



**MATATIELE**

LOCAL MUNICIPALITY

## **2014/2015 IDP REVIEW**

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# TABLE OF CONTENTS

<b>TABLE OF ACRONYMS AND ABRIVIATIONS</b>	<b>5</b>
<b>MAYOR'S FOREWORD</b>	<b>7</b>
<b>EXECUTIVE SUMMARY</b>	<b>8</b>

## **CHAPTER 1: INTRODUCTION & CONTEXTUALISATION** **13**

<b>1.1 BACKGROUND</b>	<b>14</b>
<b>1.2 IDP OBJECTIVES</b>	<b>14</b>
<b>1.3 DEVELOPMENT STRATEGY</b>	<b>15</b>
1.3.1. MUNICIPAL VISION	15
1.3.2. MISSION STATEMENT	15
1.3.3 CORE VALUES	15
1.3.4 DEVELOPMENT GOALS	15
<b>1.4 METHODOLOGY</b>	<b>16</b>
<b>1.5 ALIGNMENT OF THE IDP, BUDGET AND PERFORMANCE MANAGEMENT SYSTEM</b>	<b>17</b>
<b>1.6 MEC COMMENTS</b>	<b>17</b>
<b>1.7 IDP ACTION PLAN</b>	<b>18</b>

## **1.8 FUNCTIONS OF MATATIELE LOCAL MUNICIPALITY** **20**

## **CHAPTER 2: CURRENT SITUATIONAL ANALYSIS** **21**

<b>2.1 OPPORTUNITIES WITHIN THE MATATIELE LOCAL MUNICIPALITY</b>	<b>21</b>
<b>2.2 SWOT ANALYSIS</b>	<b>23</b>
<b>2.3 DEMOGRAPHIC PROFILE</b>	<b>24</b>
2.3.1 POPULATION SIZE AND DISTRIBUTION	24
2.3.2 GENDER DIFFERENTIATION	25
2.3.3 AGE COMPOSITION	26
<b>2.4 SOCIAL ECONOMIC PROFILE</b>	<b>26</b>
2.4.1 EDUCATION PROFILE AND LITERACY LEVELS	26
2.4.2 EMPLOYMENT PROFILE	27
2.4.3 INCOME PROFILE AND INDIGENT SUPPORT	27
2.4.4 POVERTY LEVELS AND INDICATORS	28
2.4.5 HIV/AIDS	29
1.5.6 MIGRATION	29
<b>2.1 ACCESS TO BASIC SERVICES</b>	<b>31</b>
2.1.1 WATER	31
2.1.2 SANITATION	31
2.1.3 ENERGY	32
2.1.4 SOLID WASTE	33
<b>2.2 TRANSPORT INFRASTRUCTURE</b>	<b>33</b>
2.2.1 ROAD NETWORK	34
2.2.2 PUBLIC TRANSPORT	34
2.2.3 RAIL	35
2.2.4 AIR TRANSPORT	35
<b>2.3. ACCESS TO COMMUNITY FACILITIES</b>	<b>35</b>
2.3.1 HEALTH	35
2.3.2 EDUCATION FACILITIES	36
2.3.3 CEMETERIES	36
2.3.4 SPORTS FACILITIES	36
2.3.5 COMMUNITY FACILITIES	37
2.3.6 LIBRARIES AND MUSEUMS	37

<b>2.4. PUBLIC SAFETY AND SECURITY</b>	<b>37</b>
2.4.1 POLICE SERVICES	37
2.4.2 DISASTER MANAGEMENT	37
2.4.3 HOUSING	38
<b>2.5. ECONOMIC PROFILE</b>	<b>41</b>
2.5.1 SIZE OF THE LOCAL ECONOMY	42
2.5.2 SECTORAL ANALYSIS	42
<b>2.6. STRATEGIC ENVIRONMENTAL ASSESSMENT</b>	<b>51</b>
2.6.1 TOPOGRAPHY	51
2.6.2 SOIL	51
2.6.3 GEOLOGY	52
2.6.4. GRASSLANDS	52
2.6.5 SENSITIVE VEGETATION	52
2.6.6 LAND COVER	53
2.6.7 TEMPERATURE AND RAINFALL	53
2.6.8 CLIMATE CHANGE	54
2.7.1 WARD NEEDS	57
2.7.2 WARD BASED PLANS	57
2.7.3 SUMMARY OF PRIORITY SERVICES FOR INTERVENTION	58
<b>2.8 SUMMARY OF KEY STATISTICS</b>	<b>64</b>
 <b>CHAPTER 3: STRATEGIC FRAMEWORK</b>	 <b>65</b>
<b>3.1 ALIGNMENT WITH NATIONAL AND PROVINCIAL POLICY</b>	<b>65</b>
<b>3.2 NATIONAL CONTEXT</b>	<b>65</b>
3.2.1 NATIONAL DEVELOPMENT PLAN 2030	65
3.2.2 NATIONAL SPATIAL DEVELOPMENT PLAN	65
3.2.3 EPWP PRINCIPLES	66
3.2.4 THE 12 NATIONAL OUTCOMES OF GOVERNMENT	66
3.2.5 THE MILLENNIUM DEVELOPMENT GOALS	67
<b>4.4 PROVINCIAL CONTEXT</b>	<b>67</b>
4.4.1 PROVINCIAL GROWTH AND DEVELOPMENT PLAN	67
4.5 SUMMARY OF SECTOR PLANS	68
 <b>CHAPTER 4: KEY PERFORMANCE AREAS</b>	 <b>69</b>
<b>4.1 SPATIAL DEVELOPMENT</b>	<b>69</b>
4.1.1. SPATIAL ANALYSIS	69
<b>4.1.2 Key SPATIAL ISSUES</b>	<b>71</b>
<b>4.2 BASIC SERVICE DELIVERY</b>	<b>73</b>
4.2.1 WATER PROVISION AND SANITATION	73
4.2.2 COMPREHENSIVE INFRASTRUCTURE PLAN	74
4.2.3 INTEGRATED WASTE MANAGEMENT PLAN (IWMP)	74
4.2.4 DISASTER MANAGEMENT AND FIRE SERVICES	76
<b>4.3 LOCAL ECONOMIC DEVELOPMENT</b>	<b>78</b>
4.3.1 EXISTING BUSINESSES	79
4.3.2 LED SECTORS	79
4.3.3 EPWP	80
4.3.4 AGRICULTURAL DEVELOPMENT	80
4.3.5 FORESTRY	81
4.3.6 TOURISM DEVELOPMENT	82
4.3.7 MINING	83
4.3.8 LED STRATEGY	83
<b>4.4 FINANCIAL VIABILITY</b>	<b>86</b>

FINANCIAL PLAN	86
<b>4.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>	<b>125</b>
4.5.1 PUBLIC PARTICIPATION AND COMMUNICATIONS.	125
4.5.2 COMMUNICATION	130
4.5.3 PERFORMANCE MANAGEMENT SYSTEM	133
4.5.4 HIV/AIDS STRATEGY	135
4.5.6 AUDIT AND COMPLIANCE	137
4.5.6 SOCIAL COHESION	143
<b>4.6.7 AUDIT ACTION PLAN</b>	<b>144</b>
4.6.1 ORGANISATIONAL STRUCTURE	153
<b>4.6.2 MUNICIPAL ADMINISTRATION</b>	<b>153</b>
4.6.3 HUMAN RESOURCES-EMPLOYMENT PRACTICES	154
<b>4.6.4 PHYSICAL AND INFORMATION SECURITY</b>	<b>161</b>
<b>4.6.5 ICT</b>	<b>162</b>
<b>CHAPTER 5: KEY DEVELOPMENT PRIORITIES</b>	<b>163</b>
<b>5.1 PRIORITIES, OBJECTIVES AND STRATEGIES</b>	<b>163</b>
5.2.1 BUDGET AND TREASURY	163
5.2.2 COMMUNITY SERVICES DEPARTMENT	180
5.2.3 CORPORATE SERVICES DEPARTMENT	183
5.2.4 ECONOMIC DEVELOPMENT AND PLANNING	188
5.2.5 INFRASTRUCTURE SERVICES	194
5.2.6 OFFICE OF THE MUNICIPAL MANAGER	202
<b>CHAPTER 6: CAPITAL PROJECTS FOR 2014/15</b>	<b>214</b>
<b>CHAPTER 7: SECTOR PROJECTS: 2014/2015</b>	<b>219</b>
<b>7.1 ALFRED NZO DISTRICT MUNICIPALITY</b>	<b>219</b>
<b>7.2 SECTOR DEPARTMENTS</b>	<b>232</b>
7.2.1 WORLD VISION: UMZIMVUBU ADP	232
7.2.2 DEPARTMENT OF PUBLIC WORKS:	236
7.2.3 DEPARTMENT OF HUMAN SETTLEMENTS	238
7.2.4 DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN REFORM: CROPPING PROJECTS FOR 2014	240
7.2.5 ESKOM	243
7.2.6 DEPARTMENT OF EDUCATION 2014/2015 PROPOSED PROJECTS	244
7.2.7 DEPARTMENT OF SOCIAL DEVELOPMENT	245
<b>ANNEXURES</b>	<b>252</b>

**TABLE OF ACRONYMS AND ABRIVIATIONS**

ISRDP	Integrated Sustainable Rural Development Program
ABET	Adult Basic Education and Training
ABP	Area Based Plan
AIDS	Acquired Immune Deficiency Syndrome
ANDM	Alfred Nzo District Municipality
ARC	Agricultural Research Council
BEE	Black Economic Empowerment
CASP	Comprehensive Agricultural Support Program
CBNRM	Community Based Natural Resource Management
CDW	Community Development Workers
CPF	Community Policing Forum
CIPS	Companies and Intellectual Property Commission
CPF	Community Policing Forum
CSC	Community Service Centre
DAFF	Department of Agriculture Forestry and Fisheries
DBSA	Development Bank of Southern Africa
DEAT	Department Environmental Affairs and Tourism
DECT	Digital Enhanced Cordless Telephone System
DEDEA	Department of Economic and Environmental Affairs
DFA	Development Facilitation Act
DLGTA	Department of Local Government and Traditional Affairs
DM	District Municipality
DME	Department of Minerals & Energy
DOA	Department of Agriculture
DOE	Department of Education
DoE	Department of Education
DOH	Department of Health
DORPW	Department of Roads and Public Works
DoT	Department of Transport
DRDAR	Department of Rural Development and Agrarian Reform
DRT	Department of Roads and Transport
DSD	Department of Social Development
DSL	Department of Safety and Liaison
DSRAC	Department of Sport, Recreation, Art and Culture
DTF	District Transport Forum
DWAF	Department of Water Affairs and Forestry
ECD	Early Childhood Development
ECDC	Eastern Cape Development Cooperation
EEP	Employment Equity Plan
EIA	Environmental Impact Assessment
EMF	Environmental Management Framework
EMP	Environmental Management Plan
EPWP	Extended Public Work Program
FET	Further Education and Training
FMG	Finance Management Grant

FSA	Forestry Service Aid
GBH	Grievous Bodily Harm
GGP	Gross Geographic Product
GIS	Geographical Information System
GVA	Gross Value Adding
HCT	HIV Counselling and Testing
HIV	Human Immune Virus
IDP	Integrated Development Plan
IGF	Inter Governmental Forum
IGR	Intergovernmental Relations
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan
JTT	Joint Task Team
KZN	Kwazulu Natal
LED	Local Economic Development
LM	Local Municipality
LRAD	Land Reform/Redistribution for Agricultural Development
LTO	Local Tourism Organization
MDR	Multi-Drug Resistant
MDTP	Maloti Drakensberg Transfontier Conservation and Development Project
MEC	Members of Executive Councillor
MIG	Municipal Infrastructure Grant
MLM	Matatiele Local Municipality
MSA	Municipal Systems Act
MTSF	Medium Term Strategic Framework
NSDP	National Spatial Development Framework
NGO	Non Governmental Organisation
PGDP	Provincial Growth and Development Plan
PMS	Performance Management System
PSF	Provincial Strategic Framework
PSDP	Provincial Spatial Development Plan
SANRAL	South African National Roads Agency Limited
SAPS	South African Police Service
SDF	Spatial Development Framework
SASSA	South African Social Security Agency
SMME	Small Medium and Micro Enterprises
TB	Tuberculosis
TSP	Tourism Safety Plan
WFTC	Working for the Coast
WPLG	White Paper on Local Government
WSA	Water Services Authority
WSDP	Water Services Development Plan

## **MAYOR'S FOREWORD**



The Municipality has geared itself to complement other spheres of government so as to reach the identified targets. We are proud to announce that the IDP remains our strategic document and is the key driver of our performance management and budgeting systems within the Municipality.

Through a process of reassessing National and Provincial priorities we have once again refined and refocused our strategic programmes so as to effectively respond to key challenges faced by the Municipality.

### **The six key strategic priorities for Matatiele are:**

- Reduction of Service Delivery Backlogs
- Local Economic Development, and Rural Development, Employment Creation through the Expanded Public Works Programmes (EPWP) and Community Work Programme (CWP)
- Proper Spatial Development Planning through the SDF and localized SDF's for the Nodal Areas of Maluti, Cedarville and Matatiele
- Sound Financial Management
- Good Governance, Enhancement of Public Participation, IGR and Protocol
- Institutional Arrangements and Developments

Therefore this IDP becomes essential towards the achievement of these strategic priorities.

Active public participation by all stakeholders (Communities, Workers, Business Community, various interested groups, sector departments together with Traditional Leaders is pivotal towards strengthening of the Local Government Development Agenda.

The participation and involvement of Designated Groups (Youth, People living with Disabilities, People living with HIV and AIDS) is also encouraged as this will ensure a robust debate that will positively influence future planning processes for Matatiele Local Municipality. The IDP is also in line with Outcome 9 and Vision 2030 of the National Development Plan (NDP).

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CLLR. M.M MBEDLA

HIS WORSHIP THE MAYOR OF MATATIELE LOCAL MUNICIPALITY

## **EXECUTIVE SUMMARY**

The Municipal Systems Act (No.32) of 2000 requires that local government structures prepare Integrated Development Plans (IDPs). The IDPs serve as tools for transforming local governments towards facilitation and management of development within their areas of jurisdiction. In terms Chapter 5 and Section 25 of Local Government Systems Act, (Act 32 of 2000), that the municipal council must within a prescribed period after the start of its elected term, adopt a single all inclusive and strategic plan for the development of the municipality. The Local Government Systems Act also identifies the IDP as the vehicle to be used in the achievement of these goals. In conforming to the Act's requirements the Matatiele Council has delegated the authority to the Municipal Manager to prepare the IDP. The IDP Strategic Approach is to ensure that the Municipality is a more responsive, efficient, effective and accountable local government.

### **INTEGRATED DEVELOPMENT PLANNING IN MATATIELE**

Matatiele local Municipality IDP review (2014 – 2015) will serve a strategic guide during for the Municipality. It is based on the issues articulated by the stakeholders and is aligned with the National and Provincial development plan, MDG's, 12 National Outcomes, and the Provincial Growth the Development Strategy (PGDS).

### **KEY COMPONENTS OF THE IDP**

Section 26 of the Municipal Systems Act prescribes the key components of an IDP. In keeping consistency with this section of the Act, Matatiele Municipality's IDP presented main sections as follows:

- The Executive summary which gives the municipal overview and developmental challenges.
- An outline of the key development issues and trends based on an analysis of the current level of development (Situational Analysis).
- A strategic framework which outlines a council long term vision with specific emphasis on the municipality's most critical development objectives, actions plans and strategies.
- A capital program including a one year program, three year program aligned to the medium term Expenditure Framework and the five year plan.
- Implementation framework which includes sector plans particularly the financial plan, spatial development framework, organizational performance management system and an organizational transformation and institutional development plan.



## GENERAL KEY PERFORMANCE INDICATORS

Also drawing the attention on the background of general key performance indicators as prescribed in terms of section 43 of the act, namely:

- (a) The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal
- (b) The percentage of households earning less than R1100 per month with access to free basic services
- (c) The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial years in terms of the municipality's integrated development plan
- (d) The number of jobs created through municipality's local economic development initiatives including capital projects.
- (e) The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- (f) The percentage of municipality's budget actually spent on implementing its workplace skills plan; and
- (g) Financial viability as expressed by the following ratios:
  - i. Where-
    - 'A' represents debt Coverage
    - 'B' represents total operation revenue received
    - 'C' represents operating grants
    - 'D' represents debt service payments (i.e. interest + redemption) due within the financial year
  - ii. Where-
    - 'A' represents outstanding services debtors to revenue
    - 'B' represents total outstanding service debtors
    - 'C' represents annual revenue actually received for services
  - iii. Where-
    - 'A' represents cost coverage
    - 'B' represents all available cash at a particular time
    - 'C' represents Investments
    - 'B' represents monthly fixed operating expenditures.

*The IDP is systemically aligned to the budget process, and the Performance Management System (PMS).*

## CHALLENGES FACING THE MATATIELE AREA

The Matatiele IDP through a consultative process identified various challenges that need to be addressed in order to meet the needs of the community and achieve sustainable development and the vision for the future development of the area. These challenges were identified as follows:

- Access to social facilities is considered to be a challenge. The existing police stations are considered to be inadequate and a need exists for satellite police stations. The health facilities are also said to be inadequate to cater for community needs. Furthermore, due to the remote and rural nature of other villages, access by even mobile clinics in some villages is a challenge. Shortage of sports and recreation facilities as well as other facilities such as banks, Post Offices

are some of the issues that still require attention by the Municipality in partnership with sector departments, the District Municipality and other stakeholders.

- Due to the distance from service centers, other localities do require satellite municipal and government offices. Also, educational facilities are considered to be inadequate, particularly the technical skills centers and public schools. In addition, there is a major backlog with general maintenance of infrastructure and service delivery.
- There is a need to improve safety and security particularly for low cost townships. The provision of street lights as a means to reduce the incidents of crime has been suggested as a strategy. Stock theft is considered to be very high. Community Policing Forums (CPFs) need to be revived. An allowance needs to be made as compensation to the CPFs as a form of motivation.
- General moral regeneration is a need in the Matatiele municipal area. The level of alcohol consumption amongst the youth is attributed to the lack of entertainment and recreation centers.
- Land and Housing – land ownership and access to land is a severe problem. Limited land use management and development control makes it difficult to prevent and control land invasion. Upgrading tenure security is essential, particularly providing more secure rights for people that already occupy land. The need for rural planning is noted. There is a shortage of housing within the urban areas and access to funding is a major concern for middle income housing in particular. Settlements are mushrooming in an uncontrollable environment.
- Local Economic Development and Tourism – Due to the high rate of unemployment in Matatiele, there is a need to attract private sector investment. The local resources are underutilized due to poor skills base. The need to offer comprehensive skills development programmes that not only focus on technical skills but include business skills has been expressed. The tourism potential (heritage) is currently not being fully harnessed. Lack of access to Markets for SMMEs is glaring. The presence of an information centre at the entrance of Matatiele is critical.
- Environmental pressure – there are several environmental threats and limitations which if not addressed could contribute to decline in the supply of natural resources and livelihoods in the municipality. Key limitations include poor soil and highly erodible soils contributing to land degradation and poor crop yield. In addition to that the harsh climatic conditions such as high temperature, heavy rainfall, and periodic strong winds which under favourable conditions could result in natural disasters such as floods and runaway bush fires. The highly rugged terrain can significantly reduce the development potential of the municipality. The management of wetlands is a critical issue.
- Encroachment of settlements onto high potential agricultural land affects the significantly limited land capability of the Matatiele local Municipality. Only an estimated 30% of the total land area of the municipality constitutes of land with minor limitations to agricultural production. The remaining 70% is either not arable or has severe limitations to agriculture. Unfortunately, the limited land for agriculture is decimated by extensive settlement and the associated uses. Currently, it appears that commercial agriculture is not a viable land use option for a development programme in most parts of the municipal area.
- Viable agricultural schemes have also proved to be difficult to implement in rural areas due to shortage of land.
- Uncontrolled settlements – the sprawl of rural settlements and growth of informal settlements in Maluti is considered a critical issue affecting the municipal area. This phenomenon could be ascribed to the factors such as the collapse of the land administration systems, lack of forward planning together with the tendency for people to be opportunistic and move to highly accessible areas (such as along R56 corridor and road to Lesotho).

