No 11. The report addresses the CWDM's performance for the year ended 30 June 2011, and conforms to the relevant statutory requirements. This report records the progress made by the municipality in fulfilling its objectives as reflected in the Integrated Development Plan (IDP), the budget and the Service Delivery and Budget Implementation Plan.

In his foreword, Executive Mayor Alderman Cornelius De Bruyn refers to the current uncertain global market instability and the reported drop in tourism arrivals, as well as the resulting closure of a number of accommodation establishments elsewhere in our province. While it is not yet clear that the drop in tourism arrivals is due to the developments in world-markets, it is important that we observe these 'seemingly very far away' developments and their possible impact on our local economic situation here at home.

Our strategies and programmes have to be implemented from a well-informed perspective, with a clear idea of what is realistic and possible on one hand and, on the other hand, and what activities need to be modified or even shelved until the economic outlook clears up. We also have to keep at least one eye on the global events, to make sure that we do not wake up one day having been left behind by developments.

Our new CWDM Council is determined to ensure that whatever impact global economic developments have on our region at a local level, we continue to improve

1.3 VISION AND MISSION

The CWDM's vision is: Growing, sharing, delivering and innovating together. The purpose of the organisation is to ensure that its structures co-operate towards the efficient, effective and sustainable use of all its resources to reduce poverty and stimulate regional economic growth in the district.

The following strategic objectives have been developed towards fulfilling the CWDM's vision and mission:

- To facilitate the development of sustainable regional land use, economic, spatial and environmental planning frameworks that will support and guide the development of a diversified, resilient and sustainable district economy.
- To ensure the health and safety of communities in the Cape Winelands through the proactive prevention, mitigation, identification and management of environmental health, fire and disaster risks
- To support and ensure the development and implementation of infrastructural services such as bulk- and internal services, functional road network and public transport services that contribute to Integrated Human Settlements in the Cape Winelands.
- To provide an effective and efficient support service to the Cape Winelands District Municipality's executive directorates so that the organisational objectives can be achieved through the provision of
 - Human Resource Management.;
 - Administrative Support Services;
 - Communication Services;
 - Information and Communication Technology provision; andSound International and Inter-governmental Relations
- To facilitate and ensure the development and empowerment of the poor and most vulnerable people, particularly women, children, youth, the disabled, elderly persons and rural dwellers throughout the Cape Winelands.
- To ensure the financial sustainability of the Cape Winelands District Municipality and to fulfil the statutory requirements.

QUICK FACTS ABOUT THE CAPE WINELANDS

- **Population:** 650 975
- **Size:** 21 452 km²
- **Municipal authorities:** Stellenbosch Municipality, Drakenstein Municipality, Witzenberg Municipality, Breede Valley Municipality, Langeberg Municipality
- **Major towns:** Stellenbosch, Paarl, Franschhoek, Wellington, Ceres, Tulbagh, Worcester, Robertson, Ashton, Montagu
- Founded in 1679, Stellenbosch is the second oldest town in South Africa

1.4 INTEGRATED DEVELOPMENT PLANNING

The CWDM has a legal obligation to prepare an Integrated Development Plan (IDP) every five years. This plan, together with all sector plans, is reviewed annually.

The IDP Framework for the district is informed by certain responsibilities entrusted to district and local municipalities in terms of legislation. The Framework was prepared jointly by all the municipalities within the district, with the district municipality playing a leading role.

The following is a summary of how the municipality executed the IDP Framework and Process Plan:

TIME SCHEDULE

The Cape Winelands District IDP Strategic Management Framework was adopted by the Council of the CWDM and approved by the District Coordinating Forum. The most important implication of the latter approval was the subjection of all municipalities in the district, including the CWDM, to the time-schedule for the adoption of their IDP's and Budgets, allowing sufficient time for credible alignment processes.

ANALYSIS

Community Input - A total of ten (10) meetings were held with a wide range of sectoral representatives, including Labour, the Environment, Social Development, Civil Society, Public Safety, Economic Growth and Development, Agriculture, Youth, Women, etc. A total of 157 issues were articulated during these meetings and a further 17 written submissions were received.

Performance Analysis – This phase involved the assessment of the performance of the municipality and the determination of areas of change for the next three years.

Financial Analysis – In analysing the financial capacity and position of the municipality, the institution had to, inter alia, determine the funding/revenue potentially available for the next three years and based on the holistic financial profile of the municipality decide on appropriate fiscal strategies, the funding policies (including tariff structures) and financial plans.

Situational Analysis – A thorough revision of the current realities and an examination of the changing conditions and new information that may have a major impact on the ability of the municipality to deliver on its legislative mandate had been conducted during this period.

Intergovernmental Alignment – The Provincial IDP Indaba held on 26-27 October 2010 was a good starting point for improving intergovernmental planning and alignment and will need the cooperation of all stakeholders to sustain the positive spin-offs of this process.

STRATEGY

The Cape Winelands Spatial Development Framework and Integrated Transport Plan were modified during this revision cycle. In addition the Integrated Waste Management Plan was further refined and a Draft Air Quality Management Plan saw the light.

PROGRAMMES, PROJECTS AND PRELIMINARY BUDGETS

Current programmes and projects were reviewed and provision had been made for priorities and outputs desired for next 3 years with updated cost estimates.

Operating Budget – The Chief Financial Officer compiled the draft operating budget for 2011/12 and revised operating budget for 2010/11 within the prescribed time frames.

Approval of Draft IDP, PMS and Annual Budget – The Draft IDP and Budget was approved by Council for consultation with the Public on 10 March 2011 and a period of 21 days of public consultation ensued. The 2009/10 Annual Report was approved on 31 March 2011. As recommended by National Treasury in MFMA Circular No. 54: Municipal Budget Circular for the 2011/12 MTREF and Provincial Treasury in Municipal Circular No. 45/2010 respectively, the CWDM Council amended its IDP Strategic Management Framework to ensure that the IDP and Budget are adopted by the outgoing Council before the 2011 Municipal Elections. At this Council meeting held on 27 January 2011, it was further resolved that the Process Plan be amended and that a final revision of the 2007/11 Integrated Development Plan of the Cape Winelands District Municipality be conducted for the period starting 1 July 2011 and ending 30 June 2012 (2011/12) and that the newly elected Council will commence with the drafting of the 2011/12 – 2015/16 five-year IDP on 1 July 2011

INTEGRATION

The Draft IDP and Budget were made public for comment and an IDP/Budget Hearing was held with sector stakeholders on 17 March 2011 with the view of soliciting comment on the presented draft IDP/Budget from the representatives. Engagements aimed at multi-pronged alignment with Provincial, National and Local Spheres of Government in the form of LG-MTEC Engagements and intergovernmental alignment meetings with local municipalities in the district were held.

FINAL APPROVAL

Council adopted the Final 2011/12 Integrated Development Plan and Medium Term Revenue and Expenditure Framework for 2011/12, 2012/2013 and 2013/14 on 14 April 2011.

All further action was taken in accordance with the legislative and regulatory requirements applicable to the approval of the SDBIP, submission to the appropriate authorities, all actions related to the submission of performance agreements, making public the Final Documents and the preparation of the Bi-Annual Audit Report for submission to Council.



Full CWDM Council

1.5 PUBLIC PARTICIPATION

The Cape Winelands District Municipality aims to ensure that the quality and magnitude of public participation, particularly in IDP and budgeting processes, continue to grow each year. We understand that communities are complex, that the needs of groups vary and that these disparities should be taken into account when employing community activation strategies. Therefore, CWDM employs different processes and mechanisms in mobilising stakeholders to participate in decision making processes that affect the development of their communities.

(a) IDP Capacity Building Project : When we introduced the IDP Capacity Building Project in 2009, the primary objective was to ensure that stakeholders are capacitated to the extent that their bargaining power during IDP and Budgeting processes are significantly broadened and strengthened. The delicate interface between the different spheres of government, let alone the complexities of local government, can be daunting for even the most educated citizen. Great emphasis was therefore placed on creating a comfortable learning environment where the most user friendly methodologies can inspire participants to fully interact with the facilitator and learning material. Since its inception more than 600 participants benefited from this programme and the feedback has urged the CWDM to include these capacity building workshops as an important part of the IDP Process Plan of the Municipality each year.

(b) Special Needs Groups: The Cape Winelands District Municipality is host to two of the biggest institutions for the disabled in the country. These are the Institute of the Deaf and the Institute for the Blind, both located in the Breede Valley Municipality in Worcester. To ensure that all our IDP public consultation meetings are accessible to most people we ensure the following:

- all venues where meetings are held are accessible to the physically challenged;
- we request organisations to indicate if they need sign language interpretation at meetings (we have yet to make arrangements for that, because representatives from organisations have always preferred bringing their own sign language interpreters to the meetings);
- we arrange for professional interpretation services in all three official languages of the Western Cape; separate meetings are held for economic development stakeholders (including Labour and the Environment) and civil society stakeholders (normally Ward Committee members and other sectors) because of their diverse needs;

(c) Stakeholder Activation: The following efforts are made to activate participants:

- all departments are involved in activating their stakeholders who participate in sector plan development to attend meetings;
- the Department: Rural and Social Development's officials are key in mobilising farm dwellers through our civil society partner, the Health and Development Committees and other grouping'
- the District Youth Council helps the district municipality in mobilising young people;
- transport is arranged for those stakeholders who have indicated a need; the Cape Winelands District Municipality has an IDP Communication Plan that is executed with the assistance of our Sub-directorate: Communication Services which includes the following avenues for dissemination of information and channels, mechanisms and platforms for dialogue and engagement: Official Newsletter, Press Releases, Articles for selected print publications, IDP Brochures/Executive Summary, Radio discussions, Participatory Democracy and IDP Workshops for stakeholders, Statutory IDP Public Participation Engagements, Official Website Updates, Targeted e-mailing of IDP Presentation, Events: Project initiations, funding announcements, etc.

(c) IDP/Budget Public Participation Road Map: In the 2011/12 IDP review process, the Cape Winelands District Municipality ensured optimum public participation through an IDP/Budget Public Participation Road Map which included the 12 Participatory Democracy and IDP Workshops and 11 statutory IDP meetings with sector representatives in the district.

The district municipality could not have done the above, and many more similar actions, had it not been for our steadfast focus on nurturing social cohesion amongst communities in the Cape Winelands.

(d) CWDM Turn Around Strategy: Our 2010/11 Local Government Turn Around Strategy has identified Public

Participation and Communications as a key lever for development in our district. During the course of the 2010/11 financial year, the Cape Winelands District Municipality and local municipalities have made tremendous strides in strengthening the collective impact that properly synergised and coordinated public participation and communications interventions can make in local government. Both national and provincial government consistently assisted the Cape Winelands family of municipalities in improving their institutional capabilities through Government Communication and Information System (GCIS) and the Provincial Department of Local Government.

