



Department of Local Government and Housing
Departement van Plaaslike Regering en Behuising
ISebe loRhulumente boMmandla nezeZindlu

NATIONAL IMBIZO FOCUS WEEK

26 – 31 OCTOBER 2006

Pre-Imbizo report

Central Karoo District Municipality

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1. Introduction

The report provides an overview of the critical issues in relation to:

- Demographic Profile
- Socio-economic Profile
- Municipal key performance areas, namely:
 - Municipal Transformation and Institutional Development
 - Financial Viability
 - Basic Service delivery and Infrastructure
 - Local Economic Development
 - Good Governance

Interventions and support from the department of Local government and Housing forms part of this section of the report.

- Sector department interventions

2. District Profile

The Central Karoo District covers the municipal areas of Beaufort West, Laingsburg and Prince Albert, as well as the District Management Area (DMA), which includes the town of Murraysburg. The District has been declared as a Presidential Node by President Thabo Mbeki during 2001 due to the high levels of poverty and has therefore been incorporated in the Integrated Sustainable Rural Development Programme (ISRDP).

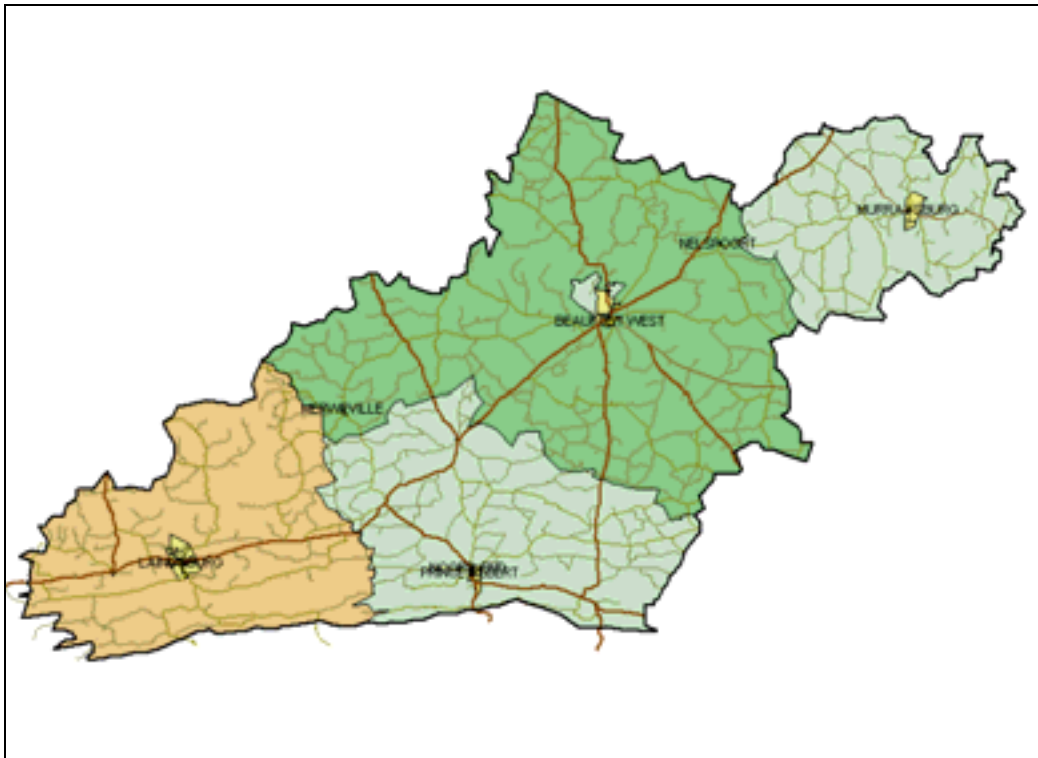


Figure 1: Central Karoo District Municipal Area (including Beaufort West, Laingsburg and Prince Albert Municipalities)

3. Social Economic Profiling

The Central Karoo district is situated in the northeast of the Western Cape, bordering one Eastern Cape municipalities and two Northern Cape Municipalities. The district has a low population density with large distances between towns and settlements. It is also at some distance from large markets. Its climate is arid and while commercial farming, particularly of livestock, has been a mainstay of local economies for some time, there is only limited potential to expand the sector. There is some potential to make the sector more inclusive by providing more opportunities for poor households through land reform. The district also finds itself strategically placed on the main transport corridor between the in-land provinces and the coastal regions of the Western and Eastern Cape.