## OPPORTUNITIES WITHIN THE MATATIELE AREA

The municipality has vast opportunities. These are inclusive of the following:-

- Heritage and eco-Tourism – The environment within Matatiele Municipality provides several opportunities for eco-tourism development provided these would be harnessed appropriately and utilized on a sustainable basis.
- The largely rural wilderness areas for the development of ecotourism and wilderness education.
- Rugged terrain with its relatively undisturbed and water sources environment for biodiversity conservation initiatives.
- Huge wetlands system that provide suitable habitats for wildlife and raw materials for local economic activities.
- The heritage resources in the municipality that could augment tourism and education.
- The LED Strategy identified a strong potential for the development and promotion of winter tourism, cultural tourism, eco-tourism, agricultural tourism, adventure tourism, avi-tourism (e.g. bird-watching) and water sports facilities for supporting tourism.
- Matatiele CBD as a potential vibrant and dynamic rural centre – Matatiele town plays a significant role within the municipal area. It is an administrative, service and main economic centre with a threshold that covers the full extent of the municipal area and beyond. It is a link between Matatiele and other towns within the district as well as the major provincial centres and beyond. As such, the town should be planned as a rural town and be structured and managed to enable it to perform its functions efficiently and effectively. The opening of road linkages between Matatiele with the neighbouring Ulundi Municipality, Lesotho as a potential trade and tourism route will improve access to Ukhahlamba, Maloti Drakensburg Transfrontier Park. This will add further impetus to the need to the development Matatiele Town as a vibrant and dynamic rural centre.
- Value Adding Products – There is a strong potential for large-scale production, processing and marketing of local products in external markets (e.g. agricultural, forestry products and related products and sandstone) with the view to introduce value-addition activities in all economic sectors. The opportunities also exist for establishing and identifying new markets for locally-produced products and services. The need exists to explore opportunities for investment in activities, businesses or services currently not offered in Matatiele as well as exploring the potential for use of available underutilized land and other natural resources (e.g. rivers) resources for income generation purposes.
- High potential agricultural areas offer unique opportunities for cultivation and food security. Areas of high agricultural potential are identified as areas with inherent potential for cultivation based on the soil, slopes and climate of the area.  
It is recommended that activities that will result in the loss of agricultural potential such as the subdivision of land, settlement and extensive infrastructure development should not be undertaken in this zone.
- Ultimately these areas should not be developed for purposes other than agriculture, and should retain the opportunity for future agricultural production. As such, they should be maintained either for cultivation or grazing. In areas of high agricultural potential that also have high biodiversity value it will be important to attempt to identify land uses that may achieve both objectives such as grazing or less intensive cultivation that include areas to be set aside for biodiversity management. High potential agricultural land located within existing settlements but is too small or lack the appropriate infrastructure to become viable agricultural areas could be considered for small scale or intensive food production and urban agriculture. Agricultural

development should be promoted based on latent potential with high production potential land being reserved mainly for agricultural purposes. The following agricultural activities are prevalent in the area:

- Timber plantations should be established in areas where the adverse effects on the environment will be easily mitigated. Otherwise the area is too environmentally sensitive for timber plantations.
- Extensive livestock farming should be promoted, particularly in communal areas. But, grazing land management programmes should also be introduced to address the increasing problem of soil erosion.
- Crop production (irrigated and dry land) should be promoted in low - lying areas and irrigation along the main river tributaries.
- Irrigation estates along the major rivers.
- Pastures and dairy in and around Cedarville.
- Farms stay within a five to ten kilometer radius from Matatiele Town and Cedarville should be considered for the establishment of smallholdings where limited processing of agricultural products and tourism facilities should be allowed. The same applies to farms located immediately along development corridors.
- Regional Access – R56 which runs through Matatiele in an east-west direction serves as the main regional access route that links Matatiele with other urban centres such as Kokstad to the east and Mount Fletcher to the south west. Secondary to the N2, it serves as the main link between the Eastern Cape Province and KwaZulu-Natal Province. It is identified in the Draft Provincial Spatial Development Plan (PSDP) - Eastern Cape as one of the Strategic Transport Routes. R56 is a multi-sectoral corridor as it facilitates access to agricultural zones in the Cedarville-Matatiele Area, tourism zones in the Ongeluksenek area and commerce and industry in Matatiele. It forms the basis for a road system that connects different parts of the municipal area.
- Development along R56 Development Corridor should follow the following guidelines.
- R56 is a regional limited access and high speed public transport route; as such direct access onto this road is subject to the provincial road transport regulations.
- Higher order land uses should be accommodated in the nodes, but lower order land uses could develop in a linear fashion subject to alternative access opportunities; and
- A 15m buffer should be observed from the boundary of the road reserve. This has implications for settlements that have encroached onto the buffer areas.
- R56 also provides an alternative shorter route to Cape Town with views of scenic beauty, which can attract both domestic and International tourist thereby promoting LED projects at some locations.

## **CHAPTER 1: INTRODUCTION & CONTEXTUALISATION**

### **INTRODUCTION**

This Integrated Development Plan (IDP) Review is being prepared for the period 2013/2014 in accordance with the prescription of the Municipal Systems Act (Act 32 of 2000), requires that, all municipalities review their integrated development plans annually.

The development of this IDP will be based on three major principles namely, consultative, strategic and implementation oriented planning. In terms of the Municipal Systems Act (Section 25.1) the municipality is required to adopt a single, inclusive and strategic plan for the development of the Municipality which:

- Links, integrates and co-ordinates all development plans of the municipality
- Aligns the resources and capacity of the municipality with the implementation plan.
- Forms policy frameworks which constitute the general basis on which the annual budget must be based
- Is compatible with the National and Provincial development plans and planning requirements.

The IDP would have to be integrated with other plans and be aligned with the municipality's resources and capacity and must also be compatible with national and provincial plans and priorities. The IDP formulation and implementation process will therefore be guided by the following legislation and/ or policies:

Constitution of the Republic of South Africa 1996

Local Government: Municipal Systems Act, 2000

Local Government: Municipal Structures Act, 1998 as amended

Local Government Municipal Finance Management Act, 2003

White Paper of Local Government

The Provincial Growth and Development Plan (2010) as well as other National Policies

A good environment for the preparation of the IDP has been established.

As prescribed by Section 28 of MSA, a process plan was prepared and adopted by Council. The process plan made provision for institutional arrangements, roles and responsibilities, the organisational structure, procedures and mechanisms for public participation and for alignment of the IDP with that of the Alfred Nzo District Municipality.

## **1.1 BACKGROUND**

Matatiele Local Municipality (MLM) is located on the Northern part of the Eastern Cape Province. It adjoins onto Elundini Municipality to the South West, Greater Kokstad Municipality (KZN) to the East, Umzimvubu Municipality to the South, and Lesotho to the North.

It is one of the four local municipalities forming part of the Alfred Nzo District Municipality. The other municipalities are uMzimvubu, Mbizana and Ntabankulu Local Municipalities. With the changes in ward demarcation, Matatiele now consists of 26 municipal wards with a population of 203 843 people.

The R56 road is a major arterial and trade route running through the municipality in an east-west direction linking Matatiele with Kokstad to the east and Mount Fletcher to the west. It links the municipality with KwaZulu-Natal Province and parts of the Eastern Cape Province located south of Matatiele Municipality. The western parts of the area (commercial agricultural farms) forms part of high production potential land stretching from Matatiele and Kokstad in the south through the KwaZulu-Natal Midlands to the north western parts of KwaZulu-Natal.

Matatiele Municipal area is composed of the commercial farmlands surrounding the service centre of Matatiele, the town of Cedarville together with the R293 township of Maluti. The municipality is predominantly rural in nature, with 91% of households classified as rural and only 9% as urban (ANDM, WSDP, 2010: 37). The district is dominated by expansive poorly developed rural villages.

While Matatiele Town serves as a service centre and/or the main economic hub for Matatiele Municipality and beyond, and is identified in the District Municipality SDF as a primary node, the settlement pattern is characterised by dispersed rural settlements surrounded by subsistence farmlands in the former Transkei region, which fell within the previous Umzimvubu boundary. The area is located at the foothills of Drakensburg Mountains. It adjoins onto the World Heritage site along its western boundary and was included in the Maloti-Drakensberg Transfrontier Conservation and Development Project (MDTP). The latter was a collaborative initiative between South Africa and the Kingdom of Lesotho to protect the exceptional biodiversity of the Drakensberg and Maloti mountains through conservation, sustainable resource use, and land-use and development planning. This area encompasses distinct landscape and biological diversity. It is quite rich in species and high in endemism.

## **1.2 IDP OBJECTIVES**

Integrated development planning is a process whereby municipalities prepare strategic development plans for a five-year period. These plans should inform planning, decision making, budgeting, land management, promotion of local economic development, and institutional transformation in a consultative systematic and strategic manner.

This Integrated Development Plan (IDP) seeks to achieve the following:-

- Speed up service delivery through effective use of scarce resources
- To promote Local Economic Development and attract Tourists and Investors
- Strengthen democracy and overcome the apartheid legacy at local level
- Sound Financial Management
- Improve Institutional Arrangements and Development
- Promote intergovernmental relations and Coordination

This IDP also aims to:-

- Create a higher level of focus and thereby improve the strategic nature of the document;
- Align this strategic document with the limited financial and human resources
- Align the IDP with the activities of the municipality's departments and other service providers in other spheres of government

Align the IDP with the various sector and management plans of the municipality.

### **1.3 DEVELOPMENT STRATEGY**

The development strategy for Matatiele local Municipality is seeks to respond to the development issues facing the municipal area as outlined in the preceding sections of this document. It aligns with and seeks to contribute to the attainment of the Provincial and National development imperatives as outlined in the relevant policy documents. The Municipalities development vision is as follows:

#### **1.3.1. MUNICIPAL VISION**

Matatiele Local Municipality has adopted the following vision;

***“Where Nature, Agriculture, And Tourism Are Investments Of Choice”***

The vision is guided by the constitutional imperatives, which generally require all local governments' structures to be service delivery driven in nature, and continuously strive to empower their communities socially and economically.

#### **1.3.2. MISSION STATEMENT**

*Matatiele Local Municipality's mission is:*

- *To create an awareness on nature conservation,*
- *To promote and support agricultural activities*
- *To promote and market Local Tourism organizations and Small, Medium and Micro Enterprises*
- *To create an environment conducive for investment*

#### **1.3.3 CORE VALUES**

*The values of Matatiele Local Municipality are:*

- *Respect: observing the Batho Pele principles*
- *Accountability: Taking responsibility for decisions and actions taken.*
- *Transparency: openness and public involvement in municipal affairs.*
- *Integrity: professionalism, a commitment to ethics, and focus on justice and fairness and accountability.*
- *Commitment: persevere as we seek to fulfil our duties and responsibilities.*
- *Efficiency: results orientation, cost effectiveness, superior performance, customer satisfaction.*

#### **1.3.4 DEVELOPMENT GOALS**

Development strategy for Matatiele Municipality is based on the notion of developmental local government as introduced in the Constitution, and given effect in terms of various pieces of legislation establishing local government structures. This mandate could be Summarised as follows:

- Social development, which includes promoting access to social services, addressing vulnerability, discrimination and poverty, and broadening access to the assets base for the poor.

- Economic development geared towards creating opportunities for employment and sustainable livelihoods.
- Infrastructure development as a means to address service backlogs and create opportunities for economic development.
- Institutional transformation focusing mainly on democratization, shift from control to governance, etc
- Establishment of legal and financial management systems as a means to enable efficient allocation of scarce resources.
- Integrated development and concern with sustainability issues serves as supporting and guiding principles for the implementation of the development strategy and the IDP generally.

#### **1.4 METHODOLOGY**

The preparation of this IDP is based on a Process Plan, which Matatiele Municipality adopted by council on the 31 July 2013, council resolution number CR 411/31/07/2013 in terms of the Systems Act, and 32 of 2000 at the beginning of the review process. The plan establishes a firm foundation for the alignment of the IDP and budget preparation processes. As such, one all- encompassing Process Plan was prepared for these two processes and adopted by Council to ensure proper management of the IDP planning process.

In addition, the preparation of the IDP preparation process took cognizance of the following:

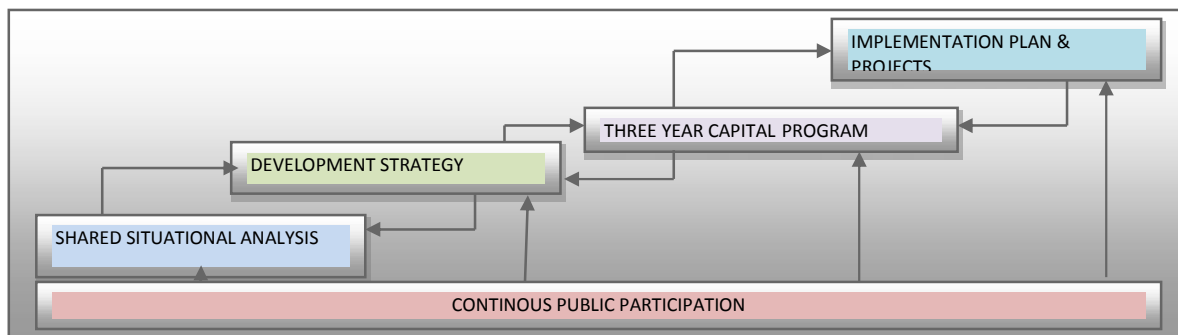
- Preparation of the Executive Summary indicating the issues facing the municipality, development opportunities, municipal plans to address opportunities and constraints, institutional development programmes and five year service delivery programme.
- A shared and detailed analysis of the current situation. This should form the basis for the identification of key development issues, development opportunities and review of the strategic framework.
- Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities, and other role players in the IDP drafting process.
- Development strategy clearly indicating the long, medium and short terms development vision. These are expressed in the form of long term vision, medium term development strategies and short term interventions – projects.
- An indication of the organisational arrangements for the IDP process.
- Binding plans and planning requirements, i.e. policy and legislation and mechanisms and procedures for vertical and horizontal alignment.
- Alignment of the budget and the IDP expressed in the form of a medium term (3 years) capital programme corresponding with the medium term expenditure framework, one year capital programme indicating the projects to be implemented in this financial year, etc.
- Spatial development framework indicating a link between the IDP policy framework and the site specific Land Use Management System (LUMS).

Further, the preparation of this IDP considered Section 26 of the Municipal Systems Act prescribes the key components of an IDP. In keeping consistency with this section of the Act, Matatiele Municipality IDP is presented four main sections as follows (refer to Figure 1):

- The Executive summary which gives the municipal overview and developmental challenges

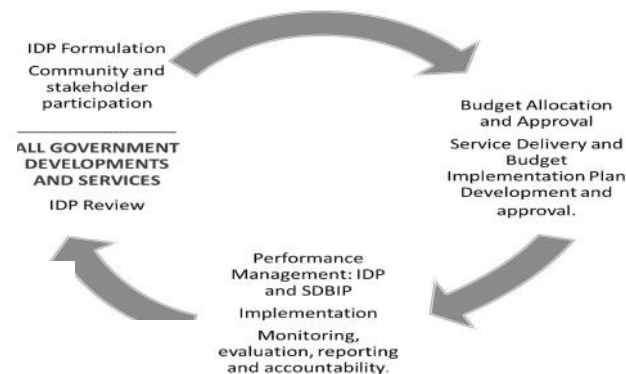


- An outline of the key development issues and trends based on an analysis of the current level of development (Situational Analysis).
- A strategic framework which outlines a Council long term vision with specific emphasis on the municipality's most critical development objectives, actions plans and strategies.
- A capital program including a one year program, three year program aligned to the Medium Term Expenditure Framework and the Five (5) Year Plan.
- Implementation framework which includes sector plans particularly the financial plan, spatial development framework, organizational performance management system and an organizational transformation and institutional development plan.



### 1.5 ALIGNMENT OF THE IDP, BUDGET AND PERFORMANCE MANAGEMENT SYSTEM

The IDP is systemically aligned to the budget process, and the Performance Management System (PMS). The nature of the alignment is depicted on figure 2 below:



**Figure 2: The Matatiele Municipality IDP, Budget and PMS Linkages**

### 1.6 MEC COMMENTS

The MEC comments on the 2013/2014 IDP review rated the Municipality with an overall high rating. However, ratings of Low were obtained in the KPA of institutional Arrangements.

The MEC Comments were also taken into account specifically looking at improvement of these areas, namely:-

Improvements to be done on Institutional Arrangements and Development KPA.

The following are the assessment results for from 2010/11 – 2013/14

KPA	Rating 2010/11	Rating 2011/12	Rating 2012/13	Rating 2013/14
Spatial development Framework	medium	High	high	high
Service Delivery	medium	medium	high	high
Financial Viability	high	high	high	high
Local Economic Development	high	high	high	high
Good Governance & public Participation	medium	medium	high	high
Institutional Arrangements	high	high	low	High
Overall Rating	high	high	High	High

### 1.7 IDP ACTION PLAN

Action	Timeframe	Responsibility
HODs to be part of the IDP Assessment tool review stage in order to influence the development of the IDP Assessment tool	Annually	All HOD's
Draft IDP – to be verified for alignment with the IDP Assessment tool prior to submission	Annually	All HOD's
IDP to reflect on status of signed job descriptions per Department	Annually	Corporate Services
Organogram to be inserted in the IDP	Annually	IDP Unit
Public Participation Plan	December 2014	Corporate Services
Solid Waste Trade Effluent Policy Leachate Management Plan	Dec 2014 June 2015	Community Services
Environment Environmental Management By-Laws - Draft Bylaws be adopted	December 2013	Community Services
Environmental Management Framework - tabled to the STANCO in October 2013	October 2013	Community Services
Land, Housing, Agriculture Issues raised need to be reflected in the IDP document.	Annually	LED/EDP
Disaster Management, FBS & Energy (i) Disaster Management Plan - draft to Standing Committee & EXCO (ii) Disaster Management Bylaw (iii) Mapping of Potential Disaster Areas (iv) Link between SDF & Disaster risk vulnerability Report (v) MOU with other LM's in dealing with Disaster	October 2013 December 2013 September 2013 March 2014 December 2013	Community Services
Financial Viability. (i) Revenue enhancement Strategy (ii) Promulgation of Policies /By Laws	June 2014 June 2014	Budget & Treasury Office
Basic Service Delivery. Roads - & Transport Plan		Infrastructure Services

(i) CIP – draft to be presented to STANCO	October 2013	
Corporate Services Development of the HR Plan	October 2013	Corporate Services

## **1.8 FUNCTIONS OF MATATIELE LOCAL MUNICIPALITY**

Roads And Stormwater

Solid Waste (Removal And Management)

Electricity Distribution (Matatiele Town Only)

Project Management

Town Planning And Building Control

Local Economic Development

Marketing And Investment Promotion

Environmental Management And Control (Nature Reserves, Pound And Cemeteries)

Public Safety (Traffic Control & Management, Disaster & Fire Fighting)

Human Resource Management, Administration And Council Support

Financial Management (SCM- Fleet And Asset Management, Demand & Acquisition Management,

Budget Planning & Reporting And Revenue Management)

Information Technology

Legal Services

Special Programmes For Designated Groups

IDP And PMS (Integrated Development Plan And Performance Management System)

Good Governance, Public Participation, Communication And IGR

Internal Audit And Risk Service

## CHAPTER 2: CURRENT SITUATIONAL ANALYSIS

This section presents an analysis of the current development situation within Matatiele local Municipality. It provides background to the strategic framework and identifies development trends and patterns. It is based on information collected by means of stakeholder interviews, review of secondary data in the form of records and sector plans, IDP Forum meetings and IDP Community Outreaches.