(e) The Cape Winelands Household Perception Survey is being concluded and we look forward to use the results of this study to inform future planning.

(f) Stakeholder Input: The Cape Winelands District Municipality, during its IDP Analysis Phase, received a total of 157 verbal inputs during public participation meetings and a further 17 written submissions. These issues were circulated internally to our Executive Directors for input and were presented to the Mayoral Committee and Council for consideration. The SDBIP (Service Delivery and Budget Implementation Plan) will later provide clear indications which of the issues were incorporated in specific interventions of the municipality.

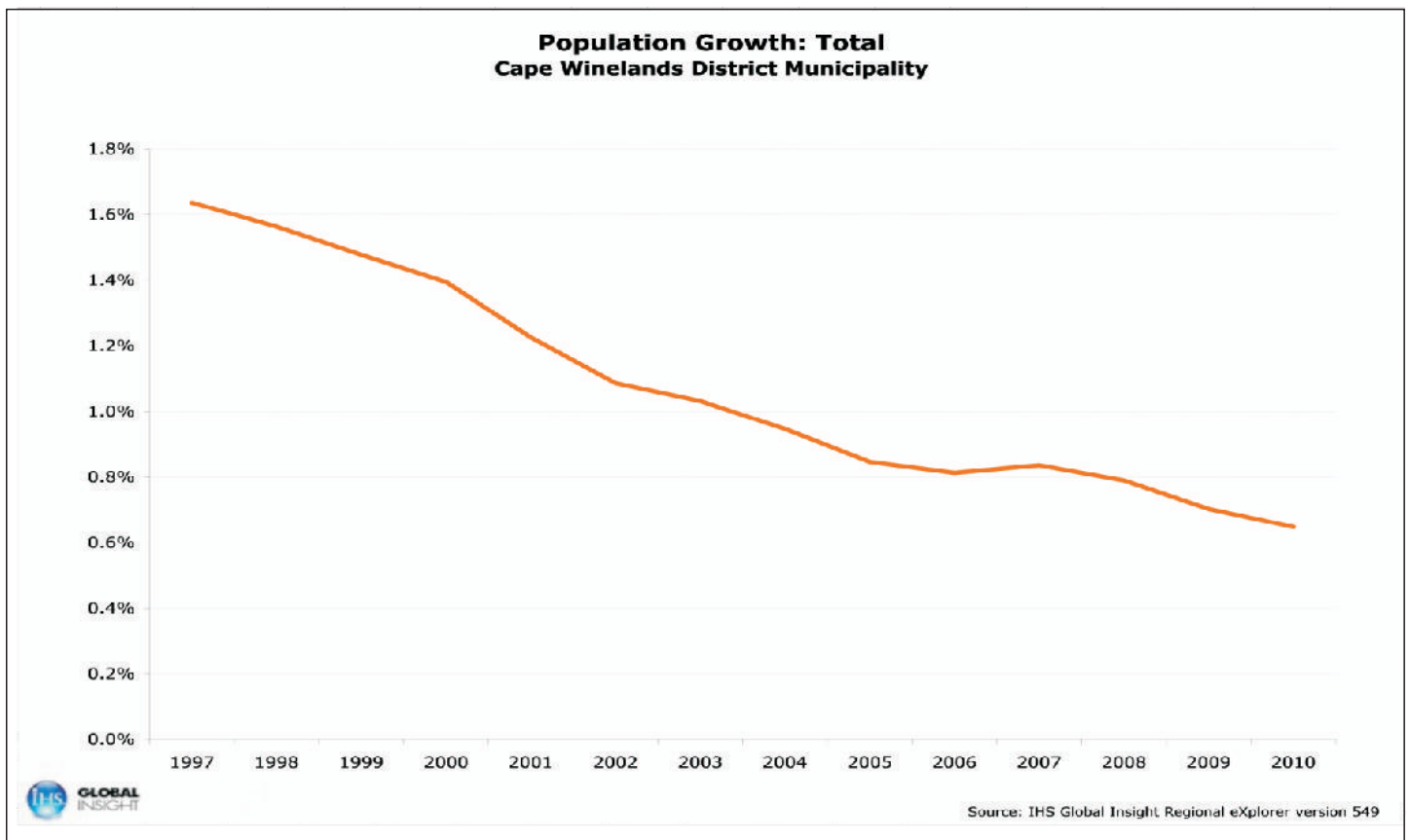
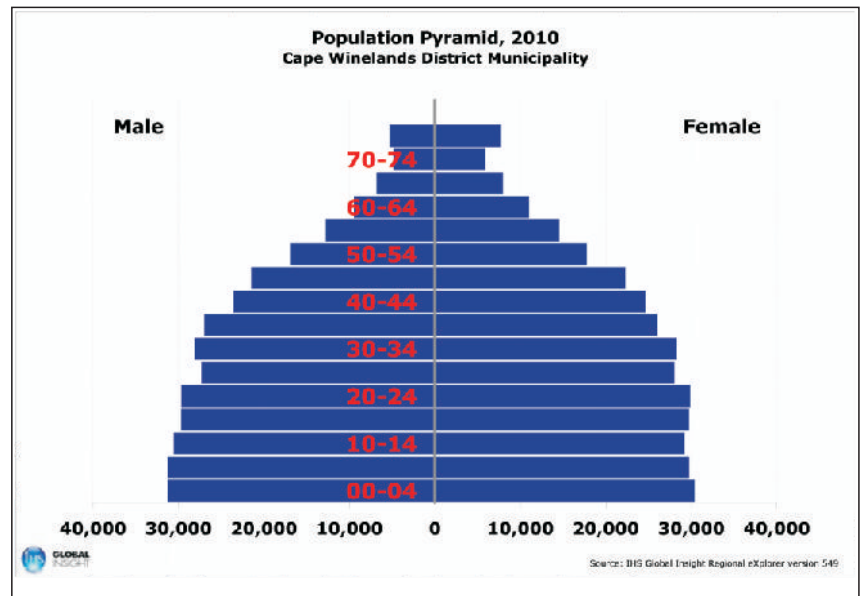


1.6 SOCIO-ECONOMIC PROFILE

Demographic Profile

| | Population | % SA population |
|----------------|------------|-----------------|
| Cape Winelands | 679 210 | 1,39 |
| Western Cape | 5 106 548 | 10,46 |

- Cape Winelands population makes up 13,30% of the Western Cape population
- The Western Cape population makes up 10,46% of South Africa's population
- The Cape Winelands makes up 1,39% of South Africa's population
- The population is equally distributed with 50,53% females and 49,46% males
- 69,64% falls in the economically active population

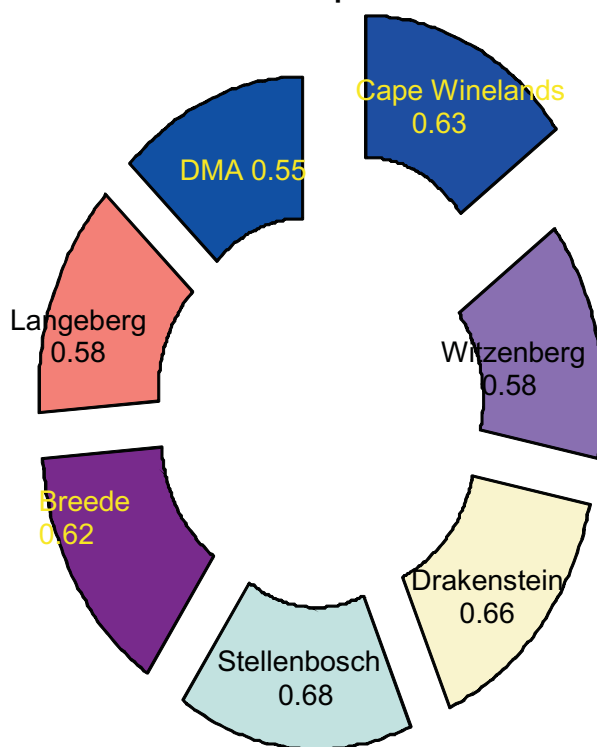


The Population growth rate has been declining since 1997. The current population growth rate is just above 0.8%.

Human Development Index

| Population Group | Cape Winelands | Western Cape | National |
|------------------|----------------|--------------|----------|
| Black | 0.50 | 0.56 | 0.48 |
| Coloured | 0.56 | 0.62 | 0.62 |
| White | 0.85 | 0.86 | 0.86 |
| Asian | 0.70 | 0.75 | 0.74 |
| Total | 0.62 | 0.68 | 0.56 |

Human Development Index 2010



Human Development Index

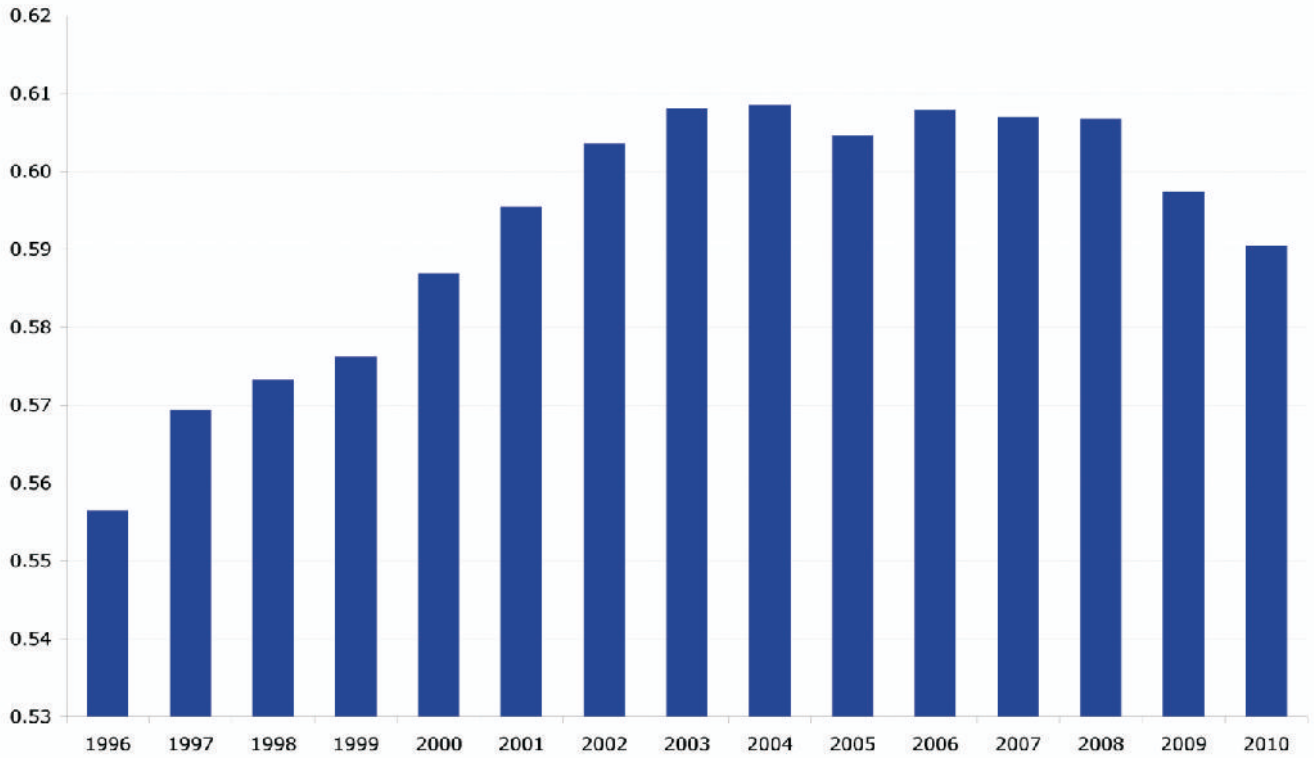
The HDI measures the average achievements in three basic dimensions of Human development:

