



# OVERSTRAND



## Annual Report 2007-2008

In terms of Section 121 of the Municipal Finance Management Act  
(MFMA – Act 56 of 2003)



## TABLE OF CONTENTS

	Page
<b>Foreword by the Executive Mayor</b> .....	2
 <b>Chapter 1 : Introduction &amp; Overview</b>	
1.1 Geographical Overview .....	3
1.2 Demographic Profile .....	4
1.3 Socio Economic Profile .....	4
1.4 Challenges .....	6
1.5 Governance Structure .....	6
1.6 Administration .....	5
 <b>Chapter 2 : Performance Highlights</b> .....	
 <b>Chapter 3 : Human Resources &amp; Organisational Management</b>	
3.1 Training and Development .....	17
3.2 Health and Safety Compliance .....	18
3.3 Labour Relations: Collective Bargaining .....	18
3.4 Organisational Restructuring and Recruitment .....	19
3.5 Employment Equity .....	20
3.6 Task Job Evaluation System .....	20
3.7 Integration of the Public Sector .....	20
 <b>Chapter 4 : Functional Area Service Delivery Reporting &amp; Highlights</b>	
4.1 Office of the Municipal Manager .....	25
4.2 Infrastructure and Planning .....	29
4.3 Community Services .....	38
4.4 Economic Development .....	47
4.5 Financial Management .....	50
 <b>Chapter 5 : Audited Statements and Related Financial Information</b>	
5.1 Report by the Audit Committee .....	122
5.2 Comments by the Accounting Officer .....	124
5.3 Special report of the Auditor-General .....	125

## Foreword by the Executive Mayor



The Overstrand Annual report for the year 2007 / 2008 will be tabled to Council on the 28<sup>th</sup> of January 2009. During the period until 30 June 2007 the following emphasis was made.

- The restructuring of the Municipal Manager's office and the appointment of more skilled personnel in certain departments for example the Finance Department.
- The acceptance of the 2007 / 2008 budget with great emphasis on service delivery and infrastructure provision. Infrastructure investment was the highest in the history of the municipality
- Our waste management and cleansing services were expanded to such an effect that we received many compliments from the public for the cleanliness of our towns. This also made a great contribution to the management of the baboon problem in the affected areas.
- Initiatives to enhance local labour promotion and creation of jobs for example cleaning services in the residential areas
- The institution of a 24 hour emergency service and SMS service made it possible to communicate more effectively after hours and in emergencies. The winning of the Vuna Award for financial viability, and the runner up for the Vuna Award in the Western Cape as well as the award for best innovative municipality in the Western Cape made us proud. We should be proud as a community on what we achieved.

We can be very proud of managing an unqualified audit report for the second consecutive year. It took great effort for this achievement and I congratulate all role players for this outcome of the audit. There are still new accounting standards that need to be implemented and the planning is on track to achieve the set goals.

My opregte dank aan al die personeel wat betrokke was by die opstel van hierdie verslag. Munisipaliteite moet groot uitdagings bestuur om aan al die verwagtinge van die inwoners te voldoen. Slegs goeie bestuur en spanwerk kan ons laat slaag.

Betreffende die volgende twee jaar se doelwitte sal die GOP rigting aan die nuwe strategie gee

**TB BEYLEVELDT**  
**EXECUTIVE MAYOR**

# CHAPTER 1

## INTRODUCTION AND OVERVIEW

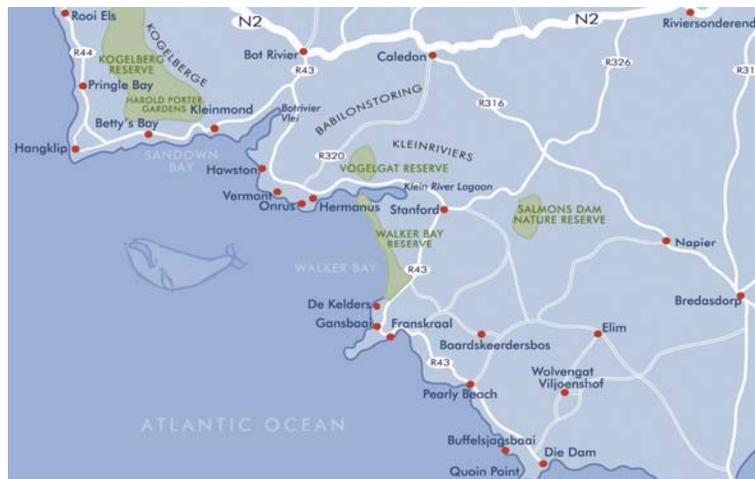
In compliance with Section 46 of the Local Government: Municipal Systems Act (Act 32 of 2000) (Systems Act) and Section 121 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) (MFMA) a municipality must prepare an annual report for each financial year.