### 2.1 OPPORTUNITIES WITHIN THE MATATIELE LOCAL MUNICIPALITY

The municipality has vast opportunities. These are inclusive of the following:-

- Heritage and eco-Tourism – The environment within Matatiele local Municipality provides several opportunities for eco-tourism development provided these would be harnessed appropriately and utilized on a sustainable basis.
- The largely rural wilderness areas for the development of ecotourism and wilderness education.
- Rugged terrain with its relatively undisturbed and water sources environment for biodiversity conservation initiatives.
- Huge wetlands system that provide suitable habitats for wildlife and raw materials for local economic activities.
- The heritage resources in the municipality that could augment tourism and education.
- The LED Strategy identified a strong potential for the development and promotion of winter tourism, cultural tourism, eco-tourism, agricultural tourism, adventure tourism, avi-tourism (e.g. bird-watching) and water sports facilities for supporting tourism.
- Matatiele CBD as a potential vibrant and dynamic rural centre – Matatiele town plays a significant role within the municipal area. It is an administrative, service and main economic centre with a threshold that covers the full extent of the municipal area and beyond. It is a link between Matatiele and other towns within the district as well as the major provincial centres and beyond.
- Value Adding Products – There is a strong potential for large-scale production, processing and marketing of local products in external markets (e.g. agricultural, forestry products and related products and sandstone) with the view to introduce value-addition activities in all economic sectors. The opportunities also exist for establishing and identifying new markets for locally-produced products and services. The need exists to explore opportunities for investment in activities, businesses or services currently not offered in Matatiele as well as exploring the potential for use of available underutilized land and other natural resources (e.g. rivers) resources for income generation purposes.
- High potential agricultural areas offer unique opportunities for cultivation and food security. Areas of high agricultural potential are identified as areas with inherent potential for cultivation based on the soil, slopes and climate of the area.  
It is recommended that activities that will result in the loss of agricultural potential such as the subdivision of land, settlement and extensive infrastructure development should not be undertaken in this zone.
- Ultimately these areas should not be developed for purposes other than agriculture, and should retain the opportunity for future agricultural production. As such, they should be maintained either for cultivation or grazing. In areas of high agricultural potential that also have high biodiversity value it will be important to attempt to identify land uses that may achieve both objectives such as grazing or less intensive cultivation that include areas to be set aside for biodiversity management. High potential agricultural land located within existing settlements but is too small or lack the appropriate infrastructure to become viable agricultural areas could

be considered for small scale or intensive food production and urban agriculture. Agricultural development should be promoted based on latent potential with high production potential land being reserved mainly for agricultural purposes.

- Extensive livestock farming should be promoted, particularly in communal areas. But, grazing land management programmes should also be introduced to address the increasing problem of soil erosion.
- Crop production (irrigated and dry land) should be promoted in low - lying areas and irrigation along the main river tributaries.
- Irrigation estates along the major rivers.
- Pastures and dairy in and around Cedarville.
- Farms stay within a five to ten kilometer radius from Matatiele Town and Cedarville should be considered for the establishment of smallholdings where limited processing of agricultural products and tourism facilities should be allowed. The same applies to farms located immediately along development corridors.
- Regional Access – R56 which runs through Matatiele in an east-west direction serves as the main regional access route that links Matatiele with other urban centres such as Kokstad to the east and Mount Fletcher to the south west. Secondary to the N2, it serves as the main link between the Eastern Cape Province and KwaZulu-Natal Province. It is identified in the Draft Provincial Spatial Development Plan (PSDP) - Eastern Cape as one of the Strategic Transport Routes. R56 is a multi-sectoral corridor as it facilitates access to agricultural zones in the Cedarville-Matatiele Area, tourism zones in the Ongelukse area and commerce and industry in Matatiele. It forms the basis for a road system that connects different parts of the municipal area.
- Development along R56 Development Corridor should follow the following guidelines.
- R56 is a regional limited access and high speed public transport route; as such direct access onto this road is subject to the provincial road transport regulations.
- Higher order land uses should be accommodated in the nodes, but lower order land uses could develop in a linear fashion subject to alternative access opportunities; and
- A 15m buffer should be observed from the boundary of the road reserve. This has implications for settlements that have encroached onto the buffer areas.
- R56 also provides an alternative shorter route to Cape Town with views of scenic beauty, which can attract both domestic and International tourist thereby promoting LED projects at some locations.

## 2.2 SWOT ANALYSIS

Integrated development planning is also about focusing on strategic areas of intervention and concern with interventions with a high impact using the limited resources available to the municipality, with the aim to achieve appropriate and sustainable delivery of services and create an enabling framework for social and economic development. With this in mind and the current situational analysis, Matatiele Local municipality has identified key issues and areas of priority and intervention towards achieving sustainable social and economic development.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Abundant natural resources: fertile soil and favourable rainfall conditions, natural forests and forestry plantations, flora and fauna, mountains and water (i.e. wetlands, rivers, streams, lakes, etc.),</li> <li>• Livestock, crop, poultry, pigs and bees raised in the municipality</li> <li>• Large parcels of undeveloped land</li> <li>• Approved SDF, IDP and other plans, strategies and policies</li> <li>• Existing social facilities and services</li> <li>• Tourism destination and ecotourism</li> <li>• Productive land for ploughing grain products</li> <li>• Sufficient land for agro processing industry development.</li> <li>• Conducive areas for a forestation</li> <li>• Existence of access roads leading to various villages in the wards</li> <li>• Regular road transport to some major centres of South Africa, including Durban and Gauteng, and existence of rail network and an airstrip,</li> <li>• Relatively low crime levels</li> <li>• EPWP initiatives</li> <li>• Sufficient airspace capacity available for disposal of general waste</li> <li>• Approved organizational structure</li> <li>• Financial Management systems in Place</li> <li>• Unqualified Audit Reports</li> <li>• Established performance management system</li> <li>• Good relations with Traditional leaders</li> </ul>	<ul style="list-style-type: none"> <li>• Poor infrastructure and lack of infrastructure maintenance, complete lack of physical infrastructure and lack of access to municipal services, especially in the rural areas,</li> <li>• Skills shortages across economic sectors and limited scientific knowledge in the agricultural and forestry sectors</li> <li>• Debtors balance reduction.</li> <li>• 70% council grants dependency on budget</li> <li>• Limited financial resources to foster infrastructure development.</li> <li>• Ageing of infrastructure and equipment</li> <li>• The housing subsidy system to be in place and development of the municipal Management Plan.</li> <li>• town planning schemes and mapping (Cadastral planning)</li> <li>• Limited accommodation and few housing programmes for rental/middle income housing.</li> <li>• Sprawling rural settlements and Delays in resolving land claims</li> <li>• Poorly maintained Tourism Infrastructure and development of tourism development plan</li> <li>• Access to markets for fresh produce</li> <li>• No value addition for forestry.</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Potential for use of available underutilised land and other natural resources (e.g. rivers) resources for income generation purposes</li> <li>• Strong potential for the development and promotion of winter tourism, cultural tourism, eco-tourism, agricultural tourism, adventure tourism, avi-tourism (e.g. bird-watching) and water sports, and of facilities supporting tourism,</li> <li>• Grant funding: MIG &amp; INEP, also Financial Support from Sector Departments and Agencies</li> <li>• Political stability in the Municipality</li> <li>• Available programmes within DRDLR to assist in</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of access to land and demarcation disputes hamper development: Ongoing land claim matters lead to slow allocation of land that can be used for business purposes</li> <li>• Labour force migration, HIV/AIDS and low school completion rates may adversely affect labour force participation rates in the municipality: Low skill completion rates can lead to a rise in unemployment and crime rates, which hamper development.</li> <li>• Forests face many threats, including fire, disease, drought, strong winds, snow, vandalism and trespassing by livestock, which</li> </ul>

<ul style="list-style-type: none"> <li>rural planning.</li> <li>Available skills from existing commercial farmers to foster opportunities for crop production, meet and wool processing.</li> <li>Training and participation of local communities in forestry potential to improve retail sector.</li> <li>Funding opportunities for SMMES</li> <li>Opportunities for introduction of self-help projects for unemployed community members in both urban and rural areas</li> </ul>	<ul style="list-style-type: none"> <li>can lead to damage to drains, soil structure and the trees themselves.</li> <li>Culture of non –payment for services</li> <li>Electricity theft and tempering (electricity losses) and illegal connections</li> <li>Occurrence of illegal activities; illegal dumping, illegal hunting and harvesting of flora &amp; fauna, unpermitted sand mining.</li> <li>Slow capturing of rural housing beneficiaries</li> <li>Stock theft, disease outbreaks and wild – fires.</li> </ul>
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## 2.3 DEMOGRAPHIC PROFILE

### 2.3.1 Population size and Distribution

Matatiele local municipality has a population size of 203 843 people, spread across 26 wards. A comparative demographical analysis demonstrates that Matatiele Local Municipality has the largest geographical size at 4352 within Alfred Nzo District Municipality. The area accounts for 41% of the district's population. In terms of Population density, Matatiele local Municipality has a rather lower density (46.8 p/square kilometre) within ANDM. The population growth over the past ten year is estimated at 0.46%

Area	Area Size (Km <sup>2</sup> )	Population (persons per km2)	Density	Population Estimate Census 2011
South Africa	1,221,037	42.4		51,770,560
Eastern Cape	168,966	39		6,562,053
Alfred Nzo DM	10,731	74.7		801,344
<b>Matatiele Local Municipality</b>	<b>4,352</b>	<b>46.8</b>		<b>203,843</b>
Umzimvubu Local Municipality	2,577	74.4		191,620
Ntabankulu Local Municipality	1,385	89.5		123,976
Bizana Local Municipality	2,417	116.6		281,905

**Table: 1 population size. Source: STATSSA, Census 2011.**

The population of Matatiele local municipality is distributed unevenly over 26 wards as reflected on table2 below. The number of villages per ward also varies in size and number. Ward 2 has the largest population within the Municipality, with ward 19 having the smallest population. It also to be noted that, in terms of the number of households; Ward 20 has the largest number of households within the municipality. The majority of the population is African and most of them reside in rural villages and formal townships around Matatiele, Maluti and Cedarville. The total household size is estimated at 49 527 households; (48491) is African, (410) is Coloured, and (403) is White, (149) is Asian/ Indian and (74) are classified as other. On average, the household's size in Matatiele Municipality is 4.

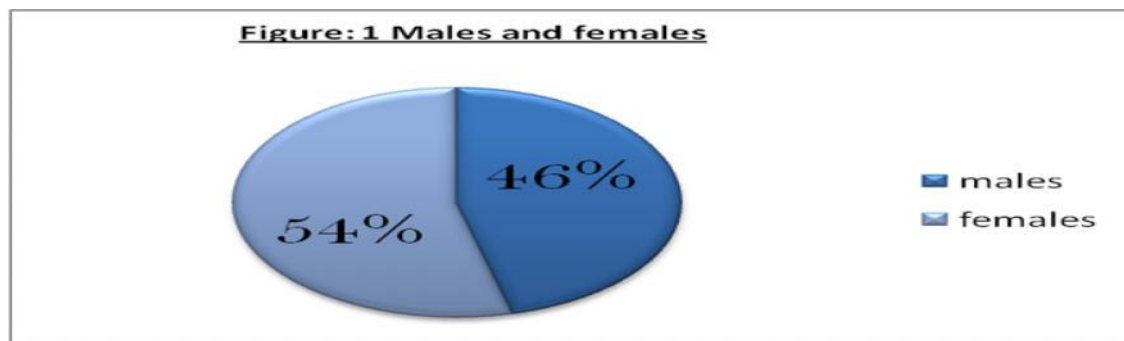


Wards	Population size per ward	Number of households in a ward
1	6 434	1 330
2	13 574	3 069
3	7 811	1 880
4	8 324	2 006
5	8 474	2 037
6	7 399	1 968
7	7 611	1 684
8	9 747	1 207
9	6 605	1 659
10	8 864	2 155
11	11 421	2 815
12	6 626	1 643
13	8 241	1 672
14	6 586	1 678
15	6 715	1 855
16	6 405	1 652
17	8 509	2 200
18	7 253	1 921
19	4 124	1 378
20	11 816	3 548
21	7 142	1 625
22	6 288	1 752
23	6 344	1 553
24	5 570	1 378
25	7 067	1 659
26	8 894	2 202
<b>Grand Total</b>	<b>203 843</b>	<b>49 527</b>

Table 2: Source: STATSSA; SuperCROSS. Copyright © 1993-2013 Space Time Research Pty Ltd. All rights reserved

### 2.3.2 Gender Differentiation

Matatiele Local Municipality has a slight imbalance between the females and the males. The females outnumber the males such that they constitute 54% (110167) of the population while the males amount to 46% (93675) of the population. Nevertheless this confirms with the national trends that a higher proportion of women are found in the dominant rural areas than men. 55.3% of the households are female headed.



### 2.3.3 Age Composition

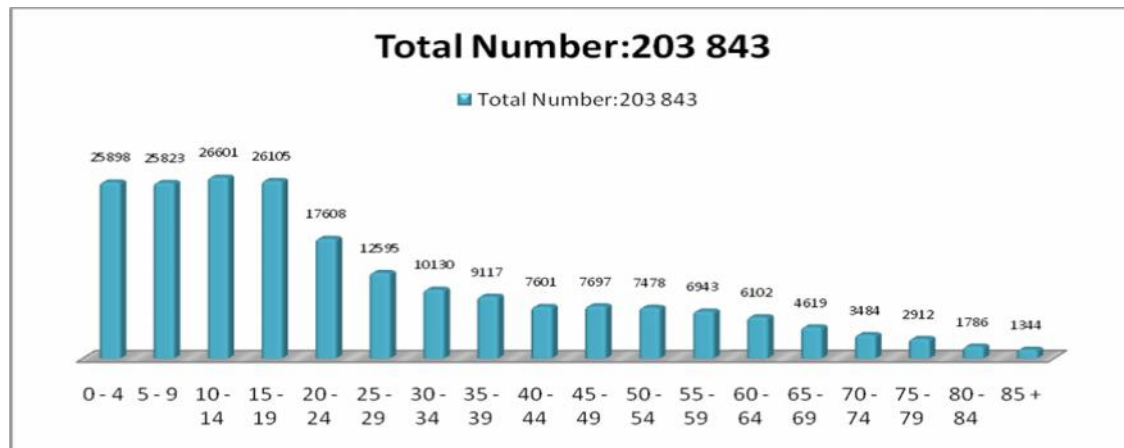


Figure 2: population per age group; Census tables, 2011

The age composition or structure influences the kinds of economic activities within the locality. Different age groups have different economic needs and different spending patterns. According to the Census 2011, 71% of the population within the municipality is younger than 35 years of age and only 7% are over 65 years of age. The age profile shows a large proportion of the population being young people between ages 0 and 34 years old. This trend in age composition points out that priority should be given by the Municipality, Sector Departments and other stakeholders to ensure that a large percentage of the budget is allocated to social development facilities and youth Empowerment initiatives in order to meet the needs of a youthful population and ensuring that people falling within this age acquire relevant skills. The creation of more job opportunities is one of the key aspects of the developmental issues by the municipality in partnership with the sector departments and other stakeholders.

## 2.4 SOCIAL ECONOMIC PROFILE

### 2.4.1 Education Profile and Literacy Levels

Education plays a pivotal role on community development. It provides a set of basic skills for development, creativity and innovative abilities within individuals. The South African Constitution provides that everyone has a right to education, which includes Adult Education and Training. The Literacy levels within Matatiele Local Municipality have improved over the last ten years. There is a significant growth in the number of children attending school. The table below shows a comparison the last 10 years.

EDUCATION (aged 20 +)								
	No Schooling		Higher Education		Matric		Primary Educational Enrolment (aged 6-13)	
	2001	2011	2001	2011	2001	2011	2001	2011
EC441: Matatiele	23.2	9.4	4.0	3.1	8.3	12.7	90.9	94.4

Table 3: education levels, census 2011 municipal fact sheet.

The percentage of non-scholars has dramatically declined from 23.2% in 2001 to 9.4% in 2011. This shows the progress that has taken place over this period. The percentage of Children between the ages 6-13 that have enrolled in school increased from 90.9% in 2001 to 94.4% in 2011. It is observed that although the percentage number of people with matric increased to 12.7%, the percentage number of people in higher education has declined from 4.0% to 3.1% between 2001 and 2011. The reason for this could be attributed to poor financial backgrounds, in that most students after Matric do not have the financial means to further their studies.

#### **2.4.2 Employment Profile**

The economically active population (EAP) is defined as the number of people who are able, willing and who are actively looking for, work and who are between the ages of 15 and 65. It thus includes both *employed* and *unemployed* people. The population which is economically active in Matatiele Local Municipality is recorded at 112 338 people (Census 2011). The unemployment rate is currently estimated at 38.2 %.

#### **2.4.3 Income Profile and Indigent Support**

Matatiele Local Municipality is characterized by high levels of unemployment and unequal distribution of income, this however is a characteristic seen in the rest of the country. Census 2011 indicates that an average household size in Matatiele Local Municipality is 4, therefore requiring a minimum of R2658.00 per month to survive. In reference to this, it is estimated that 25 358 households in Matatiele Local Municipality live below this average. This has created a large number of people with high dependency on social assistance in the form of grants. Municipal planning recognises the need to focus strongly on poverty alleviation mechanisms as well as job creation. The Municipality has an Indigent support policy and a credible indigent register, with 12 104 households registered. Currently the indigent support is in the form of free basic electricity, non-grid energy, and alternative energy and refuses removal. Indigent household also receive 6 kilo litres of water per Household. There is an adopted Indigents Support policy. Table 4 below lists the beneficiaries per ward and the type of service provided.

WARD NO	Refuse	Rates	Eskom Electricity	Municipal. Electricity	Non - grid Energy	Total Indigent
1	33	33	101	0	50	153
2	0	0	152	0	108	267
3	0	0	85	0	35	120
4	0	0	421	0	391	1152
5	0	0	0	0	622	622
6	0	0	112	0	63	175
7	0	0	0	0	420	931
8	0	0	83	0	418	570
9	0	0	0	0	359	465
10	0	0	1023	0	190	1214
11	0	0	69	0	19	99
12	0	0	100	0	245	345
13	0	0	0	0	166	166
14	0	0	0	0	305	426
15	0	0	0	0	96	96
16	0	0	0	0	101	101

17	0	0	274	0	241	515
18	0	0	38	0	725	779
19	41	41	0	41	0	41
20	490	490	65	599	311	1311
21	0	0	343	0	21	366
22	0	0	0	0	235	460
23	0	0	215	0	332	599
24	0	0	70	0	310	401
25	0	0	58	0	44	102
26	434	434	244	0	350	628
<b>TOTAL</b>	<b>998</b>	<b>998</b>	<b>3453</b>	<b>640</b>	<b>6157</b>	<b>12104</b>

Table 4: Beneficiaries per indigent register

#### 2.4.4 Poverty Levels and Indicators

The number of people in poverty is the number of people living in households that have an income less than the poverty income, i.e. the minimum income required to sustain a household according to the particular household size. The percentage of people in poverty is the number of people in poverty as a percentage of the total population in a region. In Matatiele Local Municipality, there are still large numbers of people living in poverty. The estimated number of people living in poverty is 122 537, that is almost 60 percent of the population. The situation gives rise to an even greater need for indigent support and also a high number of people who are grant dependant.

Looking at the poverty trends For Matatiele Local Municipality, there seems to be a decline in the number of people living in poverty over the years. Although the change is not significant, this however shows improvement in the efforts to eradicate poverty. The figure below highlights the Poverty Overview for Matatiele Local municipality form 1996 to 2011.