- A long and healthy life (life expectancy)
- Knowledge (adult literacy rate)
- A decent standard of living

Gini coefficient

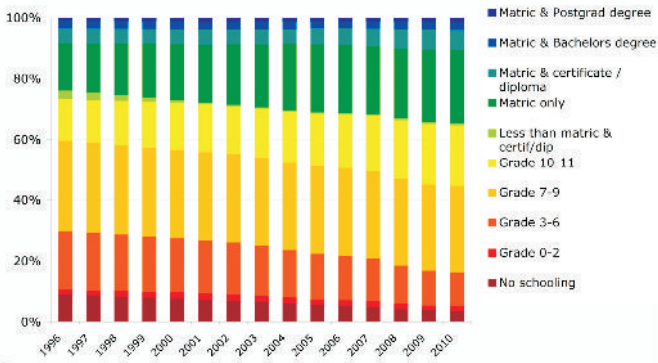
The Gini coefficient is a summary statistic of income inequality, which varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where one household earns all the income and other earns nothing).

Gini coefficient Cape Winelands District Municipality



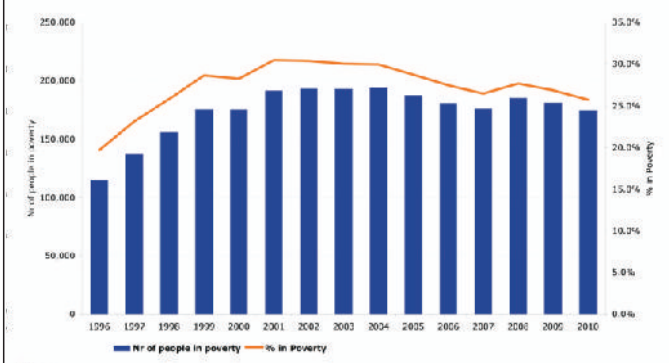
Source: IHS Global Insight Regional eXplorer version 549

Progress in Education Cape Winelands District Municipality



Source: IHS Global Insight Regional eXplorer version 549

Poverty Overview Cape Winelands District Municipality, Total



Source: IHS Global Insight Regional eXplorer version 549

Human Development Index

- All 5 municipalities within the District have a medium-rated (between ± 0.55 and 0.70) HDI score

Gini Co-efficient

- All 5 B-municipalities have a Gini coefficient of above 0.50 meaning that all the local municipalities have a more unequal income distribution amongst households

Literacy

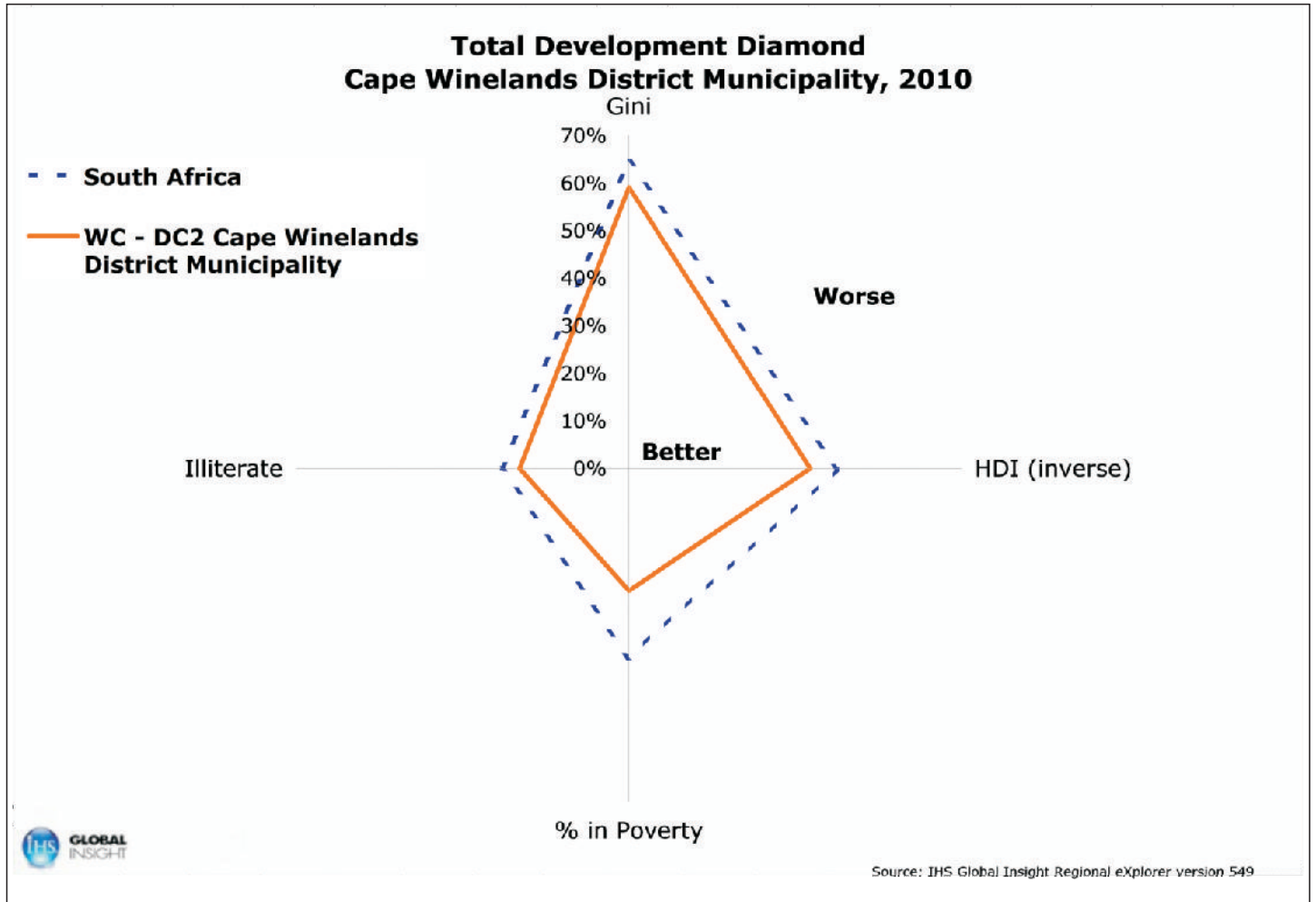
- In the District 100571 (22,9%) persons are illiterate

Poverty

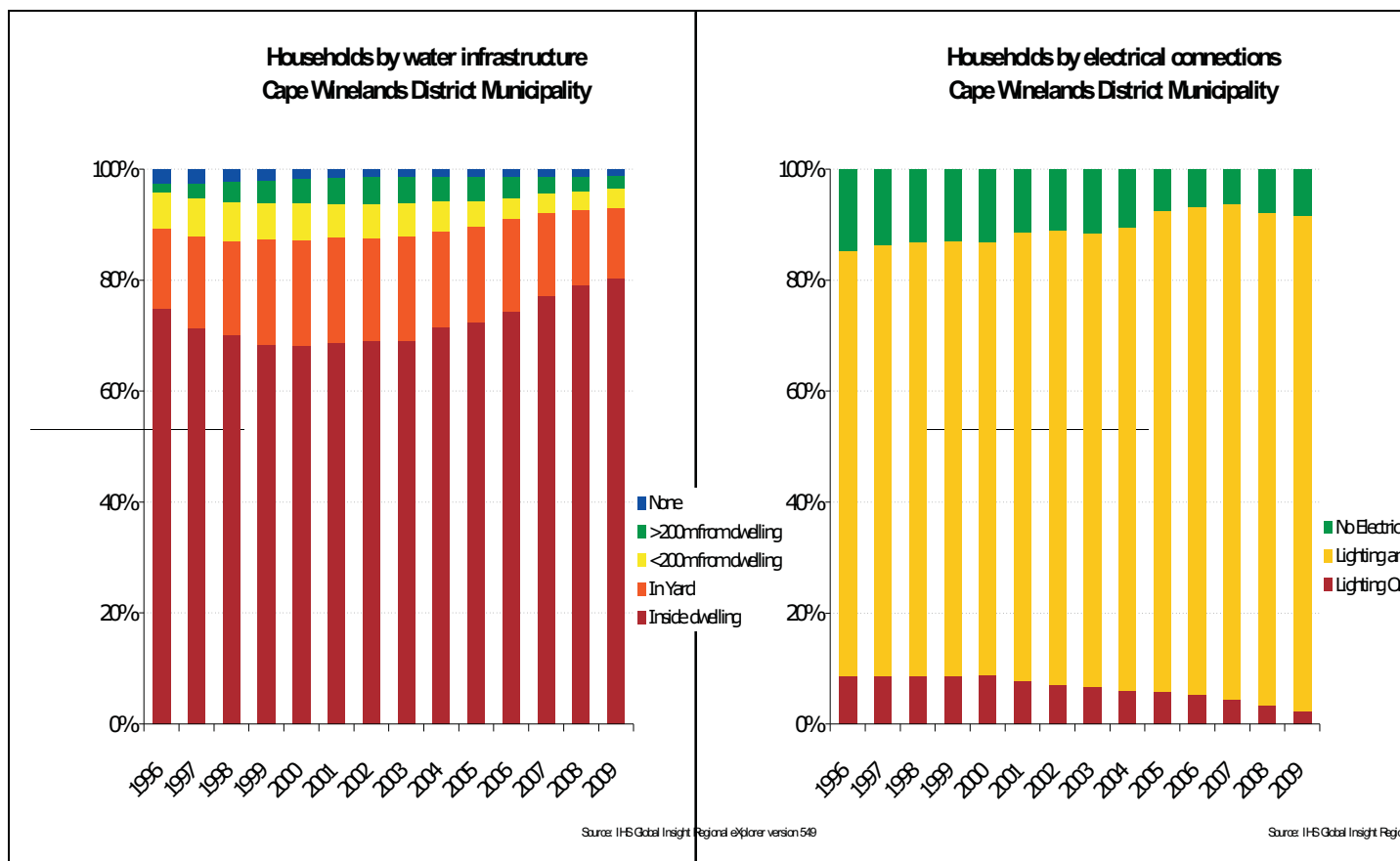
- 25,7% of people in the District lives in poverty
- 3.6 % of people in the District lives on less than \$2 a day

