



Newsletter Issue 3 • 2009

Providing research-based solutions for those in the know



MD's Message



Greetings,

Welcome to the third installment of our newsletter. We would like to extend our continued thanks and appreciation for your support and growing interest in this newsletter.

In this issue we focus on the **Munindex press release**, an independent report which critically assesses actual levels of municipal service delivery in SA. Our regulars include **Empowerdex Highlights**, Latest Press, as well as our **featured NGO of the month**.

Until next time, stay informed.

Thank you!
Lerato Ratsoma
Managing Director

Independent report critically assesses actual levels of Municipal service delivery in SA

Empowerdex, the country's leading Economic Empowerment Rating Agency, today released a new report which has found that Camdeboo in the Eastern Cape is the best local municipality in which to live. It is 96.4% of the way to providing 100% of formal housing, water, sanitation, electricity and waste removal to households.

According to the report, the worst performing local municipality is Msinga in KwaZulu-Natal, where only 18.6% of households receive basic services.

The Empowerdex Service Delivery Index (Munindex) was compiled from data sourced from Statistics South Africa. All 231 local municipalities, 46 district municipalities and six metropolitan municipalities were assessed.

Steven Hawes, head of research at Empowerdex, says the report provides an ability to critically assess the actual levels of service delivery experienced by South Africans.

"An understanding of the weaknesses in local government comes with many benefits. It provides insight into whether recent protests reflect genuine community concerns of manipulation of information by community and political leaders."

The Empowerdex Service Delivery Index highlights shortcomings in delivery which can then be addressed appropriately and provide a benchmark from which to assess the future performance of a new administration that has placed an increased focus on the culture of service delivery.

In reaching the final score, the report included five basic services; housing, water, electricity, waste removal and sanitation. Each service was equally weighted at a maximum of 20 points consisting of ten points for current status and ten points for improvement over time.

According to the report, the City of Cape Town is the best performing metropolitan municipality, followed closely by City of Johannesburg. The City of Tshwane is the lowest scoring metro.

The Western Cape and Gauteng provinces offer the best service delivery while Limpopo is ranked last.

Hawes says that the report identifies a large service delivery gap between the urban and rural municipalities. "Of particular concern is the low level of service delivery to communities within the former homelands in the Eastern Cape, North West and Limpopo Provinces as well as rural areas of KwaZulu-Natal."

The Empowerdex Service Delivery Index also measured improvements in service delivery over a period of time, comparing the results of Community Survey 2007 with Census 2001.

"The inclusion of an improvement index allows for the recognition of previously disadvantaged municipalities that have made improvements over the assessment period," says Hawes.

Moses Kotane local municipality in the North West Province provided the greatest improvement in the delivery of basic services while Mafikeng, capital of the same province, provided the least improvement.

Gert Sibande district municipality, which recently experienced service delivery protests in Standerton and Balfour, is ranked fourth nationally on the improvement index.

[Read more...](#)

For more information on the report
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Empowerment Professional Network (EPN), a division of

Empowerdex

Empowerment
Professional Network

EPN has been launched recently to further the reach and influence of black economic empowerment measurement within South Africa. Empowerdex recently became one of the select few accredited BEE verification and rating agencies, by proving that our processes and procedures satisfy the stringent requirements and standards of the government accreditation body, SANAS.

We are passionate about BEE which is clearly an enormous driver of the South African economy, and want to share our knowledge, experience and expertise with professional services companies, who can in turn offer a BEE verification service to their clients.

By entering into "joint-ventures" with these companies, we hope to increase the capacity of the BEE rating industry, while working with "our partners" to create opportunities to broaden and diversify their service offering resulting in an additional revenue stream!

Empowerdex will be offering training programmes to auditors, accountants and other professional service providers, who are interested in partnering us in this project.

Seen as the obvious choice for our business partners, by virtue of the nature of their industry, these professionals already have the financial expertise to understand the rating calculations and scoring process. Together with the verification of clients financial information, this provides the basis for the categories of ratings available.

Successful completion of the course which will include a full evaluation of understanding, methodology, and required competency, will result in the issuing of qualifications for the individual firstly as a

"Certified Empowerment Technician"™ (CET).

Thereafter, an additional training programme will result in promotion to a "Certified Empowerment Analyst"™ (CEA), who after onsite assessment, will be qualified to do BEE verifications.