Between 1995 and 2004, Central Karoo registered the fastest (4,10 per cent) average annual growth rate of all the districts in the Western Cape. Tourism and agri-processing are the focus of local efforts to grow the economy further. The natural assets of the region and its historical interest provide opportunities to leverage the growth in tourism to Cape Town and the Garden Route. The towns of Beaufort West and Laingsburg are also ideally placed on the transport corridor between the Gauteng and Cape Town markets, offering opportunities for development of strong support and service industries for growth in the transport & communication sector and for the development of a craft industry.

The fastest growing sector was financial & business services, which grew at an average annual rate of 9,82 per cent between 1995 and 2004 and contributed 18,35 per cent to the district's economy in 2004. This was followed by manufacturing (growing at 6,28 per cent; contributing 8,99 per cent), transport & communication (growing at 6,05 per cent; contributing 21,36 per cent) and wholesale & retail (growing at 5,68 per cent; contributing 16,90 per cent). Construction was the only strong growing sector (4,73 per cent) with a relatively small contribution to the district economy (5,36 per cent).

District employment is largely concentrated in three sectors, namely agriculture, forestry & fishing (30,31 per cent), followed by CSP (18,34 per cent) and wholesale & retail (14,74 per cent) (Census 2001). The slow growth of Agriculture over the period 1995 – 2004 is particularly worrying given its large share of employment (based on Census 2001), its employment share being roughly three times its contribution to GDP (2004) in the district. The same is true for the community, social & personal services, which is growing slowly at 1,61 per cent and contributing 5,6 per cent to GDP but 18,34 per cent to employment in the district.

The district growth sectors – transport & communication, wholesale & retail and financial & business services — require different skill sets. This makes re-skilling a particular challenge for the district, made more difficult by relatively high percentages of the workforce with low education levels.

Between 2001 and 2006, the population grew slowly at an annual average of 1,85 per cent and is projected to slow to 0,33 per cent average annual growth between 2006 and 2010. The unemployment rate in Central Karoo increased from 22,9 to 36,0 per cent between 1996 and 2001 (1996, 2001 Census). It was particularly high amongst the youth where in the district overall, youth unemployment (15-24 year olds) was 60,9 per cent. Income levels are also low, with 7,6 per cent of households not having any income (Census 2001).

Selected indicators on workload in health and education suggest that the district is doing well. Some health indicators still fall short of the national targets. In education, a large 37 per cent of all persons over 14 years have not received 7 years of formal education.

Indicators on crime levels show an escalation in drug-related crime in the district, from 168 in 2002/03 to 609 in 2004/05. In the district management area around Murraysburg, where 55,46 per cent of youth are unemployed, drug-related crimes increased the fastest.