Development Diamond

- In all four development indicators (HDI, Gini coefficient, Illiteracy and % poverty), the CWDM is performing better than the national average



HOUSEHOLD INFRASTRUCTURE PROFILE



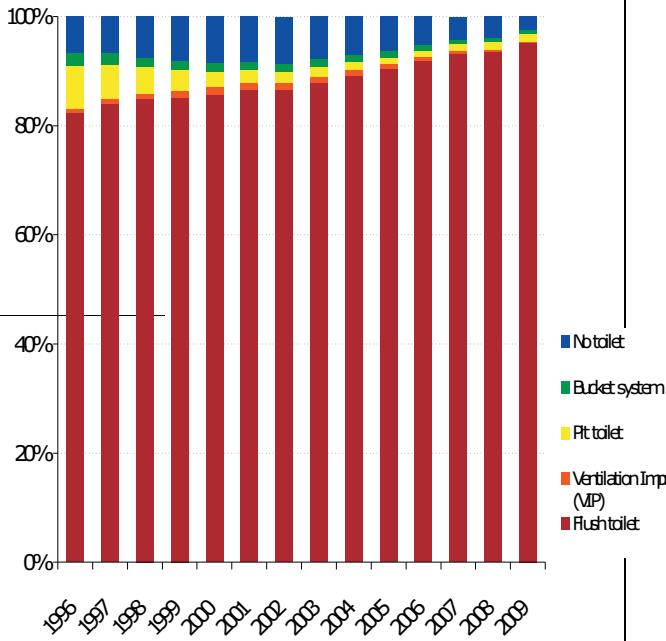
Measuring household infrastructure involves the measurement of the four indicators: Access to

- Running water,
- Proper sanitation,
- Refuse removal, and
- Electricity.

A house is considered serviced if it has access to all four of these basic services. If not, the household is commonly known as forming part of the 'backlog'.

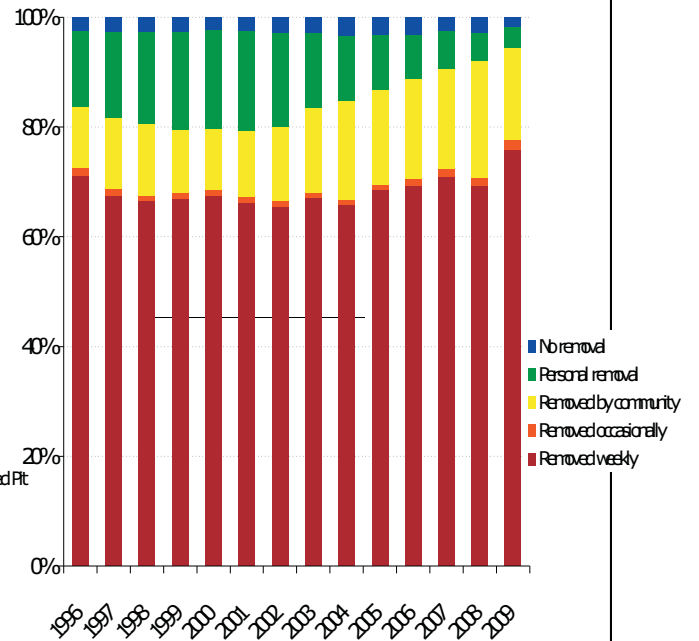
| Cape Winelands | 1996 | 2002 | 2009 |
|----------------|-------|-------|-------|
| Water | 95,9% | 93,6% | 96,5% |
| Sanitation | 83,1% | 87,9% | 95,4% |
| Electricity | 85,3% | 89,0% | 91,5% |
| Refuse | 72,5% | 66,6% | 77,7% |

Households by toilet facilities
Cape Winelands District Municipality



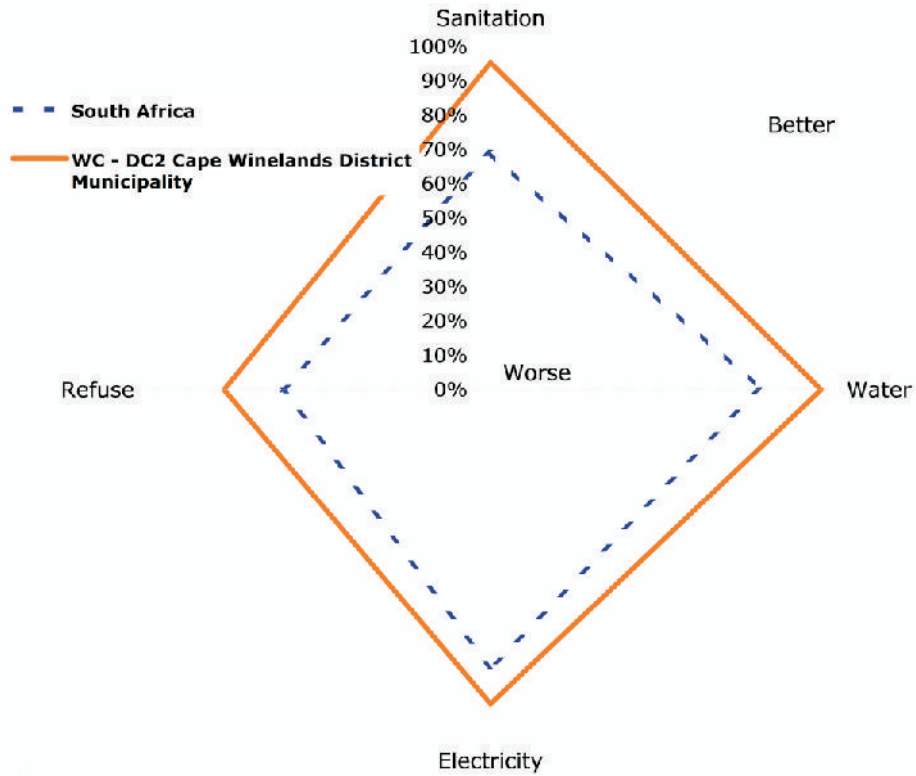
Source: IHS Global Insight Regional Explorer version 5.0

Households by type of refuse removal
Cape Winelands District Municipality



Source: IHS Global Insight Regional Explorer version 5.0

Infrastructure Diamond Cape Winelands District Municipality, 2009



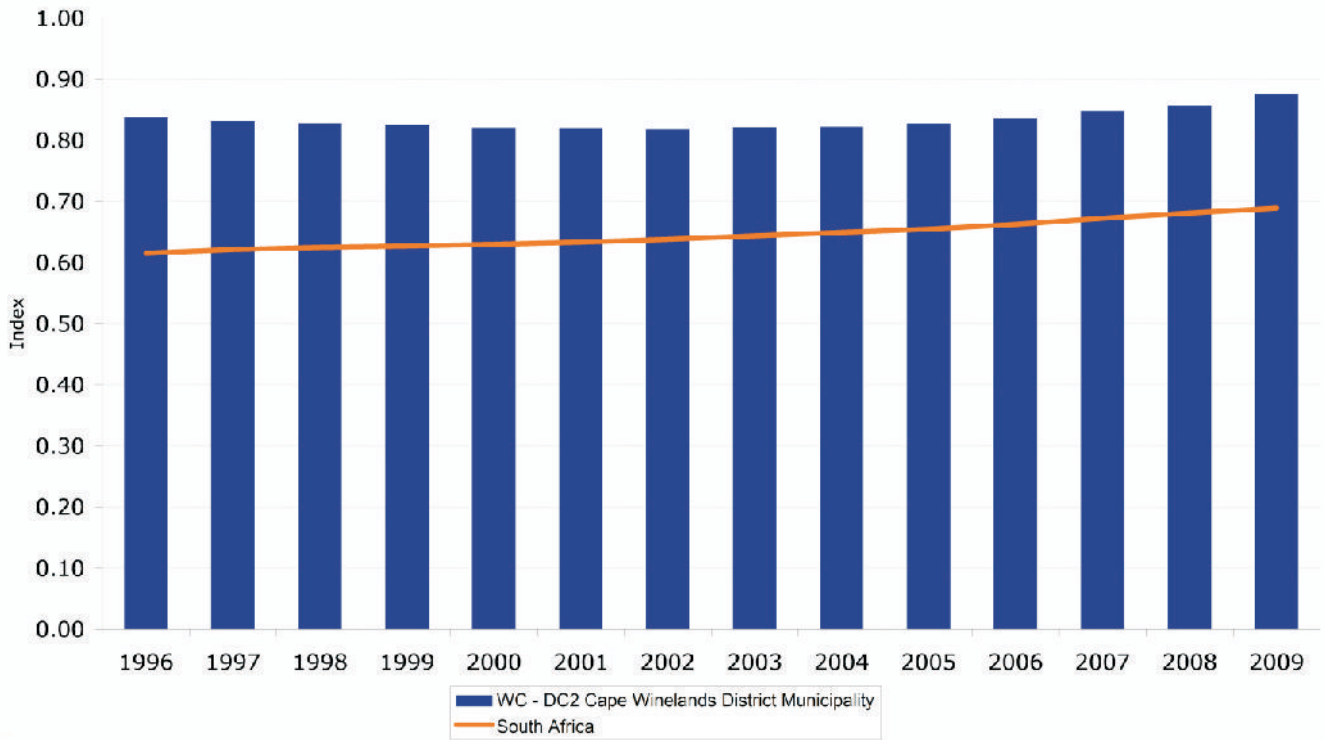
Source: IHS Global Insight Regional Explorer version 549

Infrastructure Diamond

- In all 4 infrastructure indicators (Refuse, Electricity, Sanitation and Water), the CWDM is performing better than the national infrastructure performance.