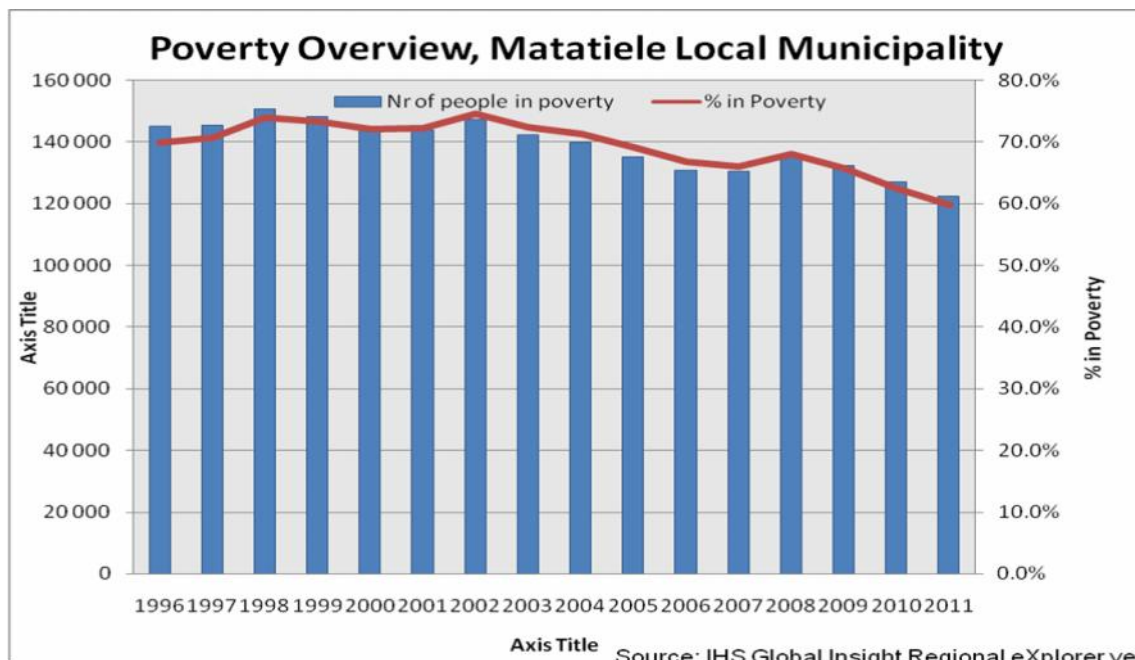


Figure 3: poverty overview

Looking at the graph, it gives an indication that the percentage of people living in poverty was at its lowest in 2011 since 1996, that being said, this percentage of approximately 60% is still high, as it indicates that over half of the population of Matatiele still live in poverty. The Poverty Gap indicates how much extra all of the poor households combined would have to earn each year to rise up to the poverty income. Currently the poverty gap is sitting at 427 (Rm).

#### **2.4.5 HIV/AIDS**

Matatiele local municipality has an HIV/AIDS strategy in line with the national strategy. *The strategy* focuses on issues that are critical in developing the multi-sectoral municipal response to HIV/AIDS. The impact of the pandemic on the livelihood of the communities is reflected as:

- *Impact on Family Life and Children*
- *Provision of Service Health, Education and Welfare*
- *Impact on Local Economy*
- *Impact on community and poverty*

There are currently 23 500 people living with HIV/AIDS within the municipal area. Over the last five years, the number of has decreased slightly. This can be attributed to the efforts and programmes from various sectors, aimed at reducing the rate of new infections, reducing the impact of HIV/AIDS on individuals, families, communities and the broader society by ensuring improving access to treatment, care, support and service delivery targeting the infected and affected.

#### **1.5.6 Migration**

##### **Background**

South Africa currently faces a scenario where unknown number of immigrants are living along the borders, creating insecurity and worsening the problem of porous borders. The escalation of this problem post the democratic breakthrough has amongst others worsened the political and security problems and the fraudulent and illegal entry into the National Population Register (NPR). migrants may be defined as foreign-born, foreign nationals, or people who have moved to South Africa over a period of time.

The Department has identified about 35 local municipalities across the country with varying degrees of concentration of border migrants. These include Musina, Lephalale, Phalaborwa and Thabazimbi (Limpopo); Phongolo, Golela, Umhlabuyalingana, Kwa-Sani, Mkhuze (KwaZulu-Natal); Maluti-a-Phofung, Dihlabeng, Setsotso, Maletswai, Mantsopa (Free State); and Matatiele (Eastern Cape). Of these, Matatiele and Kwa-Sani were identified as the first areas to kick-start project implementation followed by Mantsopa and Phalaborwa.

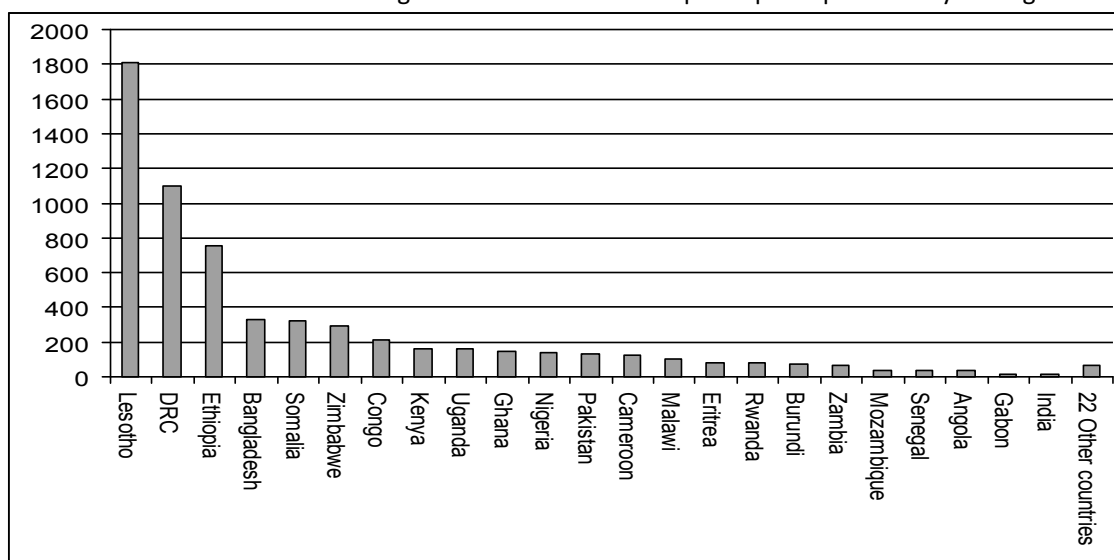
Awareness has been raised on the importance of integrating migration management into local planning processes as such some Government Departments and Municipalities have started integrating migration strategies into their programmes and plans. This has helped towards strengthening the social fabric of local communities and enhancing their social capital.

##### **Profiling Of Foreign Nationals**

A survey was conducted in from April to August 2012 in Matatiele. The key strategic goal of the survey project was to build a secure and credible database of all immigrant communities and families who have settled in and around the border areas of the country. Such a database will contain the following key sets of information:

- Estimated number of immigrant communities and their families residing along the border lines;
- Countries of origin; duration of their stay in the country;
- Reasons why they are in the country;
- Types of documents in their possession and whether they are willing to return all documents obtained illegally to relevant authorities;
- Their current economic activities in the country etc.

The survey was voluntary and a total of 6,291 migrants participated in the survey in Matatiele. Of the participants, 29% came from Lesotho. This came not as a surprise since Matatiele Local Municipality is bound on the north by Lesotho. The rest come from other African countries, and some countries such as India. The figure below will show the participants per country of Origin:



**Figure 5: number of people per country of origin**

The findings of the Survey also revealed that migrants come to the country for reasons such as looking for work opportunities, studying, wanting to start a new life, wars and conflict in their country of Origin, poverty amongst other things.

### **Migration Support Office**

Matatiele Local Municipality in partnership with Department of Home Affairs (DHA) and the United Nations Development Programme (UNDP) took an initiative to establish a Migration Support Office which will act as a single point of contact for migration related issues. The initiative to establish the Migration support office is part of the project to Support the South African Government to Strengthen Communities of Diversity and Peace that is funded by the European Commission and implemented through the United Nations Development Programme.

A Help Desk office will be established with the main purpose of enhancing and advancing the current Home Affairs programme on documentation of citizens, both in land and cross border migrants. Through partnerships with the Department of Home Affairs the Desk will establish a database system that can be used by all relevant parties for planning and other related purposes. Three (3) staff members would be trained to provide the services. The launch of the Migration support office on the 16<sup>th</sup> May 2013.

## 2.1 ACCESS TO BASIC SERVICES

### 2.1.1 Water

The IDP Community Outreach conducted by the Matatiele Local Municipality in all 26 Wards during the month of September 2013, identified that there is still a great backlog in provision of water services. About 5441 and 4154 households still draw water from springs and dams respectively. In some areas people draw water from rivers and also rely on rain water. This presents a challenge during winter and seasons of draught. From table 5 below, it is noted that almost 49% of the household have access to clean drinking water through a local water scheme.

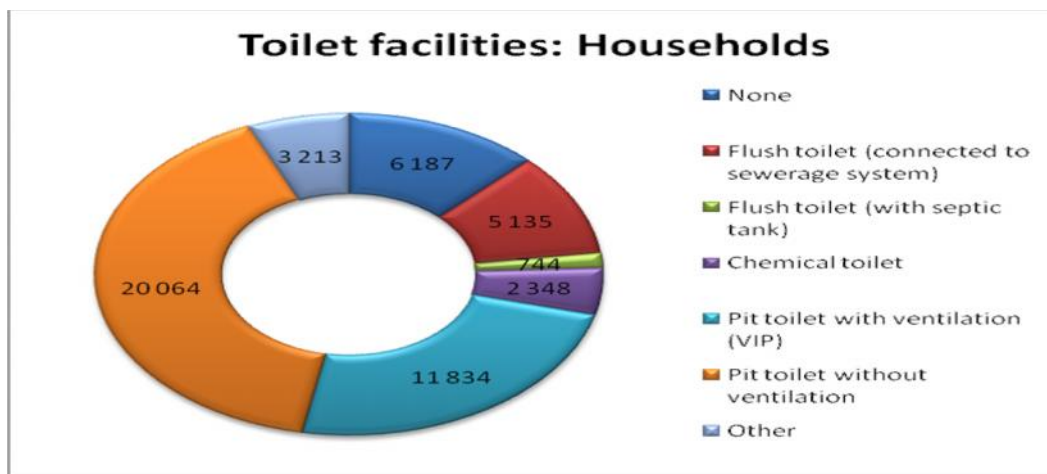
Census 2011, Municipality, piped water by population group of head of the household	
<b>EC441: Matatiele</b>	
Piped (tap) water inside dwelling/institution	6 034
Piped (tap) water inside yard	7 637
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	14 323
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	5 279
Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling/institution	2 117
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	1 282
No access to piped (tap) water	12 855
<b>Total</b>	<b>49 527</b>

**Table 5: piped water by household, Census 2011 municipal tables**

The backlog of RDP standard water provision in Matatiele is therefore sitting at 51%, this figure is less than the 64 % recorded in 2007. That being said, it is to be noted from table 5 that about 12855 households have no access to piped water. In some villages, people still travel several kilometres to access water, people in approximately 1282 households travel more than 1 km to access water. The District Municipality has identified this need and has commissioned a study to report on the implementation of a Rural Bulk Raw Water Supply Scheme for the area and feasibility studies are conducted in wards such as ward 5 & 7.

### 2.1.2 Sanitation

During the September 2013 IDP Community Outreach, it was identified that there is still a need for toilets in other villages. The District Municipality has made progress in that, a large number of households have been provided with ventilated pit toilets. Waterborne sanitation is only provided in urban areas. Toilets in rural areas comprise VIP toilets while the bucket system has been totally eradicated.



**Figure 6; toilets facilities by households, census 2011 tables**

Figure 6 above shows that approximately 6187 households have no form of toilets facilities. Hygienic toilet by definition includes flush toilets, chemical toilets and pit latrines with a ventilation pipe. It is therefore determined that only 36% of households have hygienic toilets. This leaves 64% of households with no hygienic toilets.

### 2.1.3 Energy

Eskom is the licensed distributor of electricity in the majority of the municipal area with the exception of the town of Matatiele and Cedarville where Matatiele Local Municipality is the licensed distributor. There is still a huge backlog, although progress has been made. The 2013 IDP community Outreach revealed that in almost all the other 25 wards, Electricity is a priority. Census 2011 revealed the 22 223 households use electricity for lighting; while about 20 139 still make use of candles for lighting.

The electrification of houses by Matatiele Local Municipality is ongoing, but not at the desired pace, primarily due to financial and power capacity constraints. Areas for prioritised intervention include the Upgrade existing sub-station feeding Matatiele, investigate means for rural communities to access alternative free basic energy and facilitate to accelerate access to electricity and lobby for funding to address backlogs for the provision of universal energy in rural areas .

There are a few wards that have electricity, with the exception of ward 19 which is fully electrified; the other wards have various villages with no electricity. The municipality has made means to provide solar power, stoves and gels as a temporary solution to households which have no electricity. Over the past year, Eskom has electrified 800 households in ward 16 and 450 households in ward 08. The municipality has also been able to electrify 400 households in Harry Gwala.

Referring to the figure below, only 45% of households use electricity for lighting, leaving 65% of household's using alternative means of energy for lighting.



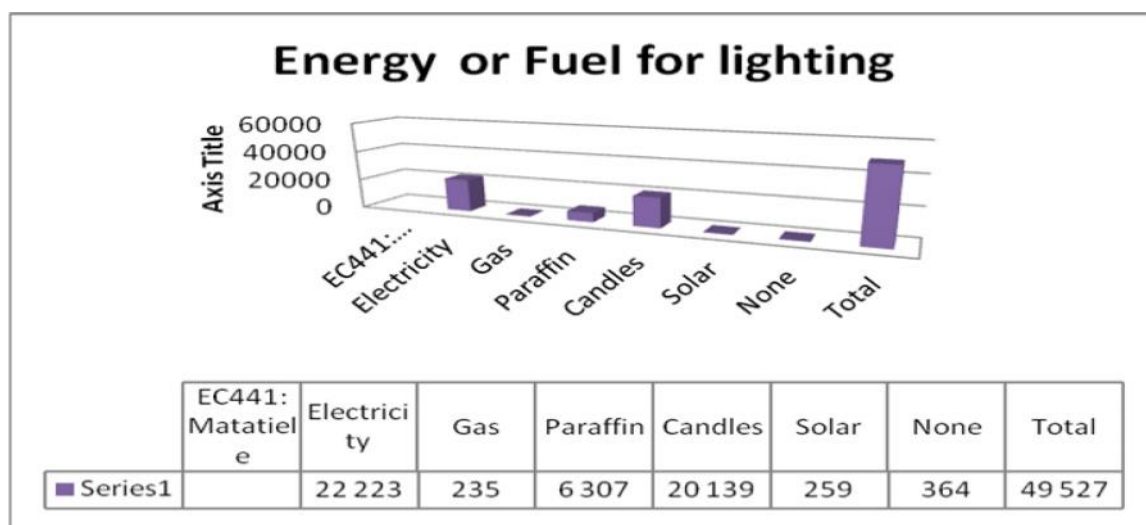


Figure 7: Census table 2011

#### 2.1.4 Solid Waste

The Matatiele Local Municipality is responsible for waste management in their area of jurisdiction.

Census 2011 by Municipality, refuse removal by population group of head of the household	
<b>EC441: Matatiele</b>	
Removed by local authority/private company at least once a week	5 395
Removed by local authority/private company less often	940
Communal refuse dump	560
Own refuse dump	35 014
No rubbish disposal	5 973
Other	1 645
<b>Total</b>	<b>49 527</b>

Table 7: Census 2011 municipal tables

Matatiele Local Municipality is responsible for waste management in their area of jurisdiction. The Municipality collects household refuse from all three urban areas on a weekly basis and has started removal in some rural areas. A developed and licensed waste disposal site has been operating in Matatiele since 2008. This site has the capacity to accommodate all the waste from the urban areas for at least the next 15 years. There is however a large number of households who still use their own means of disposing waste; this puts the waste removal backlog at 86%.

MLM is also in the process of introducing an integrated waste management system that includes a recycling component that will contribute to local economic development and cleaning of the environment. Obtain a copy of the District WMP, coordinate initiatives, and investigate the expansion of refuse removal services and facilities to prevent indiscriminate dumping in rural areas.

## 2.2 TRANSPORT INFRASTRUCTURE

At a broad level, Matatiele has a well-established road system comprising of provincial, district and local access roads. This improves accessibility and connectivity at a regional scale and serves as an

opportunity for corridor based development. R56 is the main provincial road linking KwaZulu-Natal and Eastern Cape through Matatiele.

The other provincial roads that play an important role in terms of linkages include P612 which link the area with Lesotho. There are also provincial routes that play a significance role in terms of linking various parts internally within Matatiele. These routes are P607, P604, P649 and P605. District Roads connect different settlements and provide access to public facilities. These district routes include DR639, DR641, DR642, DR660, DR643 and DR611. There are also Local Access Roads which provide access within each village.

### **2.2.1 Road Network**

The construction and maintenance of provincial roads is the responsibility of the Department Of Roads and Public Works, and the district roads are maintained by the district municipality. On the other hand, Construction and maintenance of access roads is the competency of the Local municipality. Maintenance includes re-gravelling, storm water drainage, bridges, pothole patching, paving, Road signs and road markings.

The municipality is also responsible for the construction and maintenance of sidewalks, foot paths in an around the three towns. The main role player at Matatiele Local Municipality is the Infrastructure services department. The municipality currently has developed a Consolidated Infrastructure Plan which incorporates the Roads Master Plan, Electricity plan as well as a Storm Water Management Plan.

This improves accessibility and connectivity at a regional scale and serves as an Opportunity for corridor based development. The estimated Access road backlog is 52% (Community base outcome).The modes of transport that are mainly used by the community are public transport and private transport.

### **2.2.2 Public Transport**

Various means of public transportation are used within the municipality. Buses, Taxis and vans are commonly used as form of transportation from one place to another. Vans are common in rural areas and are used to transport people to the towns, where they can access services. There are currently four (4) operational taxi ranks, and 1 bus rank in the Matatiele town. Despite some investments in new roads and maintenance there remain local communities who are isolated and disconnected due to poor road infrastructure.

This has significant consequences in terms of local economic development as well as service delivery, especially accessibility to emergency ambulance services. Transport whether motorized or non-motorized faces many challenges within the Municipal area. These can be summarized as follows:

Access roads need maintenance;

- Unavailability of adequate public transport facilities especially for the disabled;
- Lack of cooperation between public transport operators and the municipal authorities;
- Lack of institutional capacity at Local and District Municipal level to manage transport planning and implementation;

- Limited of pedestrian and non-motorized transport facilities.

The Department of Transport did initiate some rural transport initiatives including:

- The AB 350 which established 16 buses on various routes in Matatiele
- Scholar transport was operated by a number of schools in the Municipal area

Areas of prioritised intervention include Maintenance of roads, improving on regulation to improve of road worth scholar transport. Investigate traffic calming measures within areas of high accidents and facilitate the provision of adequate public transport facilities especially for the disabled. Improve cooperation between public transport operators, the municipal authorities. Build and improve institutional capacity at Local and District Municipal level to manage transport planning and implementation. There have been measures put in place to be improve traffic management within Matatiele (town); traffic lights have been put in 6 major intersections. The municipality also coordinates the Transport Forum and the meetings sit on Quarterly basis.

### **2.2.3 Rail**

The Municipality does not have an established public and goods rail transport system. However, a railway line runs through the area connecting the area with KwaZulu-Natal towns (Kokstad and beyond) although it has not been in use for over three years.