This document will provide an overview of the progress made in realising Overstrand's strategic objectives, the people who drove our efforts and the unique challenges and opportunities we faced during the financial year July 2007– June 2008

### 1.1 GEOGRAPHICAL OVERVIEW

Overstrand is a dynamic unity combining great potential and a beautiful setting. Our task is to bring about growth and development to the benefit of all our people, in their different communities, whilst maintaining a balance with nature.

The Municipality covers a land area of approximately 2 125 km<sup>2</sup>, with a population density of 35 people per square kilometer and covers the areas of Hangklip/Kleinmond, Greater Hermanus, Stanford and Greater Gansbaai. The municipal area has a coastline of approximately 200 km, stretching from Rooi Els in the west to Quinn Point in the east. The natural beauty of the area is an outstanding asset with South Africa's first biosphere reserve as well as the best land-based whale watching in the world.



At the Botriver estuary we find the Arabella luxury resort with the international championship Arabella golf course, international award winning AltiraSPA health spa and six star hotel. Just outside of Gansbaai the "Grootbos" nature reserve area is situated. As a result of its commitment to excellence and diversity this reserve has already received numerous National and International awards.

In addition to the endless, pristine beaches dotting the coastline, the Overstrand boasts 3 Blue Flag beaches. From relaxing spa's and quiet down tranquil rivers to exciting shark cage diving, golfing, river rafting, abseiling, paragliding and more.

Tourism is a major economic driver in the area and its popularity as a holiday destination results in a fourfold increase of its population over the holiday seasons. This influx places a great strain on the existing municipal services and roads infrastructure.

## 1.2 **DEMOGRAPHIC PROFILE (2001 Census/Community Survey 2007)**

The Overstrand has an estimated population of 73 031 people, which accounted for approximately 30, 7 per cent of the Overberg District Municipality's (ODM) population in 2007. It is expected that the Municipality's population will increase to 82 773 by 2012. The Actuarial Society of Southern Africa (ASSA) model estimates a marginal slowing of the population growth rate to 3, 1 per cent per annum in the period 2007 to 2012.

These growth rates are, however, faster than the ODM's average of 1, 8 per cent. Consequently, it is expected that the Overstrand will become the most populace municipality within the Overberg in due course.

## 1.3 **SOCIO ECONOMIC PROFILE**

The figure below gives an indication of the status of the Socio Economic Profile of the Overstrand areas as completed by Provincial Treasury.

## Overstrand Municipality: Socio-economic trends and indicators

**Total population:** 2001: 58 332 (205 945)\*  
2006: 70 446 (235 590)  
2010: 80 451 (251 201)

Households in rural areas: 8.8%  
Number of wards: 10

Dependency ratios: 2001: 55.7%  
2006: 57.8%  
2010: 60.6%

Households in urban areas: 98.2%

Population growth rates (average annual)	Overstrand LM	Overberg DM
2001–2006	4.0%	2.5%
2006–2010	3.4%	1.9%

Source: Centre for Actual Research, 2005 (population projections for the Western Cape 2001–2025)

### Socio-economic indicators

	Overstrand LM	Overberg DM
GDPR 2004	R1,0 billion	R3,3 billion
Unemployment rate 2001	21.7%	18.6%
Number of unemployed 2001	5 171	16 539
Proportion of households with no income (2001)	11.7%	9.7%
Number of households with no income (2001)	2 202	5 686

Sources: Statistics South Africa: Census 2001; Quantec research

### Health

Number of medical facilities	11 (47)	Nurse:patient ratio	37 (29)
Percentage of births under 2.5 kg (National target < 10%)	12.0% (16%)	Proportion under 1 with 1st measles immunisation (National target: 90%)	80% (75%)
TB prevalence per 100 000 people	1 092 (1 142)	TB cure rate % (National target: 85%)	73% (74%)
HIV/Aids prevalence rate (2005)	4.5% (4.1%)	HIV/Aids prevalence rate (2010)	5.2% (4.9%)
Number of HIV/Aids deaths (2005)	897 (2 527)	Number of HIV/Aids deaths (2010)	1 168 (3 108)

### Education

Number of schools (primary and high)	21 (77)	Educator:learner ratio	39 (37)
Percentage of illiterate people over 14 (less than Grade 7)	19.0% (27%)		