- Sanitation and Water (above 80%) is well above the national infrastructure performance (60%).

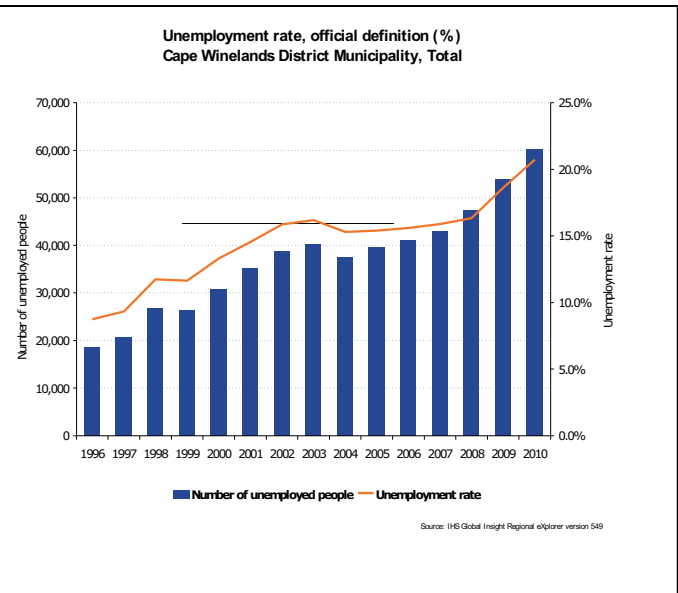
Household Infrastructure Overview Cape Winelands District Municipality



Source: IHS Global Insight Regional Explorer version 549

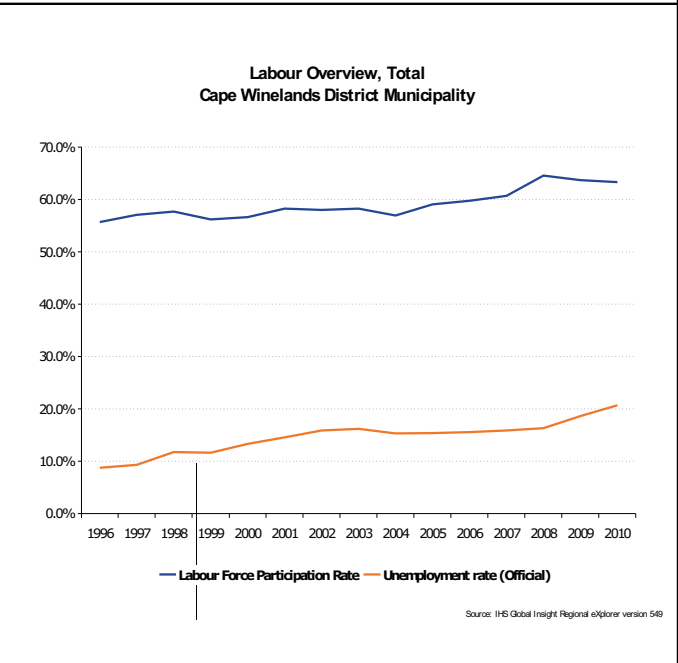
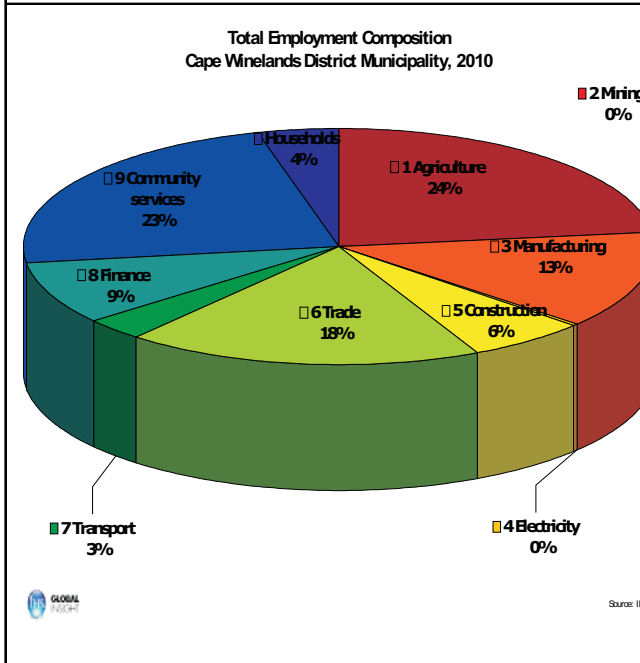
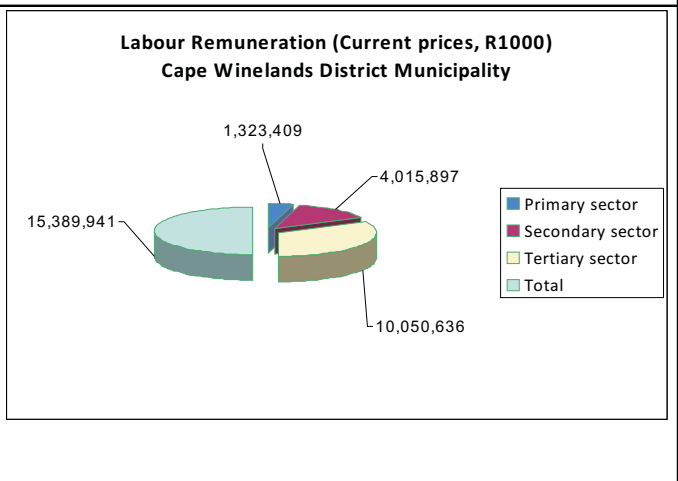
LABOUR PROFILE

| | |
|--|--------------|
| Cape Winelands | Total |
| Total Employment (Formal & Informal) | 230 196 |
| Unemployment (Official Definition) | 60 126 |
| Economic Active Population (Official Definition) | 290 113 |

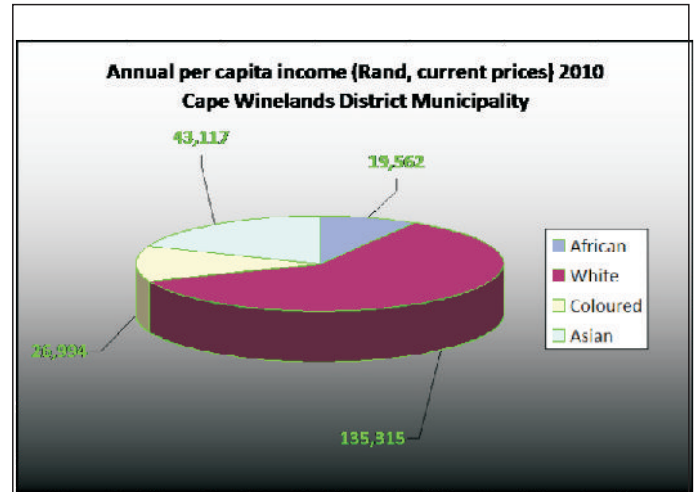
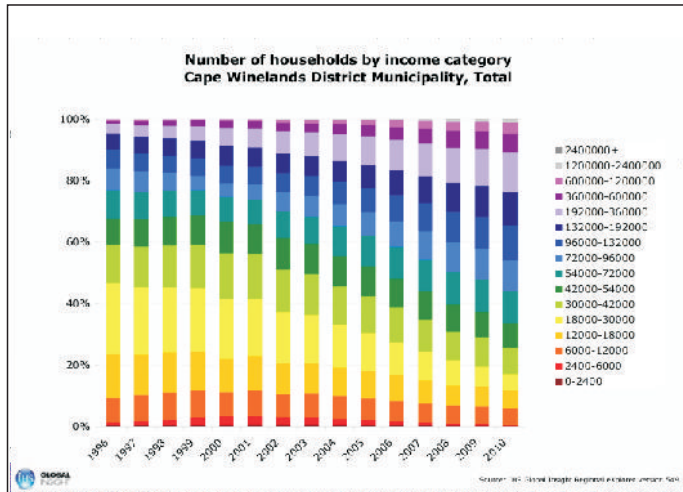


Labour

- Agriculture and Community Services are the biggest employment sectors in the District
- The official unemployment rate is approximately at 20%
- The labour force participation rate is just above 60%