### **2.2.4 Air Transport**

There is no established and operational air transport system. A small landing Strip (airstrip) exists within both Matatiele and Cedarville. The aerodrome in Matatiele has been newly renovated.

## **2.3. ACCESS TO COMMUNITY FACILITIES**

### **2.3.1 Health**

Matatiele has one (1) Hospital, Taylor Bequest Matatiele Hospital, one (1) Khotsong TB Hospital, Maluti Community Health Centre, 19 Clinics and 2 Mobile clinics. The application of the planning standards suggests that a population of 50 000 people needs to be provided with a Hospital while 6000 people need to be provided with a clinic. This therefore suggests that the Area is supposed to be serviced by 5 hospitals and 43 clinics which suggest a backlog of 2 Hospital and 18 clinics. Substantial inroads have been made in terms of the provision of health Care facilities including non-profit Organisations offering health care to communities.

There remain significant challenges in the provision of health services including:

- The provision of facilities falls short of the Departments desired norms of providing all inhabitants of the municipality with access to at least a primary health care facility within a radius of 5 km that has the capacity to serve between 8000 – 12000 people. This is largely attributable to the rural nature of the area.
- All most all facilities are short staffed.
- Clinics are unable to render the full range of services at this stage and many are hampered by a lack of communication with no telecommunication network within the area and electricity.

- Some clinics are underutilized and this is primarily attributable to the perception that the aim of clinics is to provide curative and not preventative services.

### **2.3.2 Education Facilities**

Maluti District is made up of 194 schools, 31 combined schools, 138 primary schools and 25 High schools. There are no existing tertiary education facilities within the Municipal Area. An application of planning standards for education facilities, suggest that: 1 primary school per 600 households and 1 secondary school for every 1200 households. The backlogs in terms of both the primary schools and secondary schools can be determined based on these standards.

The PGDP identified education, agriculture and industrial development strategy as the main ingredients towards poverty eradication. Therefore education remains an important factor in the development of our country and the municipality. Through education, individuals are prepared for future engagement in the labour market, which directly affects their quality of life as well as the economy of the country.

The Provincial Strategic Priorities identifies Strengthening Education, skills and human resource base as one of the strategic priorities. The municipality therefore has to also prioritise skills development, particularly in areas where education levels are low. AET is also provided.

A great deal of progress has been made in the construction of schools. During the IDP Community Outreach, a number of schools identified the need for new classrooms, admin block, toilets, fencing, water tanks, laboratory, library, electricity, security rooms and assembly slabs. There is also a great need for preschools. The department has committed to the eradication of mud structures as well as provide better and quality structures. Currently, construction and upgrading of Bokamoso SPS (ward 20) and Mrwabo J.S.S (ward 18) are underway. The facilities include 4 new classrooms, office and store, 1 reception classroom, 9 pit toilets, external works including assembling slab, security fencing and 4 rain water, an electric conduit at Mrwabo and 7 new classrooms, Resource centre, Admin Block, Soup kitchen, Fencing and Site works at Bokamoso.

### **2.3.3 Cemeteries**

The municipal cemeteries satisfy the existing service demand but there is urgent need to expand current capacity and ensure that all communities have access to adequate burial facilities. Cemeteries also need to be secured in order to ensure preservation of heritage and prevent vandalism of graves and tombstones. Cemeteries in the three towns have been fenced. The areas of prioritised intervention include the identification of all rural cemeteries which must be fenced and maintained. There is a need to look at options to expand current capacity or identify new site in Matatiele, Cedarville and Maluti and investigate the provision of extended cemetery services to ensure that entire area has access to services.

### **2.3.4 Sports Facilities**

The municipality comprises mainly of a youthful population and this warrants that specific Attention should be given to the development of sport and recreation facilities and initiatives. Currently there are only three (3) formal sport stadiums with limited facilities in the urban areas. The IDP Community Outreach revealed a greater need for Multipurpose Centres and Sports Fields in all wards; as such each ward has prioritised Sports fields as a need. All facilities are maintained as and

when required, but require upgrading. Priority has been given to the provision of sport fields in the rural areas to encourage the youth to participate in sports. There is a need for a Sport complex in Matatiele (town) which will cater for a variety of sporting codes as well as indoor games.

### ***2.3.5 Community Facilities***

The municipality currently has (36) community halls on the asset register, which are available for the use by the Community, however during the 2012 snow Disaster, ward 10 community halls were destroyed and another hall in ward 21. The condition of the majority of these facilities is fair. The Municipality does no longer prioritise the building of community halls since through community identification of priority needs; it has proven that there are more urgent needs to be given priority prioritized such as roads, water & electricity.

### ***2.3.6 Libraries and Museums***

There is a need for libraries especially for the majority of learners in rural areas. Within the Municipality there are currently three libraries and one mobile library at Mango Village. The libraries in the Matatiele, Cedarville and Maluti are functional while Mango Library needs electricity. The provision of libraries and museums is the competency of DSRAC. There is one Museum in Matatiele Town.

## **2.4. PUBLIC SAFETY AND SECURITY**

### ***2.4.1 Police Services***

Within the municipal area, there are currently 6 police stations, serving the communities. Crime has the potential to impact negatively on the local economic development of the municipal area, and for this reason it is imperative that the Municipality play an active role in ensuring the safety of their Community. It is worth noting that the Military has returned to Matatiele Local municipality and are responsible for the safe Guarding of the border's posts to Lesotho. The official hand over was done on 9 May 2012.

When analysing the crime statistics within the municipality, it becomes evident that stock theft, Assault with the intent to inflict grievous bodily harm, burglaries at residential areas are the highest in the area. Prioritised intervention include lobbying for increased visibility of SAPS in Maluti and Matatiele as it has been noted that crime seems to be high in ward 1 and 2, create awareness around police forums; and lobby for additional police stations or satellite police units. Efforts need to be put in place to encourage participation of other stakeholders and the community at large in the fight against crime, such as community safety forum. Community safety forum is functional and meetings are held quarterly.

### ***2.4.2 Disaster Management***

The District Municipality is providing Disaster Management services on a large scale within the Matatiele Local Municipality. Matatiele Local Municipality provides immediate Disaster relief, support and other initiatives throughout the local municipal area. The Municipality is currently developing the Disaster Management Plan, linked to the ANDM Disaster Management Plan. In recent years, there has been a prevalence of Disasters, natural and other. The following are some of the frequently occurring disasters in the Matatiele local Municipal Area;

- Wild fires
- Floods
- Heavy snow disasters
- Heavy Storms & tornados

Within Matatiele Local Municipality, The Disaster, Fire and Rescue unit functions to provide emergency and rescue services. Although the unit is operational, there are challenges experienced which may hinder the sustainable progress on disaster Management. Some of these challenges are;

- Limited financial and human resources
- Lack of equipment and tools
- Awareness on disaster Management
- Lack of support and integration of services from other stakeholders

Although there are challenges being experienced, there are plans in place to address some of these challenges. In the coming financial year, the unit plans to get funds to carry out the proposed projects which will include: training of 260 volunteers in the wards, 10 fire fighters and also appointment of experts on fire and rescue.

### **2.4.3 Housing**

Even though housing is the competency of the Department Human Settlements, the Municipality plays an active role providing support to Human settlements development. The Municipality has a functioning Human settlements office providing services in the form of:

- Beneficiary identification & Administration
- Community Consumer Education
- Housing Demand Assessment & Management
- Project Management
- Emergency Human Settlement assessment and Applications

The housing backlog is considered to be enormous in Matatiele. This backlog occurs mainly in the traditional areas as well as the informal housing settlements found in and around towns. A continuous flow of people from rural to urban areas – urbanization – has vast implications on the housing backlog.

Housing delivery is hindered by red tape bureaucracy in accessing funds and there is a lack in the variety of alternatives when it comes to housing projects within housing policies. The construction of houses is also affected by expenses related to the delivery of materials because of the geographic location. The rate at which houses are built is relatively slow. Housing delivery is affected by issues such as land invasion and non-conformity to approval standards. The provision of formal housing for low and middle income residents is a core function of provincial and national government, with local municipalities being spaces where implementation takes place.

Within the urban areas, housing development is generally occurring, but within the rural or communal areas, the provision of housing has still currently on going. When it comes to housing and housing delivery the Matatiele area stands to an advantage because the capacity in terms of skilled and qualified builders is available.

The IDP also reveals that the people are willing to be actively involved in housing programmes. It is predicted that with these advantages emerging building material suppliers may grow stronger and ultimately impact on the economic growth and job creation. Housing growth/subsidies by National Department of Housing and Provincial Government present an opportunity to improve Housing delivery through access of social grants. Public participation is an important component of housing delivery and fortunately as already mentioned above the people are generally willing to Participate.

The Municipality has developed adopted the Department of Housing' housing sector plan. Development of a Housing needs register is in underway and as such capturing has started which will assist in identifying areas with housing needs. Lack of reliable data on housing demand and lack of uniformity in the current system has let to mal-administration and fraud regarding the allocation of housing subsidy financed dwellings surfaced. To over this problem or challenges we have to ensure the existence of consolidated lists and that there is integrity to the lists and that people have confidence in these lists. The target is that we should have a single integrated database of potential beneficiaries captured and data verified for accuracy.

A land audit has been completed, which should be able to assist with additional information to the land asset register. The Municipality has a land and buildings register and a valuation roll. With regards to mechanisms to control land invasions, Matatiele Local Municipality is working with the Department of Rural Development and Land Reform to address the situation. It also recognised that the issue of controlling land invasions should be a joint effort including other stakeholders such as the Traditional leaders, SAPS, and the community in general. Day to day inspections, awareness campaigns and workshops, have assisted the municipality to deal with land invasions.

The following is the status of current housing projects as well as the planned projects:-

DESCRIPTION	No of UNITS	STATUS
<b>Completed Housing Projects</b>		
Harry Gwala (Top-structure)	583	Completed
Kwa-Sibi Village	16	Completed
Caba-Mdeni	300	295 houses complete
<b>Current Projects</b>		
Masakala	500	Under Construction
Thaba-chicha	500	Under Construction
Mvenyane	500	Under Construction
Maritseng	1500	Under Construction
Mafube	300	Under Construction
Mehloloaneng	989	Beneficiary Administration
Queens mercy	300	Under Construction
Pote	40	Beneficiary administration
<b>TOTAL NUMBER OF UNITS</b>	<b>5 982</b>	

**Table 8: Completed and Current Housing Projects**

The housing backlog which occurs mainly in the traditional areas as well as the informal housing Settlements found in and around towns is considered to be enormous in Matatiele. Some of The issues surrounding housing is:-

- Unmanaged urbanization has huge implications on the housing backlog. Housing delivery is hindered by red tape bureaucracy in accessing funds and there is a lack in the variety of alternatives when it comes to housing projects within housing policies. The erection of houses is also affected by expenses related to the delivery of materials because of the

geographic location. The rate at which houses are built is relatively slow and the houses are prone to disaster.

- Housing delivery is also affected by issues such land invasion and non-conformity to approval standards. Within the urban areas, housing development is generally occurring, but within the rural or communal areas, the provision of housing has still not been addressed. When it comes to housing and housing delivery the Matatiele area stands to an advantage because of its capacity in terms of skilled and qualified builders.

## Land and Buildings

The table below indicate private, municipal and state land ownership within the urban centres of Matatiele and Cedarville

### Matatiele

Ownership Type	Number Of Land Parcels	Total Area (Ha)	Percentage Of Area
<b>Municipal</b>	70	8129.4	96.9%
<b>Private</b>	1081	161.1	1.9%
<b>State</b>	10	15.7	0.2%
<b>unknown</b>	71	80.2	1.0%
<b>Total</b>	<b>1232</b>	<b>8386</b>	<b>100</b>

### Cedarville

Ownership Type	Number Of Land Parcels	Total Area (Ha)	Percentage Of Area
<b>Municipal</b>	26	1097.1	84.3%
<b>Private</b>	350	108.8	8.4%
<b>State</b>	9	9.3	0.7%
<b>unknown</b>	21	86.1	6.6%
<b>Total</b>	<b>406</b>	<b>1301</b>	<b>100%</b>

As a rural Municipality, rural housing delivery has been prioritised as a key housing human settlements delivery strategy. The objective of the rural housing scheme is to give rural communities an opportunity to benefit where they live in order to reduce urbanisation. The municipality has managed to develop few housing projects though there are still housing backlogs. Housing demand is defined as the number of households requiring formal housing. Traditional housing is perceived as an acceptable form of housing and the majority of the traditional population lives in this form of housing. The majority of the population in the municipal area reside in traditional houses with formal and informal houses concentrated mainly in urban areas. The community base plan estimates the current backlog of RDP houses to be 77%.

These are some of the challenges that are encountered in addressing housing backlogs:

- Difficulties in locating missing beneficiaries lead to delays in many housing projects. The Municipality should develop an effective policy to administer this issue. Thereby avoiding the enormous delays encountered.
- Land Claims are also posing challenges in addressing the rural Housing backlogs. Although in some areas land claims have been addressed, there are areas such as Matshemla area (ward



19). The issue of Land Claims has the potential to pose challenges even on future development plans.

- The delay in the payment of contractors is a risk. Projects that experience this challenge often fall behind schedule. The payment of Contractors is the responsibility of the Provincial Department of Housing. Systems for processing contractor claims should be improved.
- The delay in the finalising of rectification projects is a cause for concern. The condition of some of the houses that need reconstruction does not improve in the meantime. The Municipality should pursue the matter with the Provincial Housing Department.
- Lack of proof of ownership of sites in rural areas. Beneficiaries in Rural Housing Projects sometimes do not have the rights to the site. They acquire sites depending on verbal agreements with site owners. When site owners dishonour there agreements for approved subsidies, delays are encountered. Two of the rural housing projects were affected by this issue. This is an implementation risk for which there are minimal remedial actions that can be effected.
- Beneficiaries often decide on re-location after they have been approved in a particular project. This causes problems as such beneficiaries would have to be de-registered and new beneficiaries allocated. Delays become unavoidable as a result. This issue suggests that Communities are not static but indeed dynamic. It is also clear that, despite the consumer awareness workshops at registration of subsidies is sometimes not fully comprehended by Communities. Therefore, regular Consumer awareness should be conducted for Communities.

#### Census 2011 by Municipality, type of main dwelling and Population group of head of household

##### EC441: Matatiele

House or brick/concrete block structure on a separate stand or yard or on a farm	16 524
Traditional dwelling/hut/structure made of traditional materials	21 410
Flat or apartment in a block of flats	2 879
Cluster house in complex	75
Townhouse (semi-detached house in a complex)	132
Semi-detached house	290
House/flat/room in backyard	4 441
Informal dwelling (shack; in backyard)	444
Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	253
Room/flat let on a property or larger dwelling/servants quarters/granny flat	252
Caravan/tent	33
Other	2 793
<b>Total</b>	<b>49 527</b>

**Table 9: types of dwellings by household Census 2011 municipal tables**

The table above shows that approximately 21 410 households live in Traditional dwelling/hut/structure made of traditional materials. A differential strategy will need to be followed in the development of human settlement, with particular focus in the urban areas to eradicate informal settlements and release of land for the establishment of new settlements and delivery of a range of housing products within the urban edge. Matatiele local municipality currently does not have a Migration plan.

## 2.5. ECONOMIC PROFILE

39 406 people are economically active (employed or unemployed but looking for work), and of these 38,7% are unemployed. Of the 20 932 economically active youth (15 – 34 years) in the area, 47,2% are unemployed (Census 2011).

### 2.5.1 Size of the Local Economy

Gross Value Added is a measure of output (total production) which measures the total output of a region by considering the value that was created within that region. One can think of GVA-R as the difference between the inputs obtained from outside the region and the outputs of the region – that is, the region's total "value added" (REX model).

The real value of goods produced and services rendered totalled R622 414 (at 2005 constant prices (R1000)).the sectors that contributed the most to this output were government services, trade and financial services. Economic sectors that are major within Matatiele Local Municipality are mainly secondary and tertiary. The Primary sector is explored on a small scale and primarily includes Agriculture. The figure below shows that there seems to be a steady growth in GVA in over the past five years from 2006 - 2011.



Figure 8: IHS ,Rex model,2012

### 2.5.2 Sectoral Analysis

Nine (9) Economic Sectors are found within Matatiele Local Municipality. Reflected below is the detailed Labour Remuneration per Economic Sector. Labour remuneration measures the total amount paid out by firms to labourers working within the region. This amount is a total cost to company concept and includes worker's contributions to medical or pension schemes etc. This figure represents the total amount of production created by labour (REX Model).

IHS Global Insight	Code	H441
Regional eXplorer 646 (2.5h)		Matatiele Local Municipality (EC441)

#### Economic

#### Labour Remuneration

#### Broad Economic Sectors - 9 sectors (Current prices, R 1000)

#### 2012

1 Agriculture	SRBAGR10	6 023
2 Mining	SRBMIN10	5 444
3 Manufacturing	SRBMAN10	11 601
4 Electricity	SRBELE10	4 302
5 Construction	SRBCON10	8 102

6 Trade	SRBTRA10	50 336
7 Transport	SRBTRN10	17 109
8 Finance	SRBFIN10	41 054
9 Community services	SRBCOM10	411 515
Total Industries	SRBTOT10	555 487

**Table 10: IHS, Rex Model, 2012**

The share of the community services sector to the local municipality's economy was the highest compared to other economic sectors in 2012. The trade sector has consistently become the second largest value contributor to the region's economy, contributing 50 336. The dependency of the region on a small number of sectors increases its vulnerability to external factors. Drought, hailstorms, commodity price fluctuations, fires, etc. would negatively harm the agriculture sector, while activities such as labour strikes would adversely affect the government services sector.

### **Sector Comparative and Competitive Advantages**

The table below uses location quotients to indicate the competitive advantage of each of the sectors found within Matatiele Local Municipality in relation to the district. The location quotient is an indication of the competitive advantage of an economy. A location quotient that is greater than one indicates a relative competitive advantage in that sector.

	Location Quotient
Agriculture, Hunting and Fishing	2.29
Mining and Quarrying	4.50
Manufacturing	0.24
Electricity, Gas & Water Supply	1.88
Construction	1.61
Wholesale & Retail Trade	1.23
Transport, Storage & Communication	0.68
Financial, Insurance, Real Estate & Business Services	0.80
Community, Social & Personal Services	1.39
Total	1.00

**Table 11: competitive advantage, LED strategy**

The adopted Matatiele LED Strategy analysed the economic sectors which exist within Matatiele. This sub-section provides an overview of these sectors as they are considered important for current and future employment opportunities, economic growth and quality of life. It also attempts to describe the challenges facing them and opportunities to improve the contribution.

#### **2.5.2.1 Agriculture**

The most common farming activities in Matatiele are livestock and crop farming. The former is the dominant agricultural activity in this municipality. The main livestock farming activities in this municipality are cattle farming, sheep farming and goat farming. The Department of Agriculture provides support for emerging livestock farming in the area through various initiatives in the form of stock water-dams and boreholes, dipping tanks, shearing sheds, fencing, divisions of livestock camps and veterinary services. Poultry farming, fruit production and bee farming is also common in certain parts of the municipality.

The good quality of soil and favourable rainfall conditions suggest that its agricultural sector has the potential to be more productive, efficient and competitive than it is at the moment. In view of the many opportunities and challenges facing emerging farmers within the municipality, this sub-section

devotes its attention to the discussion of emerging farming in the municipality. It is worth pointing out that emerging or semi-commercial farmers are previously disadvantaged farmers who aspire to increase their share of the commercial farming market.

**Cattle Farming** - Many emerging livestock farmers in urban Matatiele raise cattle on their farms mainly for beef to sell to their customers, which are local slaughter-houses, supermarkets and individuals. Some of them also sell their cattle to buyers from Durban, Howick and Pietermaritzburg in KwaZulu-Natal, and Port Elizabeth in the Eastern Cape through auctions organised by the Cedarville Farmers Association.