For further information, please contact :
Colette Crichton on **083 454 2151** or colette@empowerdex.com

in the Press

South Africa must close rich-poor gap – Zuma

South Africa must do more to close the gap between rich and poor, president Jacob Zuma said on Monday at a congress of union allies who want him to take tougher action against unemployment and poverty. Union federation Cosatu was instrumental in helping Zuma to power in April, but unionists have been unable to get him to shift from policies they condemn as too pro-business and have gone head to head with him over a series of pay strikes.

[Read more...](http://www.busrep.co.za/index.php?fSectionId=552&fArticleId=5173473)
<http://www.busrep.co.za/index.php?fSectionId=552&fArticleId=5173473>

Donations to BEE give rise to taxing questions

The tax laws are quite clear that expenditure is deductible from the income if it is incurred in the production of income and as long as it is not of a capital nature. This principle has been tested in a number of court cases, both in the Income Tax Court and the high courts. Elements such as employment equity, skills development and procurement are straightforward in relation to tax. Salaries and amounts spent on training are clearly deductible as they are normally incurred in the production of income. Funds spent on buying goods and services also qualify for deduction under section 11(a) of the Income Tax Act, and if they are capital in nature there are other specific sections of the act that allow deduction of the depreciation of those assets over a period of time.

[Read more...](http://www.busrep.co.za/index.php?fSectionId=553&fArticleId=5161351)
<http://www.busrep.co.za/index.php?fSectionId=553&fArticleId=5161351>

Sharing of resources lifts participation in the economy

In reality there is no scarcity of resources to enable the integration of everyone into the mainstream of the economy. The problem in market-driven and capitalist economies is that resources are distributed in favour of the rich who have the capacity to control and direct those resources. Those who don't have resources tend to make do with whatever is remaining. It is important to build the capacity for those who don't have in order to broaden participation in the economy. The common fear of the rich is that the more they have to share with, the less they will have.

[Read more...](http://www.busrep.co.za/index.php?fSectionId=553&fArticleId=5098246)
<http://www.busrep.co.za/index.php?fSectionId=553&fArticleId=5098246>

Empowerdex launches EVS



Express Verification Services

Empowerdex launches EVS, the express verification service targeting QSEs

In our ongoing effort to improve our service delivery to all our stakeholders, Empowerdex has established the Express Verification Services (EVS) division, to foster a more improved and personal working relationship with all Qualifying Small Enterprises. EVS's main objective is to assist clients within 7 to 14 days of engagement without comprising on Quality Assurance.

The Express Verification Service includes:
Complete B-BBEE Verification; Gap Reporting; Collation and Supplier analysis.

For a fast, efficient and effective service, please contact
Barney Andrews, Client Services Manager on **011 245 7900** or email barney@xpressvs.com

Empowerdex visits the Entokozweni Community Center

Empowerdex promotes the sustainable development of communities in which we operate through our corporate Socio Economic Development (SED) initiatives. On the 29th August 2009, Empowerdex downed its BEE verification tools to spend the day at Entokozweni Community Center in Alexander Township, planting a vegetable garden to support a home for children living within the community. Staff members enjoyed some time away from work, and interacting with the children and members of the community centre.



Featured NGO – Conquest For Life

Conquest For Life is a youth orientated Non-Profit Organization (005-415 NPO) operating in the western Johannesburg, Soweto, Ennerdale and Orange Farm. For the past fourteen (14) years, Conquest For Life (CFL), a youth organization has continued to encourage positive life choices among young people with the main objective to skill them into assets in their various communities and has grown into a relentless movement – a self-sustaining youth organization, run by young people, empowered to become social change agents by developing their identity, self worth, and a sense of community – with programs that has offered a new hope to the previously disadvantaged communities.

[Read more...](#)



To learn more about our project and communities please visit our website: <http://www.conquest.org.za>

Contact Us

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Re-ratings

A reminder to all companies whose BEE certificate has expired or will be expiring in the next two months. Kindly contact your nearest Empowerdex office for a verification application form, or email info@empowerdex.com

We would like to hear from you!

To comment on the topics covered in the newsletter or subjects you would like us to focus on email: refilwep@empowerdex.com

We respect your Privacy and you may unsubscribe

This email was sent to you in good faith. If you have received this e-mail in error, we do apologise. Please unsubscribe, if you do not wish to receive our quarterly newsletter or OCCASIONAL e-mails relating to BEE and BEE related topics.