INCOME AND EXPENDITURE PROFILE

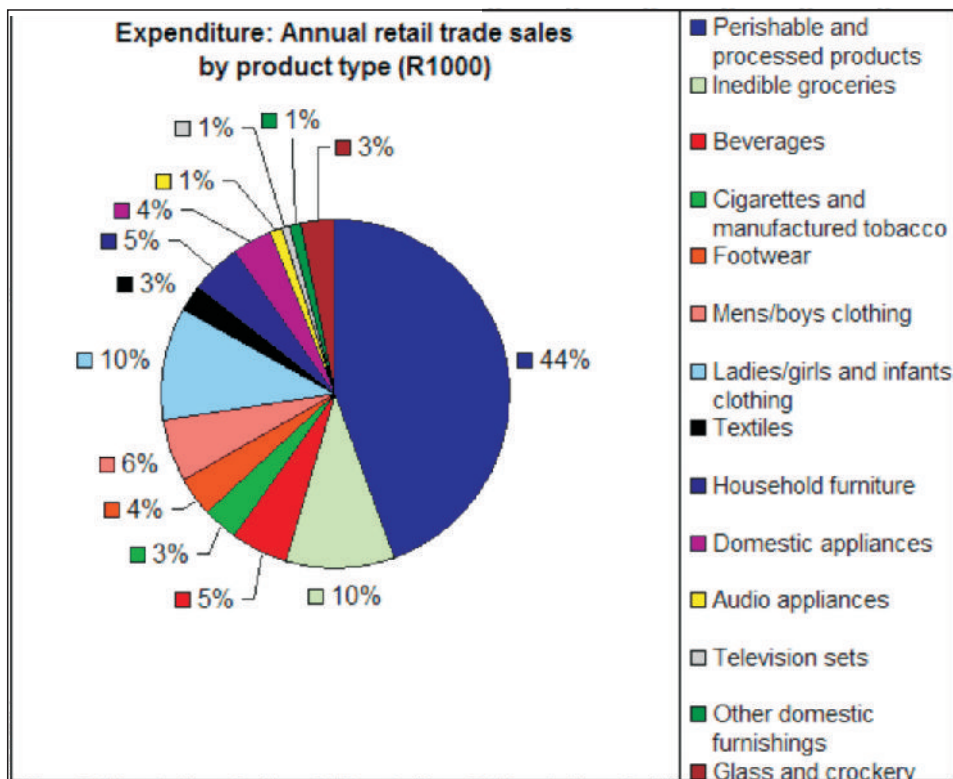


Income

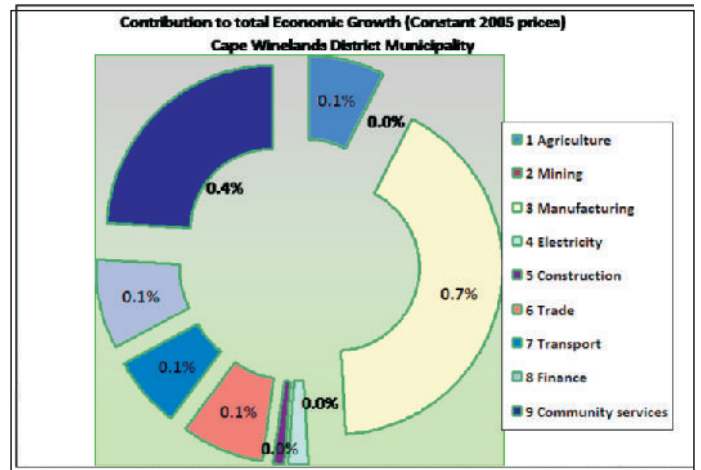
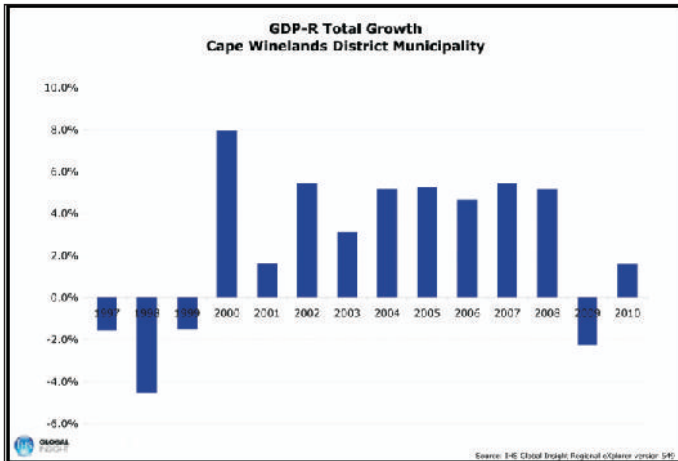
- 25% of the CWDM population earns either a low income salary or no salary (i.e. R0 – R42 000 per year), and thus falls into the poverty category, experiencing difficulty in meeting their basic needs.
- 39% earns between (R42000 – R132000)
- 31% earns between (R132000-R600000)
- 5% earns (over R600000)

Expenditure on Retail Goods

- Retail trade expenditure on perishable and processed goods have the highest annual sales by households in the Cape Winelands District followed by pharmaceuticals, clothing and inedible goods.
- Television sets, Audio appliances and other domestic furnishings were the products with the least amount of retail trade sales



ECONOMIC PROFILE

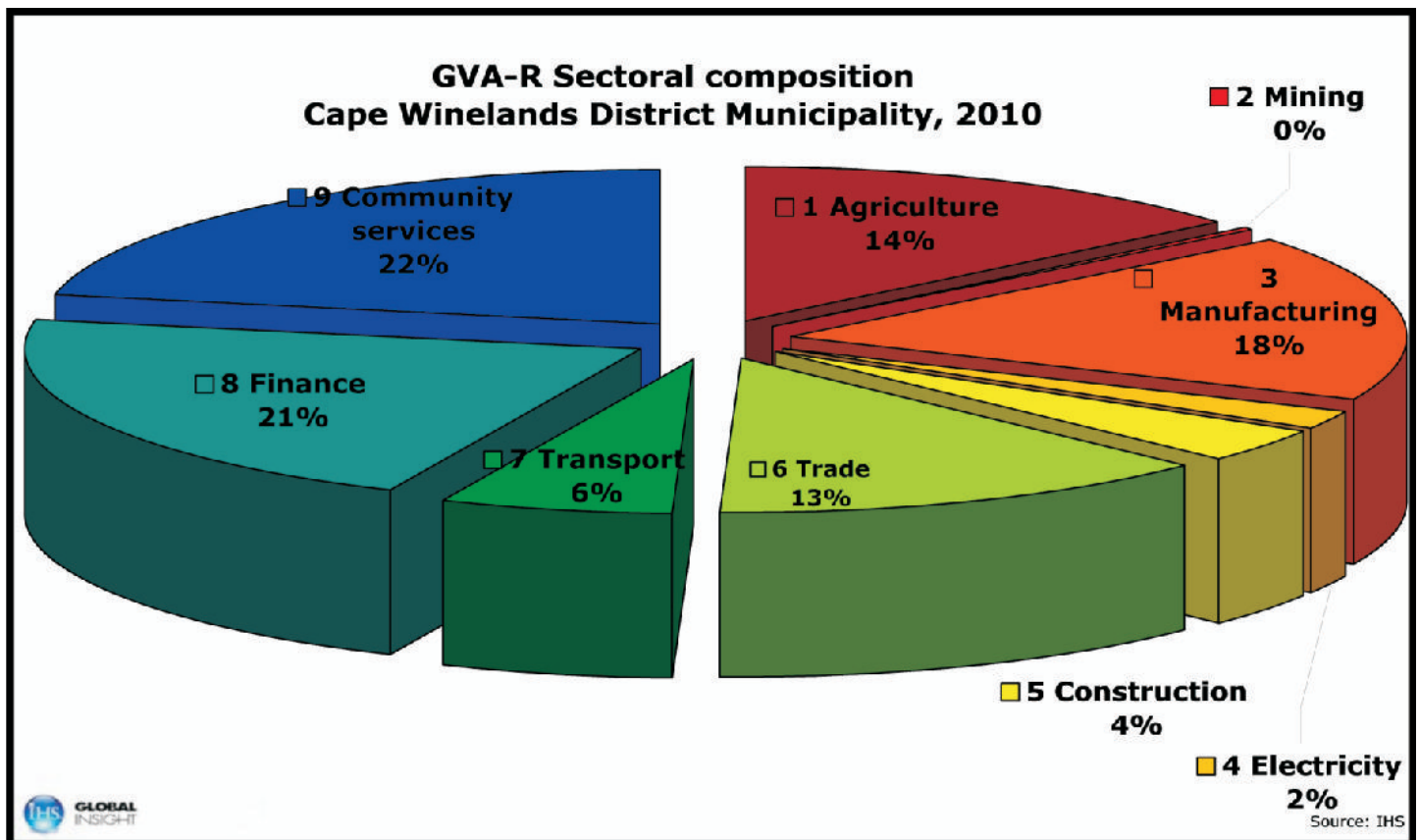


Economic Growth Rate

- Negative growth (-2.3%) was experienced in 2009 at the height of the global financial crisis.
- In 2010 there was a positive growth rate again indicating economic recovery.

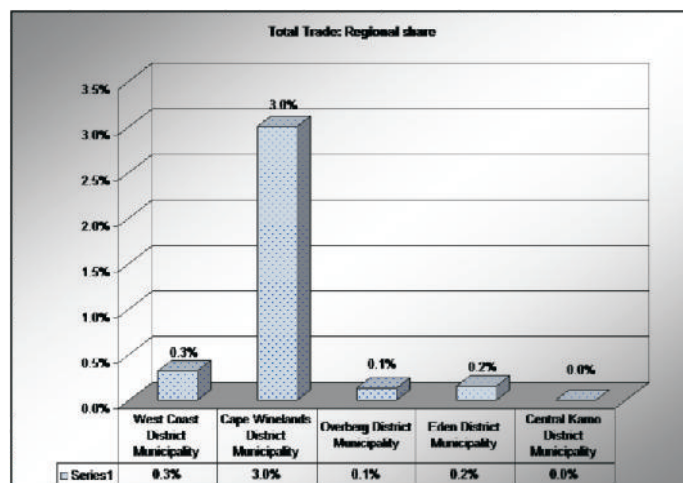
Economic Sector Contribution

- The Cape Winelands District economic profile shows a diversity in economic activity with Financial and Business Services, Manufacturing, Agriculture and Trade forming some of the largest contributors to the area's GGP.



TRADE PROFILE

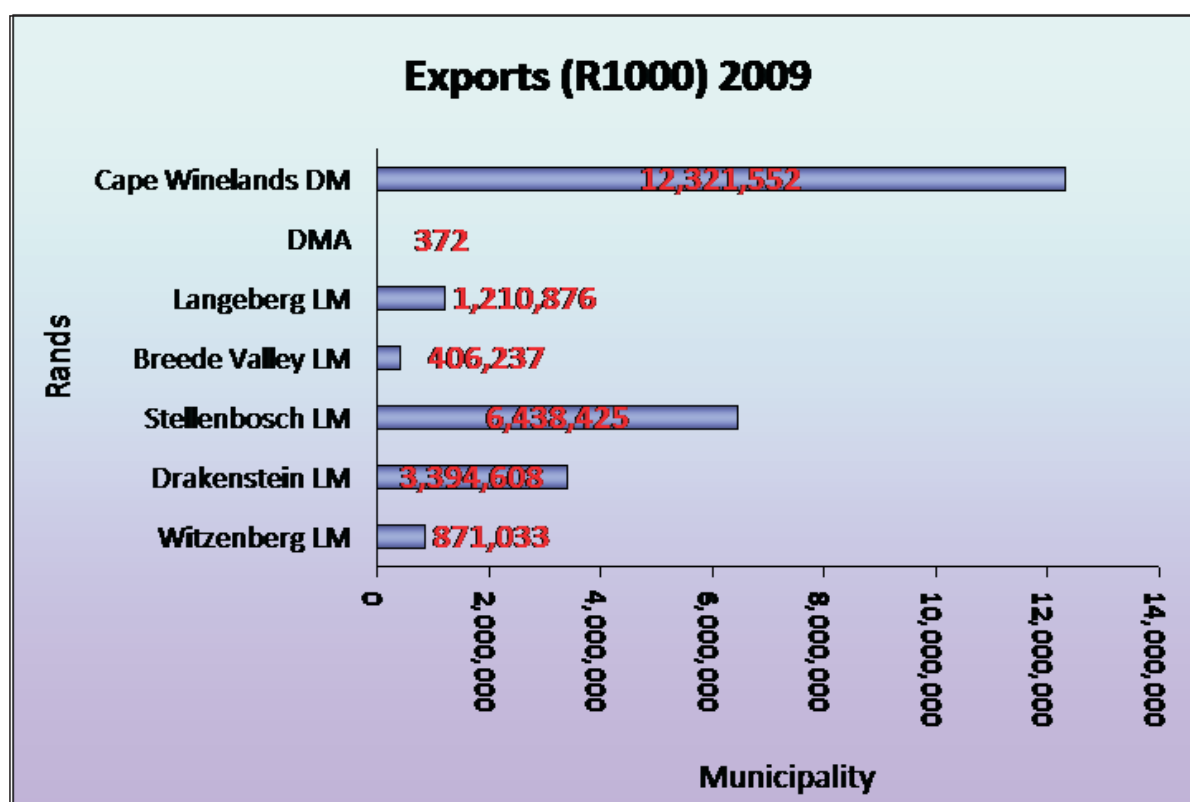
| | CWDM | Western Cape |
|------------------------------|------------|--------------|
| Exports (R 1000) | 12,321,552 | 58,794,007 |
| Imports (R 1000) | 21,070,302 | 118,254,414 |
| Total Trade (R 1000) | 33,391,854 | 177,048,421 |
| Trade Balance (R 1000) | -8,748,750 | -59,460,407 |
| Exports as % of GDP | 34.7% | 17.0% |
| Total trade as % of GDP | 94.1% | 51.3% |
| Regional share – Exports | 2.2% | 10.6% |
| Regional share – Imports | 3.8% | 21.3% |
| Regional share - Total Trade | 3.0% | 15.9% |