### Crime (reported)

Number of police stations (2004/05)	4 (13)	Total number of cases reported (2004/05)	5 484 (15 294)
Number of murders (2004/05)	31 (118)	Number of rapes (2004/05)	74 (272)
Drug-related crimes (2002/03)	176 (843)	Drug-related crimes (2004/05)	459 (1 976)

Sources: SAPS (2005); Department of Health (2005); WCED (2005)

Strengths	Challenges
Fairly diversified economy and room for further growth	Escalating drug-related crimes
Potential for tourism growth	High TB prevalence
Room for capital expenditure	Growing population, unemployment and poverty
Less exposed to agriculture	Limited human and natural resources
Dependent on own revenue generation	Ageing infrastructure accompanied by backlogs

\* District statistics in brackets

## 1.4 CHALLENGES

The Overstrand Municipality, not unlike all other local authorities countrywide, faces a series of challenges i.e.

- Provision of infrastructure and basic services on a sustainable basis
- Stimulating local economic development
- Strengthening continued community participation in the affairs of Local Government
- Provision of subsidised / low cost housing
- Development of a social strategy
- Growing population, unemployment and poverty

## 1.5 GOVERNANCE STRUCTURES

### EXECUTIVE AND COUNCIL STRUCTURE



The Overstrand is governed by a DA controlled council consisting of 11 DA, 6 ANC, and 2 NPP councillors. The Municipality has an Executive Mayoral system which is combined with a Ward Participatory system as determined by the Western Cape Provincial Minister for Local Government. The Mayoral Committee consists of the Executive Mayor, Deputy Executive Mayor, plus 2 members that have been appointed by the Executive Mayor. During the year under review thirteen (13) council meetings were held – of which all was open to the public.

The Mayor's Office and Council had an operating budget of R18 693 450

As a result of the delimitation of wards in the Overstrand, the municipality also structured its public participation forums by establishing Ward Committees during April 2006 in all of its wards as well as setting up an Overstrand wide Municipal Advisory Forum (OMAF).

## 1.6 ADMINISTRATION

The administrative component is aligned with the five National Key Performance Areas in the following way:

- Municipal Transformation, Institutional Development and Good Governance : *Office of the Municipal Manager;*
- Basic Service Delivery and Public Participation : *Director: Community Development;*
- Financial Viability and Financial Management : *Director: Finance;*
- Local Economic Development : *Director Economic Development; and*
- Infrastructure for Service Delivery : *Director Infrastructure and Planning*

### **OFFICE OF THE MUNICIPAL MANAGER**

The Municipal Manager as head of the administration, is responsible and accountable for tasks and functions as provided for in Section 55 of the Systems Act, other functions/tasks as provided for in legislation, as well as functions delegated by the Executive Mayor and Council.

The office of the Municipal Manager consists of the Municipal Manager and Head: Management Services. The latter office also incorporates Internal Audit, Communication Services, Human Resources, ICT Services, Strategic Planning and Legal & Council Support services and Elections (as a contractual arrangement with the Electoral Commission).

Staff complement – 37  
Operating budget – R19 773 719

### **DIRECTORATE: FINANCE**

The core function of this directorate is to ensure sound financial management.

This directorate consists of the Chief Financial Officer as head of the directorate with the sections Financial Services, Expenditure and Asset, Income and Supply Chain Management.

Staff complement - 78  
Operating budget - R20 169 395

### **DIRECTORATE: COMMUNITY SERVICES**

The main function of this directorate is to ensure that co-operative governance and public participation takes place in decentralised administrations and that service delivery happens.

This directorate consists of a Director, four decentralised administrations (area and operational management), Corporate Administration, Corporate Projects, Solid Waste & Vehicle Fleet, Protection Services, Fire & Disaster Management, Electricity and Housing Services.

Staff complement - 710  
Operating Budget R230 073 021

## **DIRECTORATE: ECONOMIC DEVELOPMENT**

The main function of this directorate is to promote economic development initiatives, tourism, sustainable job creation, poverty reduction and shared growth that integrates and connects the municipality, its citizens and its natural resources.

The directorate Economic Development & Tourism consists of a Director and an envisaged Economic Development Management section. This directorate works in close collaboration with the Overstrand Local Economic Development Agency, a municipal entity of which the Municipality is the sole shareholder as well as the Destination Marketing Organisation.

Staff complement - 3  
Operating Budget - R5 038 546

## **DIRECTORATE: INFRASTRUCTURE AND PLANNING**

This directorate's focus is on the planning of infrastructure, development planning and control, property management, environmental management, building control and valuations.

This directorate consists of a Director, Infrastructural Management, Environmental Services, Town Planning, Building Control and Valuations.

Staff complement - 40  
Operating budget - R15 379 217