4. Demographic and socio-economic information

Total Population:		2001: 56 867	
		2006: 62 331	
		2010: 63 149	
Population growth rates (average annual)			
2001 – 2006		1.85	
2006 – 2010		0.33	
Centre for Actual Research, 2005 (Population projections for the Western Cape 2001 – 2025)			
Socio-economic indicators			
Unemployment rate 2001		36.0%	
Number of unemployed 2001		7 653	
Proportion of households with no income		7.6%	
Number of households with no income		1 147	
Source: Statistics South Africa; Census 2001			
Health			
Number of medical facilities	17	Nurse patient ratio (National target: 34)	31
Percentage births under 2,5kg (National target: < 10%)	4.5	Proportion under 1 with 1st measles immunisation (National target: 90%)	80
TB prevalence per 100 000 people	1 014	TB Cure rate % (National target: 85%)	71
HIV/AIDS prevalence rate (2005)	2.7%	HIV/AIDS prevalence rate (2010)	3.3%
Number of HIV/AIDS deaths (2005)	66	Number of HIV/AIDS deaths (2010)	106
Education			
Number of schools (primary and high)	26	Educator learner ratio	36
Percentage of people over 14 illiterate (less than grade 7)	37		
Crime (reported)			
Number of police stations (2004/05)	9	Total number of cases reported (2004/05)	6 341
Number of murders (2004/05)	46	Number of rapes (2004/05)	99
Drug related crimes 2002/03	168	Drug related crimes 2004/05	609
Source: SAPS (2005), Department of Health (2005), WCED (2005)			
Strengths and challenges			
Strengths		Challenges	
Well-diversified economy.		High unemployment, especially amongst the youth.	
Good economic growth.		Low household income levels.	
		Growing incidence of drug related crime.	

5. Municipal Key Performance areas

5.1 Local Economic Development

The objectives of Council's Vision 2010 document which informed the LED strategy are the following :

- Sustainable Municipal Service Delivery.
- Improve the economy for sustainable growth.
- Accessible and affordable primary health care.
- Adequate access to land and housing.
- Appropriate infrastructure.
- Safe natural and built environment.
- Social development.
- Financially viable municipalities.
- Community participation.

An LED strategy for the Central Karoo District Municipality was finalized and adopted by Council in March 2006 in close cooperation and consultation with the local municipalities. The three local municipalities, namely, Prince Albert, Laingsburg and Beaufort West have also finalized their LED strategies, informed by the overarching Central Karoo LED strategy. The strategy identifies various issues and strategic areas for intervention such as:

- Improvement of the relationship with the private sector,
- Human resource development,
- SMME development,
- Sector development,
- Business development (investment and retention),
- Poverty alleviation and
- Black economic empowerment.

The Department of Economic Development participated in the development of the LED strategy and had a focused engagement with the District and local municipalities on the LED implementation framework for the Western Cape and accessing provincial funding for economic development. A "Plek plan" economic development agent will be appointed by the Department who will provide direct support to municipalities in terms of translating the Micro-economic development strategy, global business intelligence and local opportunity into real business opportunity.

The following challenges have been identified:

- The district needs to look at ways to budget internally for LED
- The coherence of the LED/IDP needs attention
- IDP-budget link needs improvement
- The financial health is a concern and specific issues were highlighted
- The issue of the maintenance of infrastructure is a concern

Five-year strategic priorities:

To stimulate strengthen and improve the economy for sustainable growth the following is being undertaken for the next period:

- Establishing Community Based Economic development by:
 - Implementing and enhancing LED strategy through the economic profiling
 - DEDT appointment of Plek Plan manager in to provide direct support to municipalities
 - Translating MEDS strategy into real business opportunities

- Economic Investment and marketing of the region by:
 - Application to IDC for approval Economic Development Agency (EDA) for the region
 - Investigating the viability of establishing an Economic Development Agency in the region
 - Implementing the EDA
- Integrate Economic profile, LED Strategy in the IDP by:
 - Marketing and implementing economic profile to stimulate economic development and entrepreneurs
 - Building partnerships between community, public sector and private sector
 - Establishing community based organization and LED Forum to enhance participation in the mainstream
- Implementing District LED Strategy

The following high-level sector strategies will be implemented:

- Tourism strategy to:
 - ✓ Establish Regional Tourism Board
 - ✓ Development and implementation of Regional Tourism Plan
 - ✓ Promotion of the region through establishment of gateways
- Agricultural strategy to:
 - ✓ Capacity building of 4 selected local agricultural CBO's as part of ASGISA
 - ✓ Capacitated CBO's as cooperatives
 - ✓ Exploit opportunities of grapes and wine in Laingsburg
 - ✓ Exploit opportunities of wool and mohair in B/West
 - ✓ Exploit opportunities for Dairy project, indigenous sheep and goat farming in the region
 - ✓ Provide for agri-processing and value addition throughout the region
 - ✓ Transport sector strategy to ensure community mobility service project

5.2. Institutional Transformation and Organizational development

A Shared Services Model is currently under discussion in the Central Karoo. It aims to deal with two underlying concerns:

- A lack of appropriate staff capacity for optimum municipal functionality
- Limits on revenue and high staff costs

The following have thus far been undertaken:

- A literature review on shared services nationally and internationally
- Investigation into two case studies:
 - Gauteng Shared Service Centre
 - Joburg Shared Revenue Centre
- A capacity and staffing assessment of the three municipalities and to some extent the District Municipality as well
- A one-day scoping workshop to agree on approach and prospective options
- Development of a draft organogram, staffing needs and costs for the SSM
- Development of the criteria for decision-making
- A detailed cost-benefit analysis
- Implement performance management reward systems to improve working conditions
- Establish local innovation centres for skills development and as well establish links with other institutions.
- Develop and implement a skills development plan in the node.

A draft feasibility study was deliberated by newly-elected political principals and stakeholders on 3 May 2006.

All four municipalities confirmed their commitment to the shared services concept but are in favour of adopting an incrementalist approach of sharing skills and services in a formal arrangement amongst one another as opposed to a unit under the jurisdiction of the District.

IDP Priorities

Key priority areas are:

- Economic development
- Environmental development
- Social development
- Land and Housing
- Infrastructure development
- Institutional development
- Financial (Management)

Challenges and recommendations are the following:

- The role of the district should be made clear in terms of the vision for 2014. The debate at district level has not achieved closure and the leadership wants to engage with all social partners.
- There is acknowledgement that the data is outdated in the district. The district will work together with the province in updating it. The basic socio-economic profiling was however regarded as 'good'.
- Communication throughout the district still seems to be ineffective at times. Special effort will be made during the IDP process to attend to this. The district co-ordinating forums will be used to improve communication.
- The district is taking full responsibility in Murraysburg and will reflect this in its IDP.

Five-year strategic priorities

The following priorities have been identified for the next five years:

To address the skills and capacity gaps amongst the district and three local municipalities the shared service centre will be implemented. The following high level activities have been identified:

- Completion of a shared services model and report
- Skills audit report
- Shared services implementation plan
- District Financing Model

To retain existing skills and personnel through the CKDM Human Capital Development Plan the following will be implemented:

- Development and implementation of a Skills Development Plan by training officials in Project Management for fast tracking of delivery
- Accelerated skills development through the JIPSA programme

The implementation of Performance and Reward systems will be undertaken to:

- Improve working conditions
- Provide working conditions for fixed and contract employees (revising existing employee related policies and align them accordingly)
- Finalise human resource policies

5.3 Financial Viability

Investigation into a sustainable financial management system, cost recovery and revenue for the Prince Albert, Laingsburg and Beaufort West municipalities have commenced and financial viability assessments have been completed.

Critical issues that emerged:

- A shared service centre can address the capacity gaps in a holistic way in the district together with the local municipalities
- Provides Opportunities to extend property tax to Provincial & National Government and State-Owned Enterprises for all land occupied by public infrastructure such as railway lines and national roads. As the regulations for the Property Rates Act are not finalised and the provisions that allow this are being debated, the necessary lobbying process needs to take place to ensure that such provisions remain as this will have a profound impact on the income of the municipality.

The District Municipality has almost attained financial self-sufficiency (approximately 93 per cent). However, without the grants and subsidies, the municipality's expenditure for the 2004/05 financial year would have exceeded its income, resulting in a net deficit. Central Karoo's reliance on government grants decreased from 14,26 per cent to 7,81 per cent, bringing the municipality within the norm in 2004/05.