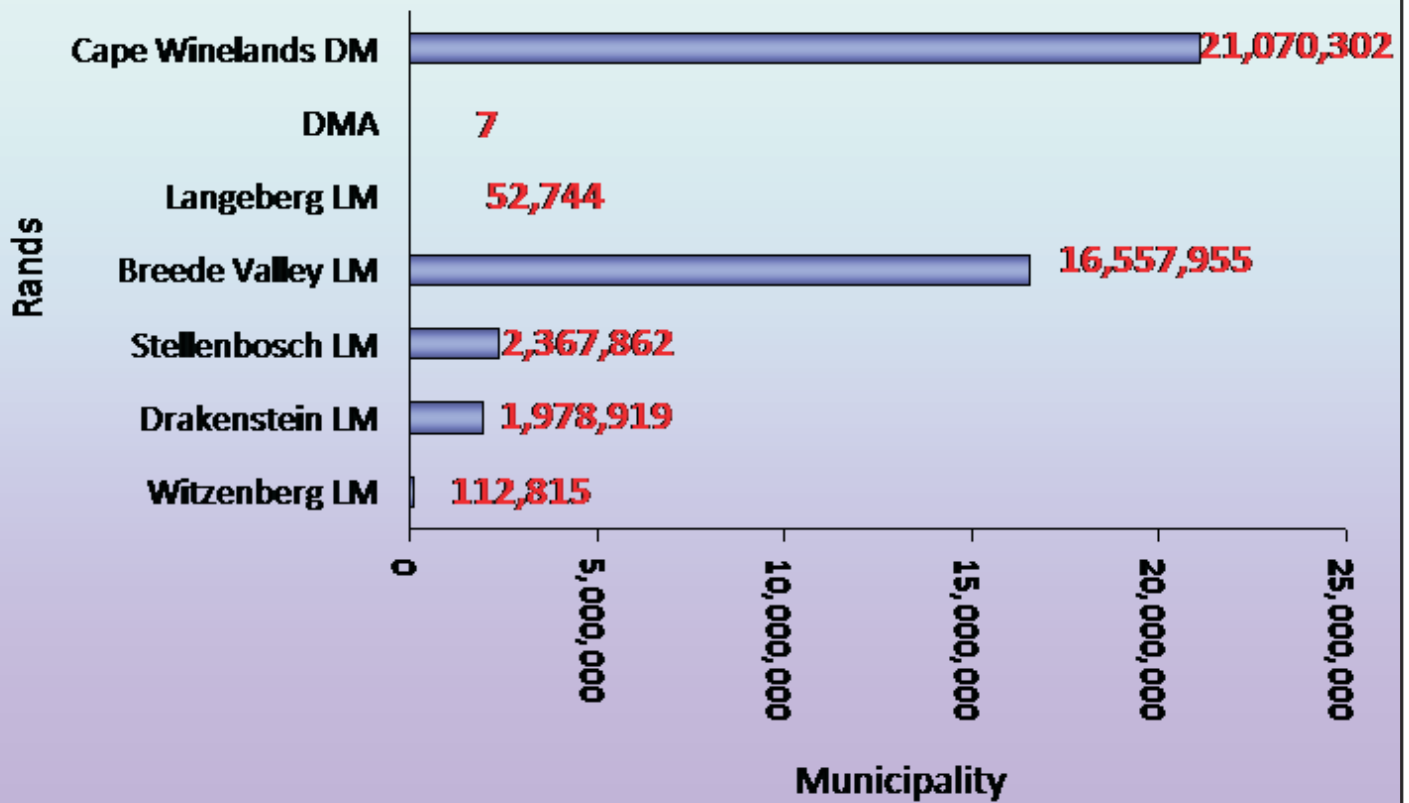
International Trade

- The CWDM has the highest percentage regional trade share, when compared to the other District municipalities in the Western Cape
- Agricultural products and food, beverages and tobacco products remains the highest exporting products

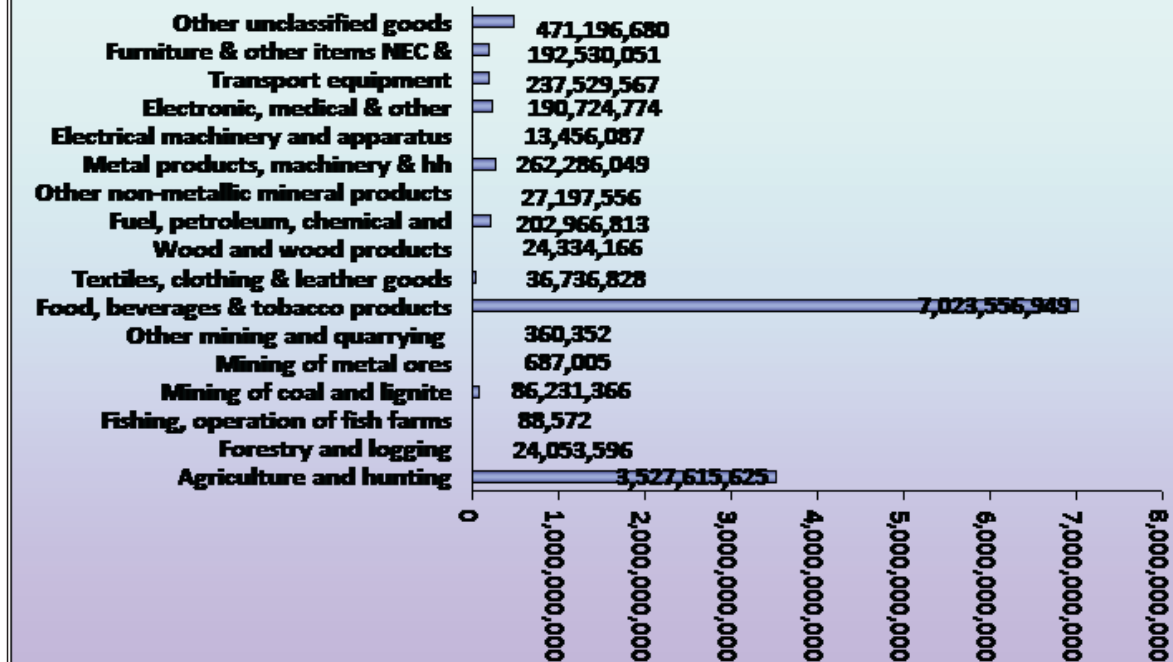
- The District's major trading countries are Germany, Netherlands and the United Kingdom which follows the trend of the Province



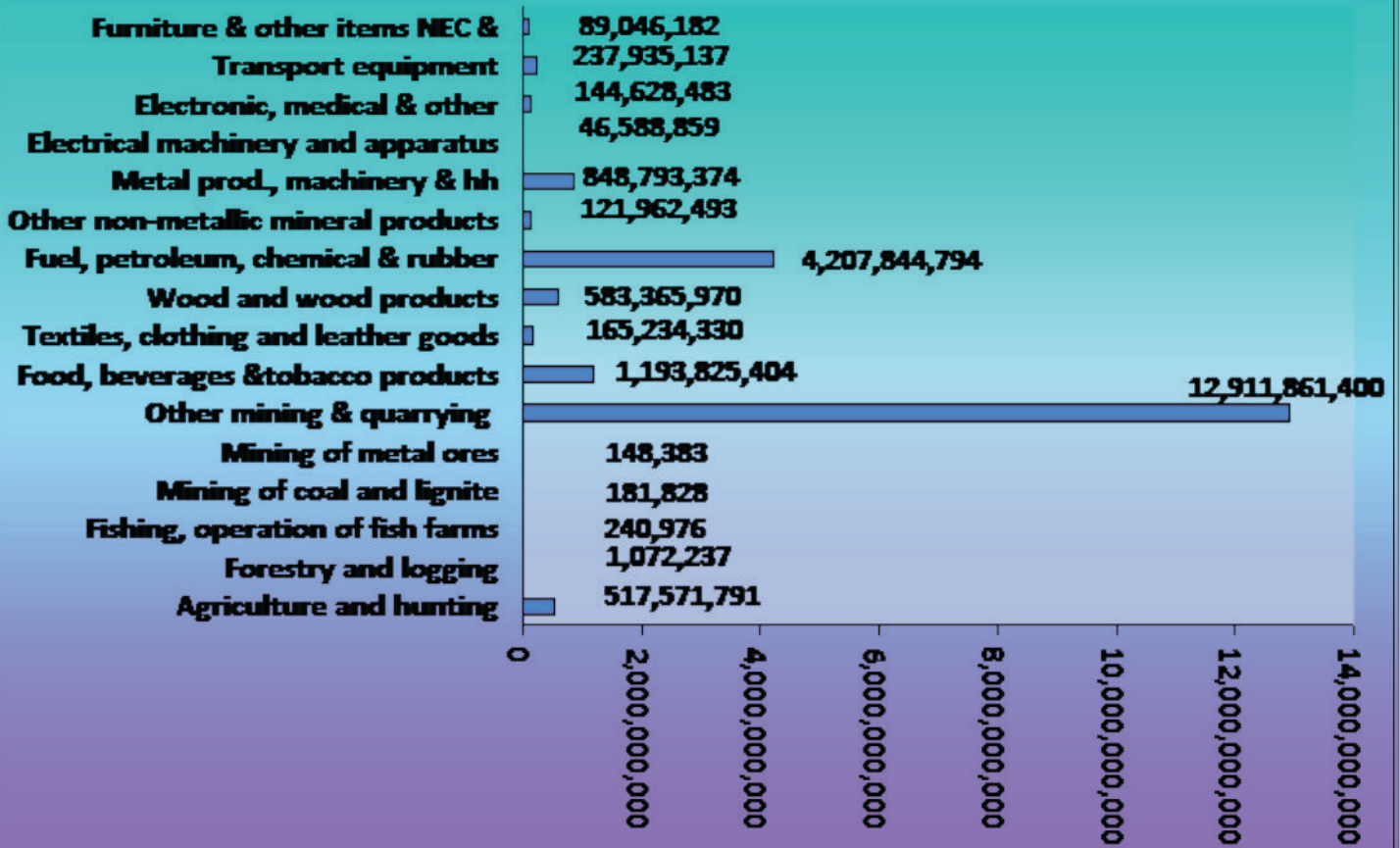
Imports (R1000) 2009



Exports per Economic Sector 2009



Imports per Economic Sector 2009



| | |
|--|--|
| | CWDM per country > R50 Million < R400 Million |
| | CWDM per country > R400 Million < R1 Billion |
| | CWDM per country > R1 Billion |