A smaller number of them also sell their milk. Among their customers are local institutions such as crèches and individuals in both urban and rural areas. Cattle's farming is also a popular economic activity in rural Matatiele. However, commercial cattle farming activities are very limited in these areas. There are a number of challenges that these farmers experience when trying to sell their cattle through these auctions. One of them is lack of ownership of selling facilities.

Since emerging farmers do not own selling facilities, such as sale pens, they incur the costs of transporting their cattle to sales pens in Cedarville. Furthermore, since these sales pens are owned by the Cedarville Farmers Association, they are charged for keeping their cattle in them during auctions. In an effort to avoid paying for the transportation of these cattle back to their farms, they often end up settling for the next best solution, which is to sell them at low prices. In addition to these challenges, emerging cattle farmers in Matatiele generally face a number of difficulties that compromise the productivity of their cattle. These are:

- Lack of proper stock-handling facilities,
- Lack of dipping facilities for protecting cows against diseases,
- Need for bulls to improve certain types of breeds and perpetuate those that are not found in large numbers, such as the Nguni breed,
- Shortage of grazing land for some cattle including Nguni cattle,
- Need for a feedlot for cows that are raised for commercial purposes,
- Lack of modern milking parlour,
- Poor access to economic-enabling physical infrastructure, such as electricity, roads and water infrastructure, which hamper productivity,
- Limited understanding of modern farming methods and practices, which compromises the quality of the cattle raised in the municipal area, especially in the rural areas, and
- Overgrazing, which increase the risks of:
  - Decreased grass or plant growth and reproduction,
  - Declining land or soil productivity,
  - Soil erosion, and
  - Desertification.

**Goat and Sheep Farming** – are important economic activities among the emerging farmers of within the municipality. They sell live goats and sheep to consumers and slaughter houses in Matatiele and some of its surrounding areas, such as Mount Ayliff. Some of the farmers in the area also shear mohair/wool from the animals and sell through brokers such as BKB Limited/Beperk to local manufacturers in Port Elizabeth and Durban and to those based in other countries.

A number of emerging goat producers and goat producer organisations exist in the area. However, commercial goat product processing activities are very limited. The meat and/or meat products are also sold in various parts of Matatiele, including its rural areas. Their skins are also processed into

belts and shoes. There is a need however to improve facilities and to expand the market by addressing the following challenges:

- Lack of machinery for meat and skin processing and for wool selection, grading and packing,
- Skill shortages,
- Shortage of land space for establishing a slaughter-house and processing plant(s), and
- A generally low demand for goat and sheep products.

Available opportunities in livestock farming in Matatiele include:

- Dairy production
- Red meat production (beef, mutton and goat meat)
- Other cattle, sheep and goat products (leather products, wool, mohair, etc.)

There are currently 89 000 cattle, 83 000 sheep, 27 000 goats (all excluding commercial farmers) found in Matatiele Local municipal Area.

**Crop Farming** – These include maize, wheat, sorghum, beans, soya beans, canola, potatoes, butternut, green leafy vegetables (cabbage, spinach, turnip etc.), green, red and yellow pepper and sunflower. Many emerging farmers grow a variety various crops. They include grains (maize, wheat, and sorghum), highly perishable vegetables such as green, leafy vegetables (cabbage, spinach, turnip, etc.), other vegetables such as red, yellow and green pepper, as well as beans, potatoes, canola, butternut, sunflower sorghum beans, soya beans and hemp.

The markets for those who sell vegetables include local formal businesses, such as hypermarkets, including Shoprite and Pick’n’Pay, local vegetable vendors and vegetable traders from Lesotho. In addition, there are opportunities for them to supply of crops/vegetables to local orphanages, hospitals and some primary schools. The availability of water resources in various parts of Matatiele, such as rivers, streams and wetlands, the good quality of its soil and rainfall render the area suitable for large-scale production of the above-mentioned crops. Despite this potential, Matatiele agricultural crop sales have been ranked among the lowest in the country for many years. Among the challenges that emerging crop farmers experience are:

- Lack of storage facilities for the preservation of crop products, especially maize: Many rural farmers who produce excess maize are forced to sell it at prices lower than its market value because they do not have storage facilities to protect it against harsh weather conditions and some insects,
- Lack of fuel (e.g. diesel) and/or electricity for the very few who own farming equipment
- Absence of milling plants in areas where they are needed the most: Mafube, Belfort in Ward 08 are among the areas that can benefit greatly from milling facilities,
- The existence of a vast area of under-utilised agricultural land under-utilised in many parts of the municipal area: Limited access to land to lack of title deeds and on-going land hamper crop production and productivity in this municipal area,
- Many emerging farmers who have been granted permission to use land in the rural areas for growing crops do not have modern farming machinery such as tractors and implements: As a result, they do not participate in most local projects, including those in the rural areas,
- Subsistence crop farming, especially in the rural areas,

**Fruit Production** – Matatiele fertile soil, particularly in the Ongeluksnek area, is good for a variety of fruits. There is good potential for large-scale production of a variety of fruits for commercial purposes. They include: Apples, Citrus fruit, Peaches, Pears, Apricots and grapes.

**Honey Production** – Matatiele also has the potential to benefit economically from bee farming. There are many bees living in the mountains that surround the municipal area, including those closest to the Matatiele town area.

Several business people are already involved in the bee production business. However, the honey production sub-sector is hugely underdeveloped. For example, efforts have not yet been made to retain them, since they move from place to place. One way of doing this is to plant sunflowers where they are found in large numbers.

### **2.5.2.2 Tourism**

The abundant natural beauty that Matatiele has makes it an area of high tourism potential. Among its attractive features are its wide, open spaces, mountainous terrain, rivers, scenic botanic features, flora and fauna (biodiversity), wetlands, picnic spots, birds, including special bird species, and snowy winters. In addition, Matatiele is home to diverse cultures making. These features provide opportunities for the growth or expansion of the following existing forms of tourism in the municipality:

**Nature-based tourism:** The municipality boasts several unspoiled environments with a diversity of naturally occurring attractions.

**Cultural tourism:** There are opportunities for the showcasing of the various cultures that exist in the municipality.

**Agricultural tourism:** A number of festivals, all of which are associated with farms and agriculture, have been held in the municipality. They include agricultural shows, pumpkin festivals, fruit festivals, flower festivals, bird watching trips, hikes and wagon rides. The development of the educational aspect of this form of tourism should be considered since it has the potential to attract more tourists.

**Bird-watching/ Avitourism:** Since bird-watching has become one of the fastest growing recreational activities that attract international tourists, it can be used for boosting the economic performance of the municipality. One of the conditions for the success of avi-tourism in this municipality is that habitat protection and environmental education are incorporated into the strategic documents of the municipality.

**Eco and Adventure Tourism:** The area has the potential to become one of the most important eco-tourism and adventure travel tourist destinations in the country. Existing activities include rafting, hiking and 4X4 trips through the mountain passes that form the border between the municipality and the Southern districts of Lesotho. Qacha"s Nek, Ramats"eliso"s Pass and Ongeluksnek provide access to Lesotho.

**Winter Tourism:** Since snow is often experienced in winter, the municipality may consider exploring the possibility of introducing skiing as one of the tourism activities in the municipal area, The following table shows the figure for 2011, it shows the number of trips by purpose. In 2011 68241 people (expressed by trips) visited Matatiele Local Municipal area. It is worth noting that 87% of these trips were for people coming to visit friends and relatives.

IHS Global Insight			Code	H441
Regional explorer 646 (2.5h)				Matatiele Local Municipality (EC441)
Tourism				
Number of Trips by Purpose of trip 2011				
		Leisure / Holiday	TSTPL11	1 833
		Business	TSTPB11	1 388
		Visits to friends and relatives	TSTPF11	59 776
		Other (Medical, Religious, etc)	TSTPO11	5 244
		Total	TSTPT11	68 241

**Table 13: IHS, REX Model, 2012**

The Rural Nature of Matatiele: The rural setting of Matatiele renders it suitable for the development of tourism that is nature based, utilises the environment as a key resource, and places people development at the core of the planned tourism enterprises: Matatiele tourism sector faces a number of challenges, which include:

- Poor tourism infrastructure along the R56 leading to the municipality. There is a general lack of services that most tourists may require, such as fuel, banking, restaurants, and rest stops with the internet. Matatiele is the only place that comes close but is still lacking in some of the aspects.
- There is also a general lack of outlets that cater for the foreign tourist market, including backpackers and adventure travellers.
- Public transportation problems: Lack of public transportation in the Alfred Nzo District, including Matatiele, hampers tourism progress. In addition, there are no well-defined places for vehicles to stop and for tourists to get off and stretch their legs. Furthermore, the poor condition of many local roads discourages self-drive.
- Lack of signage to encourage self-drive,
- Land disputes, which have led to very slow allocation of land for development,
- Generally poor infrastructure and lack of maintenance (roads, water, information, communications, shopping, quality of accommodation, etc),
- Lack of knowledge or understanding of tourism opportunities and threats facing local people.

### **2.5.2.3 Forestry**

Matatiele Local Municipality is one of the municipalities in the province that have areas that are biophysically suitable for commercial forestry. In terms of percentages, while privately-owned plantations accounted by 0% of the total number of plantations in the municipality, 98.04% were owned by the state (i.e. the municipality).

Those that were owned by local communities accounted for only 1.96% of the total number of plantations in the municipality. Being the main facilitator of development and owner of the majority of forestry plantations in the area, the government has an indispensable role to play in the development of the local forestry sector.

This includes the facilitation of the process of converting of some of the plantations that it owns into commercial forestry plantations through:

- Speedy processing of applications for commercialisation of local natural forests and plantations,
- Expediting of the process of transferring forests and forestry plantations to private operators,
- Feasibility studies and environmental impact assessments, and
- The development of policies and by-laws.

The following is a list of forestry products that can be produced from the natural forests and forestry plantations in Matatiele Local Municipality:

- Timber Products
- Manufacture of furniture, poles (e.g. sign-posts), etc.
- Manufacture of charcoal from timber waste products
- Non-Timber Forest Products (closely related to natural forests and forestry plantations)
- Beekeeping and honey production
- Basket-making
- Picking and packaging of edible plants
- Ferns, foliage and flowers
- Hiking trails
- Medicinal plants
- Picking and packaging of mushrooms

In response to the official recognition of Matatiele forestry sector growth potential, a number of applications for the use of some forestry plantations in Matatiele for commercial purposes were approved by the provincial Department of Agriculture and Forestry in recent years. Plans are underway for implementation of forestry projects. Amongst other Forestry Projects, Klein Jonas Forestry project supported by SAPPI, in ward 11. In spite of many proposals for the commercialisation of some forestry plantations in the area being approved by the Municipality, there are concerns over the potential negative impact of some of them on the supply of water.

Some of them are said to be located on some of the municipality's sources of water. Since some of the trees found near some of these areas are known to consume a lot of water, the likelihood that they will cause a reduction of the amount of water flowing to certain parts of the municipality is believed to be high. If this happens, some of the development-oriented activities, such as agricultural and manufacturing processes might be negatively affected by water shortages.

It is also believed that they will have a huge negative impact on the tourism potential of the municipal area since some tourist attractions, including fishing rivers, need a constant supply of water. Like many other forestry plantations, Matatiele natural forests and forestry plantations face a number of threats, including: fire, disease, drought, strong winds, snow, trespassing by livestock, and vandalism.

#### **2.5.2.4 Commerce**

Over the past 10 years, there has been progress as far as developing the commercial sector of Matatiele. Formal business in Matatiele consists mainly of retail and commercial farming businesses. As far as the former are concerned, supermarkets, clothing stores and spaza shops are the most common types of business in the rural areas of this municipality. It is important to note that many businesses people are members of Sectoral-organised business co-operatives.



The area still faces the challenge of lack of formal shopping areas. While there are many informal businesses in the major centres of the municipality, which function as retail businesses, there is a shortage of retail services in the rural areas. Thus, many of the shopping needs of Matatiele communities have not yet been provided for and require attention. Matatiele towns, is the hub for services. People from rural area urban within the municipality, come to this town for day to day services such as buying groceries and household supplies.

The second most preferred shopping area is Kokstad, where clothing is the most preferred item, followed by shoes and furniture. Very few of the people buy shopping items from Cedarville and Maluti; these mini towns do not have banking facilities, retail stores and super markets. This result implies that the variety of goods and services sold in these towns are very limited.

A number of businesses and/or business services are either not found or limited within the Local Municipal area. They include:

**Suppliers of agricultural inputs:** Farmers buy supplies from other municipalities, such as GKM Local Municipal area in KwaZulu-Natal;

**A tourism information or support office:** A tourism office is needed for the provision of Assistance to tourists;

**Limited Forex services:** since most local banks do not offer forex services, international tourists have to travel to the other commercial centre for foreign currency exchange.

The number of co-operatives within the municipality has increased since the initiative started, although the growth is not as great. The challenges are experienced and seem to hinder the growth of co-operatives:

- Lack of information of Funding Opportunities
- Uncertainty
- Stiff competition
- Lack of financial assistance
- Lack of skills
- Access to suppliers
- Financial institutions are reluctant to lend local entrepreneurs money to start or expand businesses because of their lack of access to land: Many applications for land are generally not successful due to on-going land claims.

In addition to these challenges, some locals believe that Chinese businesses and, to a lesser extent, some businesses owned by citizens of some African countries, have a negative impact on the growth of local businesses. In their view, the quality of Chinese products is mostly poor and often fake copies of some of the brands that they themselves sell. As a result, they sell them at cheaper prices. This lowers the demand for goods sold by local businesses and deprives them of the opportunity to grow.

**Business in Rural Matatiele –** The dominant businesses in the rural areas are spaza shops (general dealers), transport businesses, cultural and eco-tourism activities, small-scale agricultural production and wood processing. One of the major challenges that they face is that their generally low density in these areas and a dispersed business population undermine their ability to access and benefit from knowledge transfer, which can help them grow.

#### **2.5.2.5 Construction**

The construction industry in Matatiele is very small. Construction activities include road construction and the building of houses. This industry has the potential to provide more job opportunities in the future, based on rapidly increasing fiscal allocations for public infrastructure. In essence Construction job are available to on a large scale to semi-skilled and unskilled labourer. However this form of employment is not sustainable as once the project is complete, the labourer are left without work.

#### **2.5.2.6 Manufacturing**

Matatiele manufacturing sector offers a number of services. Agri-processing is one of them. Current activities that fall under agri-processing include yoghurt-making and small scale dairy product production. A number of opportunities exist in manufacturing. These include the processing of wool and mohair into warm clothing since Matatiele is characterised by extremely cold winters. Other products that can be produced include charcoal, which can be produced from waste timber produced in this municipal area.

Below is an overview of the opportunities and challenges facing the manufacturing sector, among the major challenges that the manufacturing industry in Matatiele is facing is the generally low skills level. In some instances, the quality of products has been found to be poor. This has not only lowered their demand, but also increased the cost of producing them. Another challenge is that there is a general lack of innovation.

It has been discovered that instead of producing what is not available in the municipality, a considerable number of local manufacturers produce the same types of products. Examples include corrugated water tanks and “Seshoeshoe” garments. Another major challenge is limited of access to land for the manufacturing firms, including wood processing firms, brick-making.

#### **2.5.2.7 The Informal Sector**

In urban parts of Matatiele, such as Matatiele Town and surrounding areas, Cedarville and Maluti, is heterogenic and ranges from street traders to mechanics. Since it falls outside the regulatory environment within which formal businesses operate, it poses a number of challenges. These include health problems and blocking of pavements and access to formal businesses nearby. These risks make it difficult for the government to offer sufficient support and protection to the local informal traders. There are many informal traders in the municipality who still operate in a dysfunctional uncoordinated environment that is characterised by lack of access to trading facilities, markets and other important commercial services.

Those who have been provided with shelter and other necessary facilities still face challenges, some of which have a huge significant impact on their businesses. They include the fact that the metal facilities that they have been provided with do not provide protection from bad weather and that their design does not offer adequate security. Some informal traders in major centres, such as Matatiele Town, trade at taxi ranks and other places that attract many people. The informal economy of Matatiele supports the livelihoods of many residents; there is a need for the municipality to provide more support in terms of more proper facilities to trade amongst other things.

### **2.5.2.8 Mining**

Little quarrying activity takes place in the municipality. However, the majority of operators, a significant number of them are not registered. The stone that is extracted is used in road construction projects and in building houses. There is a potential for exporting the stone to various parts of the country for building purposes. Since there is an abundance of river sand in the municipality, sand mining is a common activity in the municipality. Most of the sand obtained from the local river banks is exported to other municipalities for construction purposes. It is also believed a number of environmental management areas and eco-tourism with the potential for diamond, coal and paraffin mining exist in Wards 8 and 24. Its recommendation in this regard is that detailed investigations into these potentials should be undertaken.

## **2.6. STRATEGIC ENVIRONMENTAL ASSESSMENT**

### **2.6.1 Topography**

Topography and slope within Matatiele Municipality varies from very steep gradients of 1:1, 5 to a relatively gentle slope of less than 1:7 at the foothills of the mountain and river plans. Matatiele Municipality consists of two topographical regions, that is:

- A central plateau with relatively good soils and intermediate rainfall supporting a mixed agriculture with a lower population density; and
- A high plateau leading up to the Drakensberg Mountains with relatively good soils, a high rainfall supporting a mixed agriculture with a lower population density.

Very steep terrain occurs mainly along the western boundary as an extension of the Drakensberg Range and also along the south-eastern boundary. The farming areas that surround Cedarville and Matatiele tend to have a much gentle gradient. This is considered beneficial for possible future expansion of these urban areas and consolidation of commercial agriculture. Some of the rural settlements are located in the hilltop areas which renders access and delivery of services a major challenge. On the other hand, steep slopes, incised river valleys and the plateau create splendid scenery, and give the area a comparative advantage in terms of tourism development.

### **2.6.2 Soil**

Matatiele Municipality is located on Karoo sediments, the south western portion on grey and reddish-brown Adelaide mud and sandstone, and in a north-westerly direction, followed by fine-grained Tarkastad sandstone and mudstone, coarse grained Molteno sandstone and by maroon, green or grey Elliot sediments. Later intrusions of dolerite are found throughout the municipal area. Alluvium is found along the Kinira and Tswereka rivers west of Matatiele and north of Cedarville. The soil types generally associated with these geological formations are: - Sedimentary rock (Ecca mud and Sandstone); Dolerite, and Alluvium.

**Sedimentary rock** – is a shallow greyish brown and yellow-brown soil on partially weathered rock. They may have prominent bleached layers in the upper subsoil. The latter in particular are extremely erodible and should normally not be cultivated. Rock outcrops are common. Much of these soils in the study area is cultivated or was cultivated in the past. According to the Natural Resource Conservation Act and subsequent legislation pertaining to the Eastern Cape, most of the soil in this category should not be cultivated, while some soil forms, only if the slope is less than 12%. Soils on

plateaus are sometimes deeper and sandier with neocutanic properties and may have water tables that are perched. Because of their position on the landscape they are less erodible. They are normally arable provided the slope is less than 12% be the upper limit.

Alluvial soils are widely found along the major rivers and on the broad valley floor between Matatiele to the east of Cedarville. They consist of sandy and loamy soils that are deep or moderately deep with a granular or poorly developed blocky structure. Because of the even slopes on which they occur, they may have perched water tables in the lower laying topographical units. Because of the even topography the rivers meander and much of the soils have wetland properties (grey matrix colours on the subsoil that is gleyed below 500mm). These are normally high potential soil if not waterlogged. Most of the irrigated land falls in this group.

### **2.6.3 Geology**

Matatiele Municipality is located on Karoo sediments, the south western portion on grey and reddish-brown Adelaide mud and sandstone, and in a north-westerly direction, followed by fine-grained Tarkastad sandstone and mudstone, course grained Molteno sandstone and by maroon, green or grey Elliot sediments. Later intrusions of dolerite are found throughout the municipal area.