However, the municipality's situation on debt management are currently not in a very favourable position in so far that the norm for total liabilities in relation to total assets exceeds the norm of 57%. The municipality's ratio is currently standing at 70,73%.

Beaufort West Municipality:

Financial statements showed that the municipality practice sound revenue management in so far that the actual revenue of the municipality exceeded the budget by 5,89%.

However, Beaufort West Municipality's reliance on government grants increased slightly from 8,02 per cent to 8,21 per cent but remained within the norm in the past financial years. In addition, the municipality's situation on debt management are within the norm which requires that total liabilities should not be more than 57% of it's total assets. The municipality,s ratio is currently on 48%.

Prince Albert Municipality

Financial statements showed that the municipality practice sound revenue management in so far that the actual revenue of the municipality exceeded the budget by 3,44%.

In addition, the municipality's situation on debt management are within the norm which requires that total liabilities should not be more than 57% of it's total assets. The municipality,s ratio is currently on 38.9%.

Laingsburg Municipality

Financial statements indicates that the municipality's actual revenue is 17,21 per cent short of budgeted revenue, primarily due to income from rates and services which fell 18,57 per cent below budget.

In addition, the municipality's situation on debt management are within the norm of total liabilities not exceeding 57% of the total assets. The municipality,s ratio is currently on 30,89%. The low ratio also represents a sound solvency position.

Five-year strategic priorities

The following be will be undertaken in terms of financial viability:

- To broaden the tax base of district municipality (Re. Land Tax) a billing system for the Local municipalities will be implemented.
- Encouraging the culture of payment and saving to reduce dependency. The municipality will also look at rezoning the land for economic development and rental housing..
- To refine and review the debt collection strategy by implementing:
 - Community awareness program
 - Commit and dedicate resources to LED
 - Facilitate economic implementation in liaison with IDT, Business trust and the DPLG
 - Implement and monitor the debt collection strategy

5.4 Service delivery and Infrastructure

The estimated backlog on housing and essential services are as follows:

Town	Housing	Electricity	Sanitation	Water
Beaufort West	3 029	616	60	140
Prince Albert	900	286	25	40
Laingsburg	360	285	20	30
Murraysburg	50	156	156	20

The District and local municipalities are engaging on the following in relation to basic services and housing:

- Implementation of sustainable human settlements is taking place by monitoring and evaluation of:
 - Energy and climate change.
 - Sustainable water use and management.
 - Sustainable waste management.
 - Bio-diversity management.
 - Sustainable transport.
- The Spatial Development Framework and IDP for 2006/10 will be accompanied by an Integrated Human Settlement Plan for the District based on the SDIP of the Western Cape Province.
- Establishing an estimation of the need for different types of housing in the region
- Addressing infrastructure development based on the assessment of backlogs on basic services.
- Addressing of housing needs based on the region's backlog on housing.
- The following sector plans will be integrated in the IDP:
 - Local Economic Development Plan
 - Water Services Development Plan
 - Equity Plan
 - Skills Development Plan
 - Spatial Development Framework
 - Tourism Plan

- The challenge facing the node currently is the reduction of Municipal Infrastructure Grant from R26 163 200 to R4 000 000, the funds which would enable the node to reduce the existing service delivery backlog.

Approved Projects

Project No.	Project Description	Units	Rand	Type	% Progress on Services	Progress on top structures	
						complete	Under construction
534	Murraysburg	460	7 420 056	PLINK/ NHBR C	100	30	276

Five-year strategic priorities

The following strategic priorities have been identified:

To ensure quality, affordable and equitable services the following is being undertaken:

- Water and Sanitation
 - Sinking of more boreholes
 - Research of innovative ways to bring water to farms and rural areas
 - Upgrade the water network
 - Source funding for the upgrading of gravel roads and storm water network
 - Provide VIP toilets to farming areas
 - Research investment vehicle to attract funding for the provision of electricity by means of alternative energy sources
- Housing and Land
 - Facilitation of an integrated human settlement strategy
 - Completion of Spatial Development framework
 - Transfer of Transnet houses and land in region to individual municipalities
 - Land Reform Strategy - Developing a strategic and holistic land distribution policy, Engage with both provincial and national government in the review process of the willing-buyer / willing seller policy
 - Land Use Management Strategy
 - Review of infrastructure maintenance plan
- Environmental Management
 - Update Environmental Management Plan
 - Familiarize councilors with the IDP environmental management toolkit
 - Improve and complete the Waste Management Plan and the Spatial Development Framework

5.5 Good Governance

Status of ward committees

Beaufort West

- All Ward Committees Established and Functional

Laingsburg

- Area committee functional

Prince Albert

- Area committee functional

Murraysburg

- Area committee established

Social Delivery

To improve social delivery in the District Municipality the following is being actioned:

- Community Based Planning within the different wards is taking place.
- Public Participation Conference during September 2006 as well as the roll-out of IDP Process at B-Municipal and District level.
- Regular interaction with departments through the functioning of the ISRDP Forum is being established
- Close relation already established with the local department of Social Services with various joint projects, e.g. Golden Games, Soup Kitchens, etc.

Five-year strategic priorities

- Implementation of the community crime prevention strategy
- Establishment of a local innovation centres for skill development and establish links with relevant institutions
- Education and awareness (Culture, moral re-generation and encourage participation in sport and related activities)
- Develop a district poverty coordination strategy across various sectors

Social Cohesion

The Provincial focus on building social capital in the node was enhanced through the following initiatives which were implemented:

- The Provincial Department of Education initiated Learners Drivers Licence project.
- The appointment of a TB /HIV and AIDS District coordinator through Global Fund to address VCT and MTCT Programmes.
- ARV Clinics.
- Community based care and HIV/AIDS awareness days.
- The appointment of community based care Sub-district coordinators.
- Implementation Crime prevention strategies.

6. Progress on previous imbizo held

A Presidential imbizo was held in the Central Karoo on the 5 August 2005, represented by the Deputy President.

An action plan was compiled with measurable outcomes to address the key issues that were identified. The following can be reported on in terms of progress:

Measurable Outcome	Progress
A detailed LED Strategic and Implementation Plan (Document)	District LED Plans completed. LED plans for local municipalities finalised. Public participation process to be undertaken.
Detailed Capacity and Competency Assessment (Report)	Shared services model focusing on an incrementalist approach of sharing services and skills is being explored.
Establishment and Functioning of ward committees	All ward committees were established and were fully functional as an imbizo outcome.
Sustainable financial management plan	Report compiled on options for revenue enhancement for municipalities. Medium terms expend committee (MTEC3) process completed with Prov. Treasury. Dept Econ.Dev. & DLGH. Support areas to be identified by Prov Treasury
Basic services and Housing plans in place and implemented	<p>The District and local municipalities are engaging on the following in relation to basic services and housing:</p> <ul style="list-style-type: none"> · Implementation of sustainable human settlements is taking place by monitoring and evaluation of: <ul style="list-style-type: none"> - Energy and climate change. - Sustainable water use and management. - Sustainable waste management. - Bio-diversity management. - Sustainable transport.

The establishment and functioning of Ward Committees

7. Sector Department Interventions

Department of Social Services and Poverty Alleviation

Assist with the process of grants applications of persons who are entitled to it
Engage in the Community Development Component of the department with regard to HIV/AIDS programme to ensure referrals are being taken care of

Department of Education

Obtain information or list of drop out and children who regularly absent form school and do follow up through house visits•Provide assistance in any referrals (social work, school psychologist) that derive from above cases

Department of Health

Building awareness in the community on free Primary Health Care •Liaise with Local Health Forums on community health needs and ensure that the Forum address these needs