| Country | Western Cape | CWDM | Country | Western Cape | CWDM |
|-------------------|---------------|---------------|---|----------------|---------------|
| Angola | 1,774,605,802 | 241,024,288 | Norway | 315,789,104 | 79,626,824 |
| Australia | 856,886,104 | 219,400,136 | Russia | 780,598,657 | 200,378,931 |
| Belgium | 2,141,612,662 | 479,865,823 | Singapore | 981,625,813 | 136,243,699 |
| Brazil | 267,647,462 | 53,392,276 | Spain | 1,278,360,491 | 103,311,235 |
| Canada | 795,901,300 | 498,038,676 | Sweden | 839,316,798 | 696,174,456 |
| China | 750,358,778 | 83,369,444 | Switzerland | 319,462,946 | 117,011,185 |
| Finland | 156,187,464 | 120,658,064 | Tanzania | 335,150,725 | 55,177,189 |
| France | 1,426,258,778 | 147,385,810 | United Kingdom | 5,777,460,252 | 2,114,857,878 |
| Germany | 3,606,015,215 | 1,028,407,145 | US of America | 3,069,365,928 | 496,028,483 |
| Hong Kong (China) | 970,763,196 | 195,605,982 | Zambia | 1,326,027,274 | 95,492,504 |
| Indonesia | 355,941,307 | 72,197,378 | Zimbabwe | 1,145,198,540 | 124,484,347 |
| | | | TRADE BLOCK | W C | CWDM |
| Ireland | 234,660,009 | 92,826,255 | APEC | 11,717,127,159 | 2,703,573,510 |
| Italy | 1,261,796,144 | 87,442,388 | EFTA | 647,122,875 | 205,812,927 |
| Japan | 1,021,850,505 | 425,911,665 | EU | 23,137,528,950 | 6,867,947,387 |
| Kenya | 813,742,307 | 317,540,541 | MERCOSUR | 1,874,249,690 | 76,960,165 |
| Denmark | 419,404,810 | 311,053,380 | NAFTA | 3,920,336,666 | 997,172,797 |
| Luxembourg | 103,477,248 | 102,085,686 | SADC | 7,327,312,766 | 707,103,419 |
| Malaysia | 783,223,345 | 138,768,463 | APEC: Asia Pacific Economic Cooperation | | |
| Mauritius | 489,704,922 | 89,624,230 | EFTA: European Free Trade Association | | |
| Mozambique | 1,729,559,198 | 55,023,019 | EU: European Union | | |
| Netherlands | 4,516,534,829 | 1,424,546,977 | MERCOSUR: Southern Common Market (Argentina, Brazil, Paraguay, Uruguay) | | |
| New Zealand | 138,262,062 | 67,575,032 | NAFTA: North American Free Trade Agreement | | |
| | | | SADC: Southern African Development Community | | |
| Nigeria | 623,609,172 | 93,050,551 | | | |

1.6 SUMMARY OF FINANCIAL POSITION

1.6.1 Revenue

| Revenue | 2007/8 Actuals | 2008/9 Actuals | 2009/10 Actuals | 2010/11 Budget | 2010/11 Actuals |
|-----------------------------------|-------------------|-------------------|--------------------|-------------------|--------------------|
| Government grants and subsidies | 165 439 | 189 465 | 202 938 | 210 645 | 203 123 |
| Agency Income | 61 343 | 66 379 | 60 982 | 101 580 | 82 043 |
| Own revenue: | 50 824 | 71 720 | 41 943 | 71 492 | 36 524 |
| • Sundry | 50 484 | 71 437 | 41 910 | 71 483 | 36 522 |
| • RSC levy income | - | 278 | - | - | - |
| • Interest on outstanding debtors | 340 | 5 | 33 | 9 | 2 |
| Total revenue | 277 606 | 327 564 | 305 863 | 383 717 | 321 690 |

Table 1.2 Budgeted revenue and actual revenue collected (R'000)

1.6.2 EXPENDITURE

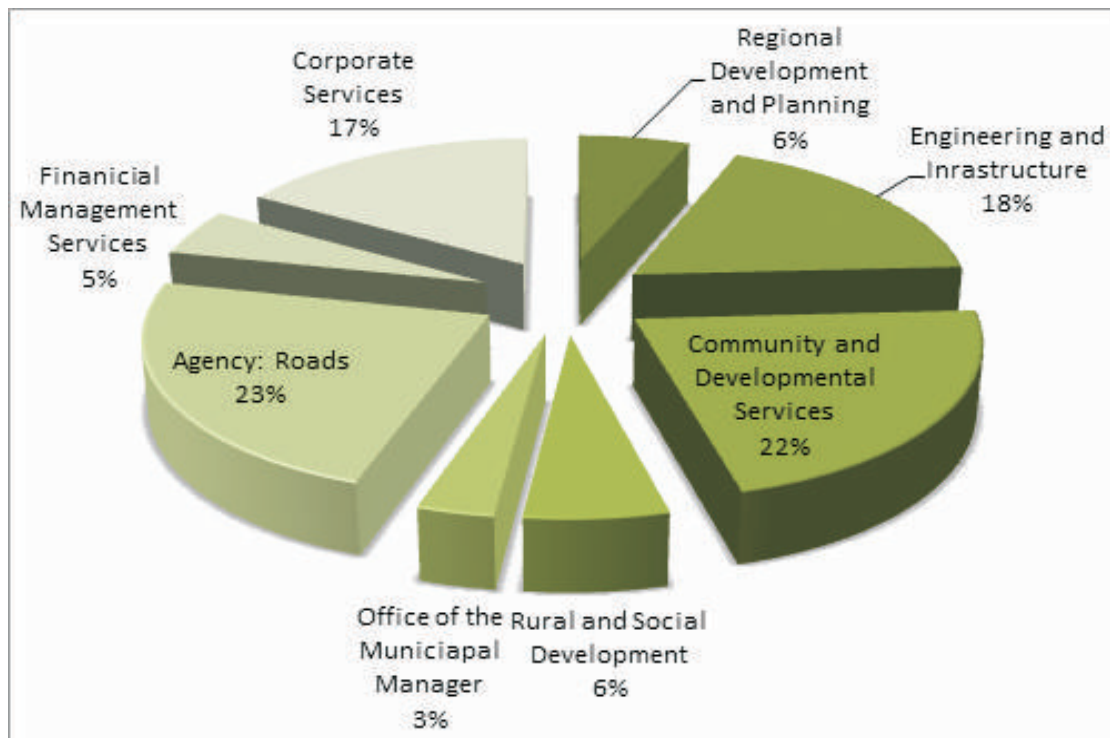


Figure 1.13 Budgeted expenditure in 2010/2011 per strategic objective

1.6.3 Grants and subsidies for operational expenditure

In accordance with the Division of Revenue Act and inclusive of other sources of revenue, R285 165 656 was issued for grants and subsidies with regards to operational expenditure (refer to note 23 of the 2010/11 Annual Financial Statements for more details):

| STRATEGIC OBJECTIVES | Budgeted 2010/2011 | Actual 2010/2011 | (Over)/ Underspending |
|--------------------------------------|-----------------------|---------------------|--------------------------|
| Regional Development and Planning | 23 403 700 | 21 080 398 | 2 323 302 |
| Engineering and Infrastructure | 69 185 004 | 51 578 258 | 17 606 746 |
| Community and Developmental Services | 84 009 073 | 77 672 622 | 6 336 451 |
| Rural and Social Development | 22 656 171 | 18 941 543 | 3 714 628 |
| Office of the Municipal Manager | 12 182 851 | 9 167 227 | 3 015 624 |
| Agency: Roads | 89 492 468 | 84 123 149 | 5 369 319 |
| Financial Management Services | 19 201 190 | 19 104 562 | 96 628 |
| Corporate Services | 63 586 194 | 60 854 747 | 2 731 447 |
| TOTAL | 383 716 651 | 342 522 506 | 41 194 145 |

Table 1.2 Funds allocated to strategic objectives and actual expenditure (R'000)

1.6.4 Capital expenditure

The total capital expenditure amounts to R12 226 594 and is funded by both the capital replacement reserve and government grants.

1.6.5 External loans

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

1.6.6 Cash flow overview

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

1.6.7 Funds, reserves and provisions

The closing balance at the end of the 2010/11 financial year was R314 079 831

| Closing balance | Total in Rand |
|--|----------------------|
| Capital replacement reserve | R 70 524 776 |
| Government grant service | R 1 945 760 |
| Revaluation reserve | R 115 833 341 |
| Future medical aid and pension liabilities | R 125 775 954 |
| GRAND TOTAL | R 314 079 831 |

Table 1.3 Funds, reserves and provisions

1.6.8 Future liabilities

In terms of Act 116 of the statements of Generally Accepted Accounting Practice (GAAP), the council must provide for future liabilities determined by an annual actuarial valuation. Future liabilities to the amount of R125 775 954 will be fully funded.

1.6.9 Investments

Surplus cash is invested at all A1 banks in terms of the council's cash management and investment policy. During the 2010/11 financial year, the average rate of return on investments was 6.30%.

2. DELIVERING TO OUR PEOPLE

2.1 ENGINEERING AND INFRASTRUCTURE