### **2.6.4. Grasslands**

The land cover within Matatiele is dominated by unimproved grasslands and degraded grasslands. 111,928 ha (25.7%) within the municipality is covered by degraded grasslands, which are generally associated with high levels of soil erosion and gullyng, and low livestock carrying capacities. Such degradation leads to siltation in water bodies, and general loss of ecosystem integrity within rivers and terrestrial areas. 56.1% of the municipality has retained its natural or near natural state (in other words unimproved grassland, water-bodies, wetlands etc). The concerning corollary is that 43.9% of the area is in a non-natural, transformed or degraded state (in other words urban/settlement areas, cultivated land, plantation and degraded grassland etc). This implies that a large proportion of the municipality has more or less lost its original ecosystem functioning and biodiversity status.

### **2.6.5 Sensitive Vegetation**

Matatiele falls generally within the Sub-Escarpment Grassland Bioregion and the Drakensberg Grassland Bioregion. These bioregions are characterised by high species richness and a high rate of species turnover (or variation) associated with changing gradients, altitude and environmental conditions. The main vegetation types change from Lesotho Highland Basalt Grassland at highest altitude, to Southern Drakensburg Highland Grasslands, East Griqualand Grassland and finally Drakensburg Foothill Moist Grasslands at lower altitudes.

Within this pattern, Mabela Sandy Grasslands occur in two sections of alluvial/ saturated soils. East Griqualand (making up 57% of the area) and Mabela Sandy Grasslands (making up 10.8% of the area) are classified as vulnerable vegetation types in a national biodiversity context. Both these vegetation types are classified as “Hardly Protected” in terms of protection within declared reserves. In terms of Area Based Planning, ideally widespread development in endangered and vulnerable areas should be avoided or conducted in an environmentally sensitive manner.

### **2.6.6 Land Cover**

Basal cover of the grasslands shrinks over time, exposing the soil to erosion forces, resulting in extensive sheet erosion over large areas. Loss of productive plant biomass as palatable, nutritious species is replaced by unpalatable, non-nutritious species.

Unimproved grasslands and degraded grasslands dominate the landscape in Matatiele Municipality. Degraded grasslands accounts for 111,928 ha (25.7%) and is generally associated with high levels of soil erosion, gulling, and low livestock carrying capacities. This creates conditions for siltation in water bodies, and general loss of ecosystem integrity within rivers and terrestrial areas. 55 000 hectares is arable of which 2 000 hectares is unused. 75 000 hectares are suitable for grazing around the Cedarville area however is not fully utilized. This includes grassland, water-bodies, wetlands etc.

It is however, concerning that 43.9% of the area is in a non-natural, transformed or degraded state (in other words urban/settlement areas, cultivated land, plantation and degraded grassland etc). This implies that a large proportion of the municipality has more or less lost its original ecosystem functioning and biodiversity status. The majority of unimproved grassland is degraded. Significant impacts on the rural economy as productive land gradually becomes unproductive and fewer families are able to subsist on the land. The EMP identifies the following as indicators of this phenomenon:

Alien plants invade ecologically depressed grasslands. Carrying capacity diminishes over time and quality and productivity of livestock deteriorates (lower calving rates, lower annual growth of individuals, lower wool returns). Significant loss of plant diversity, especially of the palatable grasses and forbs (and presumable associated invertebrate and vertebrate species). The reduced biomass associated with such over-grazing means that more pressure is placed on remaining grasslands and the process accelerates over time, leading to run-away erosion and further loss of plant material.

Changes in plant community structure from a diverse resilient composition to a vulnerable plant community composition unable to withstand climate change. The following land uses taking place within Matatiele Municipality have a tremendous impact on the natural environment (ABP, June 2007): Cultivation of crops. Grazing which can be one of the least damaging of land uses IF stocking rates are adhered to, and rotational grazing is practiced. The practice of annual burning to stimulate new green growth is prevalent because of the persistence of the stereotype that fires stimulate early growth. Forestry adjacent to grasslands can sometimes increase local animal species diversity as it provides another habitat along the margin of the plantation and grassland interface.

Road construction is often the source of gully erosion due to creation of concentrated run-off from improperly designed road drainage systems. The link between settlements and livestock concentrations, with heavy grazing and trampling in such areas, is a major threat to the health of groundcover in general

### **2.6.7 Temperature and Rainfall**

The southern portion has a moderate climate with an average maximum in summer of 26°C which then falls to 1°C in mid-winter. The average temperature at Matatiele is four degrees colder with an average maximum of 17°C in January which falls to 2°C in June. Minimum temperatures can fall well below zero. The mountainous areas south of Matatiele and the border region in the north eastern parts can expect frost for more than 75 days. Snow at the latter is common. Average annual rainfall ranges from below 550 mm to more than 1 000 mm per year. a typical summer rainfall pattern commences in October and continues through to April.

A rain shadow is experienced in the northern valley area south of Cedarville and Matatiele. This is also where the reliability of the rain is at its lowest and the chances of consistently high crop yields are lowest. Runoff is exceedingly high in most of the study area because of poor vegetation cover. This has increased soil erosion.

### **2.6.8 Climate Change**

Alfred Nzo District Municipality is implementing a vulnerability assessment project with, looking at socio-economic, institutional and environmental vulnerability through Conservation South Africa, within Alfred Nzo district and the four local municipalities that fall under it. The project will also assess adaptation response options for the district, underpinned by an ecosystem-based adaptation (EbA) approach to climate change that uses biodiversity and sustainable ecosystems as a means of improving the livelihoods and resilience of local communities to adverse climate change impacts. In addition, a process to mainstream climate change into the Alfred Nzo District Municipal vision and goals by integrating climate change into its Integrated Development Plan (IDP) and the IDPs for Matatiele, Umzimvubu, Mbizana and Ntabankulu local municipalities will be undertaken.

This process will be informed and guided by the Lets Respond - Toolkit Guide (A Guide to Integrating Climate Change Risks and Opportunities into Municipal Planning, 2012) developed jointly by the Departments of Environmental Affairs (DEA) and Cooperative Governance (CoG) and in collaboration with South Africa Local Government Association (SALGA). A Climate Change Committee for Alfred Nzo District will be set up to oversee and give guidance on the vulnerability assessment process, integrating climate change into the district and municipal IDPs and on matters concerning climate change response options and actions, including disaster risk reduction for the District.

#### **Outcomes**

A climate change Vulnerability Assessment for Alfred Nzo District – Can form the basis for a climate change response or adaptation plan and includes a set of maps that can act as a spatial planning tool highlighting particularly vulnerable areas.

A Climate Change Committee to oversee climate adaptation response options in the district.

An IDP that includes climate change in its vision and objectives, and includes climate response projects based on EbA options for building local resilience.

Useful lessons learned that will inform local policy planning and resource allocation. This includes local Green Economy Strategy, Disaster Risk Reduction Plan, Climate Action Plan etc. Useful lessons can also inform provincial and national policy, including Provincial Climate Change Response Strategy, National Water Resources Strategy, and National Long-term Adaptation Scenarios.

CSA will use the lessons learned to profile local climate change response and EbA demonstrations at international forums to inform negotiations e.g. climate change negotiations at the COP and other UNFCCC climate change response platforms as the Nairobi Work Plan.

National policy has identified municipal climate change response as a crucial element that needs to be included in the planning process to develop Integrated Development Plans (IDPs) and create an enabling local environment for a sustainable economic development/green economy. The National Climate Change Response Policy sets out priorities for achieving climate resilient development in the short, medium and long term. Included in the priorities is integrated planning and informed decision making.

The former involves mainstreaming climate change considerations and responses into all relevant sectors, including at the local level into Integrated Development Plans (IDPs) while the latter includes

systemic observation, knowledge generation, information management and planning that enhances our ability to measure and predict climate change and the implications of its adverse effects on society, economy and the environment.

The Eastern Cape Climate Change Response Strategy (2011) indicates that due to local changes in the climatic system, in the next 30 years there is a high probability the Eastern Cape Province will experience:

Higher temperatures (an increase of 1.5 to 2.5 °C), also associated with increases in evaporation rates and increased intensity of droughts;

Altered rainfall patterns;

More frequent and intense and extreme weather events; and

Rising sea-levels and tidal surges.

#### **SUMMARY OF MAIN FINDINGS**

- The majority of the people of Matatiele depend on natural and ecosystem services for livelihoods.
- In the quest to accelerate delivery of services and development for the communities, the environment and its capacity to regenerate itself have been severely compromised.
- Laws are being flouted without due regard to implications of our actions on future generations.
- There have been unprecedented changes to the ecosystems in the region — largely to meet rising demands for food, fresh water, fibre, and energy, but also through lack of structured management of the ecosystems and resources.
- The capacity of ecosystems within Matatiele to continue to provide for the growing population is declining, and the losses mainly affect the poor.
- The majority of resources, both terrestrial and aquatic, are being degraded at a high rate due to land and water quality decline.

#### **PRIORITY ENVIRONMENTAL ISSUES FOR MATATIELE**

##### **Land Degradation**

- Erosion
- Wattle infestation
- Poor infrastructure design, construction and maintenance

##### **Degradation of Water Resources**

- High sediment loads from erosion
- Alien plant infestation
- Poor waste management (liquid and solid)
- Poor infrastructure design and maintenance

##### **Resource Fragmentation**

- Unplanned settlements and developments
- Unmanaged livestock grazing
- Uncontrolled fires

##### **Climate Change**

- Increased incidences of floods and drought
- Desertification
- Shorter growing seasons
- Water shortages

##### **Institutional Capacity**

- Limited human resources, and low retention due to remoteness;
- Poor understanding of environmental legislation
- Lack of integration of environmental principles into project/programme designs.

## **INITIATIVES AND PROGRAMMES TO ADDRESS CLIMATE CHANGE**

There are a number of programmes that The Environmental NGOs as well as the Municipality are implementing within the municipal area, and include the following:

- Removal alien invasive vegetation (wattle)
- Restoration of grasslands/rangelands management.
- Improvement of livestock in communal areas
- Red meat market
- Improvement of livelihoods
- UCPP coordination
- Planting of trees at schools , community halls and around the towns of Matatiele, Cedarville and Maluti
- Awareness campaigns are in the form of Imbizo on : Impact of Fire, Illegal dumping, climate change, preservation of indigenous forestry



## **2.7 COMMUNITY NEEDS**

### **2.7.1 Ward needs**

The development of the IDP is a consultative process, which incorporates inputs from the community, Representative Forums, Traditional Leaders, Sector Departments and other Stakeholders. The 2013/2014 IDP community outreach was conducted from the 11 to the 13 of September 2013. During this three-day period, all 26 wards were visited at their respective venues. The community members were given an opportunity to express their concerns regarding the service delivery and also to identify some of the service delivery backlog, and issues that need to be prioritized.

A general observation with regards to the needs of the community is that almost all wards, the following issues are of concern:

- Water
- Sanitation
- Access Roads
- Electricity
- Employment opportunities
- Access to social services

### **2.7.2 Ward Based Plans**

Matatiele Local municipality is one of the municipalities which have been identified for assistance by the Department of Local Government and Traditional Affairs (DLGTA) to conduct Ward Based Plans in the 2013/2014 Financial Year. The main objective of this support initiative is to promote a participatory process that focuses on the mobilization of communities on grassroots planning with a view to:

- Improve the quality of the IDP
- Improve the quality of Service delivery
- Promote the community's ownership over development ; and
- Enhance community capacitating and reduce protestations

Ward Based Plans must comply with the following requirements:

- The requirements of Section 26 (e) and section 27 of the Municipal Systems Act, regarding integrated Development Plans
- Aligned with the strategies and objectives Reflected in the IDP of the National or Provincial Government or Relevant District Or Local Municipality
- Aligned with any applicable National or Provincial Legislation

The DLGTA has appointed Tshani Consulting cc to assist in the development of credible Ward Based Plans for the Twenty six (26) wards within Matatiele Municipality. A project steering committee has been set up and is made up of amongst others; representatives from Sector Departments, General Managers from the Municipality and the Speaker.

The Project Phases as reflected in the Inception report are listed as follows:

- Phase1 – Project Inception
- Phase 2- Ward Planning
- Phase 3 – Identification of Priorities
- Phase 4 – Ward Development Intervention
- Phase 5 – Close out Report

### **2.7.3 Summary of Priority services for intervention**

The following are some of the service areas that need to be prioritised within the municipality.

- **WATER**

*In most wards, there are still villages that do not have access to clean drinking water. In Some villages, people still draw water from streams and have to travel several kilometers to access water. In some wards where there are taps, the water supply is not consistent; residents go for a number days without water. There is also a concern as some schools also do not have access to clean drinking water. Some schools have water tanks but no water.*

- **ELECTRICITY**

*There is a great urgency in most wards with regards to electricity, and in many wards electricity is a priority. Out of the 26 wards, nine (9) wards are completely not electrified.*

- **SANITATION**

*Toilets have been built in some villages, however in some wards there is still a great need for toilets. In other municipal wards, sanitation projects were initiated though not yet completed.*

- **ROADS**

*Roads found within the municipality are mostly gravel roads. There is still a great need for construction of access roads and maintenance of such. With the recent floods and heavy rains, the condition of most roads, including access roads, district roads as well as T-roads has worsened, making it virtually impossible for vehicles to travel in other areas and access to services rather difficult.*

- **TERTIORY INSTITUTIONS**

*There are currently no tertiary institutions within the municipality. Many Young people, who have completed Matric and intending to further their studies, travel to other towns, cities and even provinces to access such educational facilities. This has been identified as a great need, and it contributes to the great number of out-migrants who are you young people.*

- **SPORTS AND REACTIONTIONAL FACILITIES**

*Matatiele local Municipality has a youthful population and there's a need for investment in social services and facilities to meet the needs of this growing population. Sports facilities, especially in*

rural areas, including multi-purpose centers are a priority. Recreational facilities such as parks in the three towns are needed.

- **JOB OPPORTUNITIES**

Unemployment is prevalent within the municipality, especially amongst the youth. There is a great need to provide employment opportunities and equip people with the necessary skills that are required in the job market. Business opportunities, skills development programmes and other LED initiatives are some of the areas for intervention.

**BELOW ARE THE HIGH AND MEDIUM PRIORITIES IDENTIFIED PER WARD:**

<b>WARD 1: HIGH PRIORITIES</b>	<b>WARD1: MEDIUM PRIORITIES</b>
Proper Running Water	Street Names
Sanitation	Street Lights
Maintenance of access roads	Titled Deeds
	Tholang Water Projects
	Drive ways
	Proper Shopping Centre
<b>WARD 2: HIGH PRIORITIES</b>	<b>WARD 2: MEDIUM PRIORITIES</b>
Electricity	Old age Home
Crime Prevention	Roads Maintenance
Job Creation	Clinic
	Community Halls
	Preschool Renovations
	More High Schools
<b>WARD 3: HIGH PRIORITIES</b>	<b>WARD 3: MEDIUM PRIORITIES</b>
RDP houses	Peaches
Training of fire fighters	Cruching of Stones
Help with Mining Certificates	Thatch Grass
	Access Road (Magama)
<b>WARD 4: HIGH PRIORITIES</b>	<b>WARD 4: MEDIUM PRIORITIES</b>
Electricity	Housing
Water	Sport Fields
Roads	Clinic
	Police Station
	School for the Disabled
	Old Age Home
<b>WARD 5: HIGH PRIORITIES</b>	<b>WARD 5: MEDIUM PRIORITIES</b>
Electricity	RDP Houses
Main Road	Access roads
Water	Sanitation
	Sports Fields
	Bridges
	Library
<b>WARD 6: HIGH PRIORITIES</b>	<b>WARD 6: MEDIUM PRIORITIES</b>
RDP houses	Community Hall
Electricity in Sub Villages	Thusong Centre

FET College	Hospice
	Sports Filed
	Mobile Clinics
	Library
	Post office
<b>WARD 7: HIGH PRIORITIES</b>	<b>WARD 7: MEDIUM PRIORITIES</b>
Electricity	Fencing of Fields
Access roads	Fencing of grave sites
Water	Sanitation
	disaster Department
<b>WARD 8: HIGH PRIORITIES</b>	<b>WARD 8: MEDIUM PRIORITIES</b>
Job creation	Sand mining
Awareness	Massive food
Service delivery	Skill development
	Tourism
	Adult basic education training
	Tar road – T12 and T69
	Sand mining
<b>WARD 9: HIGH PRIORITIES</b>	<b>WARD 9: MEDIUM PRIORITIES</b>
Installation of electricity	Housing
Installation of water	Sanitation
Access to the road	Tar road
	Agriculture
	Dipping tank
	Maintenance of bridges
	Housing
<b>WARD 10: HIGH PRIORITIES</b>	<b>WARD 10: MEDIUM PRIORITIES</b>
Sijoka Access road	Silindini access road – new
Ndzondweni Access road	Myendeka extension of Hlomendlini accesroad
Silindini electrification	Sanitation (1 Sijoka, 2 Lunda, Caba)
	Water ( Myendeka, Magonqolkweni, Silindini )
	Electricity extension
	Housing
	Youth co-operatives
	Library for Magadla SSS
	Police station
	Silindini access road – new
	Myendeka extension of Hlomendlini access road
	Sanitation (1 Sijoka, 2 Lunda, Caba)
<b>WARD 11: HIGH PRIORITIES</b>	<b>WARD 11: MEDIUM PRIORITIES</b>
Speed up service delivery to needs of people	Clinic
Alleviate poverty	Police Station
Job-creation	
<b>WARD 12: HIGH PRIORITIES</b>	<b>WARD 12: MEDIUM PRIORITIES</b>
Electricity at Nkau/Sera	Sanitation
Road maintenance - gravelling of Roads	Fencing of Fields
improvement of water scheme	Need Police Station

<b>WARD 13: HIGH PRIORITIES</b>	<b>WARD 13: MEDIUM PRIORITIES</b>
Electricity	Mpharane High school
Provincial roads (all)	Multipurpose centre
Housing	Gladstone, Tlhakanelo, Kholokoe bridges
	Mohapi, Mpharane, Mahareng, & Maslopha pre-schools
	Land rehabilitation
	Massive food production
	Shopping Centre
<b>WARD 14: HIGH PRIORITIES</b>	<b>WARD 14: MEDIUM PRIORITIES</b>
Roads	Toilets
Electricity	Upgrading of the water source
Transport	Yard connection
	Housing
	Clinic
	Creche
	Community hall
<b>WARD 15: HIGH PRIORITIES</b>	<b>WARD 15: MEDIUM PRIORITIES</b>
Water	Sanitation
Work	Roads
Electricity	
<b>WARD 15: HIGH PRIORITIES</b>	<b>WARD 15: MEDIUM PRIORITIES</b>
Electricity	Fire fighting facilities
Sanitation	Water
Roads and access roads	Police station
	Community halls
	Pre-schools
	Sheering shed
	Sports fields
<b>WARD 16: HIGH PRIORITIES</b>	<b>WARD 16: MEDIUM PRIORITIES</b>
Water	Bridge
Access Roads	Community Halls
Tarred roads	Pre – schools
	Clinic
	Sports field
	Job creation
<b>WARD 17: HIGH PRIORITIES</b>	<b>WARD 17: MEDIUM PRIORITIES</b>
Water	Bridge
Access Roads	Community Halls
Tarred roads	Pre – schools
	Clinic
	Sports field
	Job creation
	Shearing shed
<b>WARD 18: HIGH PRIORITIES</b>	<b>WARD 18: MEDIUM PRIORITIES</b>
Electricity	Health Facilities
Roads – public and access roads	Community Facilities
Water and toilets	Job creation

	Houses
	Sport fields
	Wattle removal
<b>WARD 19: HIGH PRIORITIES</b>	<b>WARD 19: MEDIUM PRIORITIES</b>
Housing	Sports field
High schools	Arts and culture theatre
Maintenance of roads	Pre-schools
<b>WARD 20: HIGH PRIORITIES</b>	<b>WARD 20: MEDIUM PRIORITIES</b>
Construction and access roads in Masakala	Donga rehabilitation
Itsokolele bridge	Street lights in Njongweville ext
Street lights in Harry Gwala	Internal roads Njongweville ext
	Creche in Masakala Njongweville ext
	Bridge from Kuyasa to Masakala
	clinic in harry gwala park
<b>WARD 21: HIGH PRIORITIES</b>	<b>WARD 21: MEDIUM PRIORITIES</b>
Job creation	Piggery projects
Skills development	Ploughing projects
Awareness campaign	Sewing projects
	Eradication of waste
	Compaction of dongas
	Implementation of access roads
	Recycling of plastics, bottles, tin, etc
<b>WARD 22: HIGH PRIORITIES</b>	<b>WARD 22: MEDIUM PRIORITIES</b>
water	Disaster Housing
electricity	RDP Housing
clinic	
<b>WARD 23: HIGH PRIORITIES</b>	<b>WARD 23: MEDIUM PRIORITIES</b>
Electricity	Human settlements
Water	Post office
Health facilities	Access roads (Emitshatshaneni and Mangolong)
	Community halls
	Sports field
	Satellite police station
	Pre-school
	Human settlements
	Post office
<b>WARD 24: HIGH PRIORITIES</b>	<b>WARD 24: MEDIUM PRIORITIES</b>
Electricity	RDP houses
Water	Community Halls
Roads	Sports fields
	Renovations of pre-schools
	Old Age home
	RDP houses
	Community Halls
<b>WARD 25: HIGH PRIORITIES</b>	<b>WARD 25: MEDIUM PRIORITIES</b>
Clinic	Access Roads
Electricity	RDP houses

Water	Play grounds
	Library
	Pre-schools (Ned villages)
	High schools
<b>WARD 26: HIGH PRIORITIES</b>	<b>WARD 26: MEDIUM PRIORITIES</b>
Clinic	Electricity
Electricity	Water
Water	Housing
	Road
	Tourism

## **2.8 SUMMARY OF KEY STATISTICS**

<b>Total Population</b>	203 843
<b>Young (0-14)</b>	38.4%
<b>Working Age (15-64)</b>	54.6%
<b>Elderly (65+)</b>	6.9%
<b>Dependency Ratio</b>	83%
<b>Sex Ratio</b>	85
<b>Growth Rate</b>	0.46% (2001-2011)
<b>Population Density</b>	47 persons/square kilometre
<b>Unemployment Rate</b>	38.7%
<b>Youth Unemployment rate</b>	47.2%
<b>No schooling aged 20+</b>	9.45
<b>Higher education aged 20+</b>	5.8%
<b>Matric aged 20+</b>	12.7%
<b>Number of Households</b>	49 527
<b>Average household size</b>	3.7
<b>Female Headed Households</b>	55.3%
<b>Formal Dwellings</b>	49.7%
<b>Housing owned/ paying off</b>	55.3%
<b>Flush toilet connected to sewage</b>	10.4%
<b>Weekly refuse removal</b>	10.9%
<b>Piped water inside dwelling</b>	12.2%
<b>Electricity for Lighting</b>	44.9%

Source : STATSSA website (census: 2011)



## **CHAPTER 3: STRATEGIC FRAMEWORK**

The strategic framework presents a long-term development vision, the associated strategic objectives and action plans. It outlines specific actions that the municipality should undertake to move progressively towards the attainment of the vision. Performance indicators are formulated on the basis of action plans identified in this strategy.

### **3.1 ALIGNMENT WITH NATIONAL AND PROVINCIAL POLICY**

The development strategy for Matatiele Municipality seeks to respond to the development issues facing the municipal area as outlined in the preceding sections of this document. It aligns with and seeks to contribute to the attainment of the National and Provincial development imperatives as outlined in the relevant policy documents.

### **3.2 NATIONAL CONTEXT**

#### ***3.2.1 NATIONAL DEVELOPMENT PLAN 2030***

The national Development Plan is a plan for the country to eliminate Poverty and reduce inequality by 2030 through uniting South Africans, unleashing the energies of its citizens, growing an inclusive economy, building capabilities, enhancing the capacity of the state and leaders working together to solve complex problems.

The plan addresses the need to enhance the capabilities of our people so that they can live lives that they desire; and to develop the capabilities of the country so that we can grow faster, draw more people into working and raise living standards for all, but particularly the poor. This is a plan for South Africa, requiring action, change and sacrifice from all sectors of society.

The plan is the product of hundreds of interactions with South Africans, inputs from tens of thousands of people, extensive research and robust debate throughout the country. This plan envisions a South Africa where everyone feels free yet bounded to others; where everyone embraces their full potential, a country where opportunity is determined not by birth, but by ability, education and hard work.

#### ***3.2.2 NATIONAL SPATIAL DEVELOPMENT PLAN***

The vision and principles of the National Spatial Development Perspective (NSDP) serve as a guide for meeting national government's objectives of economic growth, employment creation, sustainable service delivery, poverty alleviation and the eradication of historic inequities including spatial distortions.

The Presidency has made it clear (in a statement issued in October 2004) that the NSDP principles should play an important role in the respective development plans of local and provincial government, namely: Integrated Development Plans (IDPs) and Provincial Development Strategies. Investment in infrastructure and other development programs in Matatiele support the government's growth and development objectives as follows:

Focusing economic growth and employment creation in areas where this is most effective and sustainable;

Supporting restructuring where feasible to ensure greater competitiveness; and

Fostering development on the basis of local potential.

The NSDP provides a concrete mechanism in terms of which integrated development planning in Matatiele can be formally linked in support of national priorities and objectives. The principles of the NSDP find concrete expression in the IDP, including the Spatial Development Framework (SDF) and IDP programs.

### **3.2.3 EPWP PRINCIPLES**

The Expanded Public Works Programme (EPWP) is a nation-wide National Government programme to draw significant numbers of unemployed into productive work, accompanied by training, so that they increase their capacity to earn an income. The Expanded Public Work Programme was launched in April 2004 to promote economic growth and create sustainable development. The immediate goal of the EPWP Phase 1 was to help alleviate unemployment by creating at least 1 million work opportunities, of which at least 40% of beneficiaries will be women, 30% youth and 2% people with disabilities. The EPWP is about the reorientation of line function budgets (capital and operational) so that expenditure by the Municipality results in increased employment opportunities and training, particularly for unemployed and unskilled labour. The main objective of the programme is to create an enabling environment to:

- Create employment opportunities for the unemployed within local communities through the implementation of each Cluster's EPWP implementation plan which collectively cuts across the different sectors inter alia, the Infrastructure, Social, Environmental and Economic Sectors .
- Develop skills within communities through EPWP training programs, by accredited training providers aimed at developing sustainable skills and capacity within communities.
- Capacitate SMMEs to execute EPWP work by facilitating the transfer of technical, managerial and financial skills through a relevant SETA qualification, in properly structured learnership programmes.
- Maximise the percentage of the total annual budget spent and retained within local communities in the form of wages. Where feasible, and within SCM regulations, promote the procurement of goods and services from local manufacturers, suppliers and service providers.
- Adopt and align cluster / departmental annual business plans to the EPWP, through the development of clear key performance indicators in-line with prioritized socio-economic objectives.
- Matatiele Municipality has a an adopted EPWP policy aligned to the national strategy , which guides the implementation of the programmes.

### **3.2.4 THE 12 NATIONAL OUTCOMES OF GOVERNMENT**

The National outcome twelve outcomes of government provide the time frames within which to time service delivery priorities and targets. These targets are extended to the Local Government sphere of Government through cascaded service delivery agreements.

Essentially, all the twelve outcomes of government affect the Local Government as Local government is at the face of the service delivery and development agenda. In the preparation of the strategic framework, it was therefore paramount to ensure that it is informed by these government priorities and outcomes. To this end, Matatiele Municipality has adopted and aligned the strategic framework with these outcomes, particularly outcome seven (7) and outcome nine (9).

### **3.2.5 THE MILLENNIUM DEVELOPMENT GOALS**

The Millennium Development Goals (MDGs) are eight international development goals that were established following the Millennium Summit of the United Nations in 2000, following the adoption of the United Nations Millennium Declaration. All 189 United Nations member states at the time (there are 193 currently) and at least 23 international organizations committed to help achieve the following Millennium Development Goals by 2015:

1. To eradicate extreme poverty and hunger
2. To achieve universal primary education
3. To promote gender equality and empower women
4. To reduce child mortality
5. To improve maternal health
6. To combat HIV/AIDS, malaria, and other diseases
7. To ensure environmental sustainability
8. To develop a global partnership for development

## **4.4 PROVINCIAL CONTEXT**

### **4.4.1 PROVINCIAL GROWTH AND DEVELOPMENT PLAN**

The Eastern Cape Provincial Growth and Development Plan 2004 -2014 provides a strategic framework, sectoral strategies and programmes aimed at rapid improvement in the quality of life for the poorest people of the province. It sets out a vision with sequenced and quantified targets in areas of poverty eradication, agrarian transformation, economic growth (diversification manufacturing and tourism potential), infrastructure development, human resource development and public sector institutional transformation. It is thus critically important to ensure that spatial transformation and development in Matatiele Municipality is pursued with

in the context of the PDGP, and itself advances the aims and objectives of this overarching strategy and provincial development vision.

### **4.4.2 PROVINCIAL INDUSTRIAL DEVELOPMENT STRATEGY**

PIDS identifies high level interventions over the short, medium, and long term. Further, through a process of prioritization, six sectors are identified as the areas of focus. Lastly, PIDS sets specific areas of intervention that will be critical for the attainment of the strategic goals and objectives, the critical success factors/enablers, across all sectors.

#### *Critical Success Factors*

The PIDS emphasises a central coordinating role to be played by provincial government in ensuring that an enabling support environment is created. This role is defined around the following critical success factors:

- Research and development (R&D) and innovation
- Training and skills development
- Infrastructure and logistics;
- Industrial finance
- Investment, trade and export promotion

- Institutional development

The PIDS document discusses each of these crosscutting critical success factors, considering the status quo, and identifying critical actions to address some blockages.

#### 4.5 SUMMARY OF SECTOR PLANS

Ref	Activity/ Item description	Levels of Execution		Comments
		*LM	*DM	
1.	Disaster Management Plan	✓	✓	MLM adopted the Districts Plan
2.	HIV/AIDS Action Strategy	✓		Needs to be reviewed
3.	Human Resource Plan	✓		Not yet Complete
4.	Performance Management System (PMS)	✓		In Place
5.	Skills Development Plan	✓		In Place
6.	Financial Management Plan	✓		Available and integrated into the IDP.
7.	Consolidated Infrastructure Plan (CIP)	✓		In place
8.	Integrated Environmental Programme	✓		In Place
9.	Local Economic Development (LED)	✓		In Place
10.	Housing Sector Plan			In Place
11.	Water Services Development Plan (WSDP)		✓	WSDP prepared at District level.
12.	Waste Management Plan	✓		In Place
13.	Roads and Storm water Master Plan	✓		Forms part of the CIP
14.	Transportation Plan		✓	TP is prepared at District level. Forms part of the CIP
15.	Electrification Plan	✓		Draft in-place
16.	Tourism and Marketing Plan	✓		Not in-place
17.	Land Use Management Plan	✓		In Place
18.	Spatial Development Framework	✓		In Place
19.	Climate Change	✓		Not in Place
20.	Migration Plan (for informal settlements)	✓		Not in Place
21.	Licheate Management Plan	✓		Not in-place
22.	Trade Effluent Policy	✓		Not in-place
23.	Nature Reserve Integrated Management Plan	✓		In Place

## CHAPTER 4: KEY PERFORMANCE AREAS

### 4.1 SPATIAL DEVELOPMENT

The main purpose of the SDF is to guide the form and location of future spatial development. It is a legislative requirement and has a legal status. Matatiele Local Municipality has an adopted Spatial Development Framework, adopted on 10 May 2011 and will be reviewed in 2013/2014. SDF facilitates decision making with regard to the location of service delivery projects and guides public and private sector investment, it strengthens democracy and spatial transformation and facilitates effective use of scarce land resources. It promotes intergovernmental coordination on spatial issues and serves as a framework for the development of detailed Land Use Management Scheme (LUMS).

#### 4.1.1. Spatial Analysis

##### Settlement Patterns

- **Urban settlement:** comprises of three towns Cedarville, Matatiele and Maluti.
- **Administrative areas:** Serves as a basic spatial unit in the greater part of the Eastern Cape rural landscape
- **Dispersed rural settlements:** Municipal Area comprises of 238 dispersed rural villages occurring in small pockets of settlements within traditional authority areas.
- **Commercial farmlands:** The space that commercial agriculture occupies is characterized by widespread farm homesteads and clusters of farm workers accommodation (farm dwellers).
- **Settlement density:** low-density settlements with an average density of 50 persons per km<sup>2</sup>.

##### Current Land Use

Current land use pattern has evolved in response to the settlement pattern, rural character of the municipal area, applicable planning policies and land use management practices. A Land use pattern includes the commercial agriculture mainly to the east and west of Matatiele town. There are areas that are conserved and protected, which include natural ecological state and should remain as core areas for conservation of protective species. Rural villages with residential occurring in the form of a grid with sites being relatively equal in size.

Urban land use pattern is characterized by a high level of spatial fragmentation and land use separation. Land uses in the urban area are commercial activities concentrated in the central business district (CBD). Industrial land Middle income residential located around the CBD and away from industrial land. Low-income residential situated in peripheral locations. Centrally located is a golf course, which serves as a buffer and inhibits spatial linkage of various parts of the town.

##### Access and Movement

Matatiele Municipality has a general good and well established road system comprising of provincial, district and local access roads, there is a none operational railway running through the area. Small landing strips exist in Matatiele and Cedarville. Public transport is provided mainly through taxis, buses and vans.

## **Infrastructure**

Approximately 51% of households do not have water at the acceptable RDP standard. Waterborne sanitation is only provided in Matatiele and Cedarville urban areas. Toilets in rural areas mainly comprise of VIP latrines. Access to electricity is limited to areas around Matatiele Town and Cedarville and most rural areas are not connected. The general quality of the road infrastructure in Matatiele is poor; this includes R56 and other important routes such as the link road from Matatiele to Lesotho.

## **Spatial Economy**

In terms spatial economy, Matatiele has restricted agricultural potential, it is ascribed to the limiting topographical features such as rugged terrain and steep slopes. Two forms of agriculture occur in Matatiele, namely commercial agriculture and subsistence agriculture. 6.8% of the area has potential for forestry. The remaining 93% (250,928ha) is classified as having moderate potential. Tourism development composed of natural beauty and a diverse range of cultural groups. These attributes complements the elements of eco-tourism, adventure tourism and cultural tourism.

## **Natural Environment**

Matatiele Municipality is located along the Drakensberg and Maluti Mountain Range, in an area that is characterized by relatively high level of environmental sensitivity and highly endangered species. Umzimvubu River rises from this region, and its feeder tributaries are endowed with major wetlands which serve as habitat for rare and endangered species, and a source of water.

## **Physical Environment**

Topography and slope within Matatiele Municipality varies from very steep gradients of 1:1, 5 to a relatively gentle slope of less than 1:7 at the foothills of the mountain and river plains. Municipality consists of two topographical regions, central plateau and a high plateau leading up to the Drakensberg Mountains. Matatiele Municipality is located on Karoo sediments, the south western portion on grey and reddish-brown Adelaide mud and sandstone, and in a north-westerly direction. Soils generally found in Matatiele are highly erodible.

## **Biodiversity**

The area falls generally within the Sub-escarpment Grassland Bioregion and the Drakensberg Grassland Bioregion characterized by high species richness and a high rate of species turnover. Unimproved grasslands and degraded grasslands dominate the landscape in Matatiele Municipality and accounts for 111,928 ha (25.7%).

## **Water Resources**

The municipality accumulates water from the catchment area, wetlands and springs. Available protected areas are:-

- Ongeluksnek Nature Reserve measures approximately 13 000ha.
- The Matatiele Nature Reserve (MNR)

### **4.1.2 Key Spatial Issues**

Encroachment of settlement onto high potential agricultural land, only 30% of the total land area of the municipality has land with minor limitations to agricultural production. 70% has severe limitations to agriculture. Uncontrolled settlement results in sprawl of rural settlements and growth of informal settlement in commonage areas.

## **Spatial Planning Strategies**

The municipality will give effect to the intentions of the SDF through a set of spatial planning strategies that indicates the desired future spatial situation, and broad policy positions to guide decision-making.

- Enhancing The Quality Of The Environment
- Protection Of High Value Agricultural Land
- Supporting An Efficient Movement System
- Development Corridors As Investment Routes
- Focusing Development In Strategic Nodal Points
- Integration Of Different Landscapes And Land Use Zones
- Developing Sustainable Human Settlements
- Establishing Framework For Growth And Development

## **Spatial Restructuring**

The following are the key elements of a spatial restructuring program:-

- Hierarchy of corridors
- Hierarchy of nodes
- Settlement clusters.

### **Hierarchy of Development Corridors**

- **Primary Node** - The Matatiele Town is a sub-regional centre servicing the entire Matatiele Municipality and beyond. Therefore this is a primary node for investment promotion and centre of supply of services in the Matatiele Municipality. It forms part of the district spatial systems and is identified in the district SDF as a primary node or main economic hub.
- **Secondary Node** - Two other areas present an opportunity for the development of secondary nodes with much less threshold/sphere of influence, namely, Maluti and Cedarville.
- **Tertiary Centers** - In addition to the secondary centres, the vision for the future spatial development of Matatiele Municipality makes provision for the development of community

centres within a cluster of settlements. These small centres will serve as location points for community facilities serving the local community such as Caba/Mdeni, Afzondering, Outspan, Queens Mercy, kwaQili and Thaba Chicha /Sijoka.

- **Continuum of Settlement Clusters**
- **Urban Settlements** - Matatiele Town including the surrounding townships, Maluti and Cedarville
- **Peri-Urban Settlements** - Large and expansive settlements have developed around Maluti, including Ramohlakoana, Maritseng, Sikiti, Motsekoa
- **Dense Rural Settlements**
- **Scattered Rural Settlements** (lilali) and
- **Settlement Clusters**

The Implementation framework has identified some projects including the preparation of a strategic planning document to guide future development and expansion of Matatiele Town and CBD Master Plan.

- **Primary Development Corridors**

R56 which runs through Matatiele in an east-west direction serves as the main regional access route that links Matatiele with other urban centres such as Kokstad to the east and Mount Fletcher to the south west. Secondary to the N2, it serves as the main link between the Eastern Cape Province and KwaZulu-Natal Province. It is identified in the Draft Provincial Spatial Development Plan (PSDP) - Eastern Cape as one of the Strategic Transport Routes

- **Secondary Development Corridors**

Two existing roads have potential to develop as secondary or sub-regional development corridors, creating opportunities to unlock new development areas through the use of a network of secondary corridors.

- The road from Matatiele to Lesotho through Maluti - provides access to a large number Of peri-urban and rural settlements located just outside of Maluti.
- Road to Ongeluksnek which braches nearly 15km outside of Matatiele - providing access to a tourist destination (tourism node) and block of high potential agricultural land.
- Proposed Maluti – Kingscote link road, to run along the foothills of the Drakensburg range and thus provide strategic linkages and unlock tourism development potential.

- **Tertiary Corridors**

Tertiary corridors which link service satellites in the sub-district also provide access to public and commercial facilities at a community level. Tertiary corridors are as follows:

- Road linking Matatiele and Ongeluksnek
- Road linking Swartberg with both Matatiele and Cedarville.
- Other district roads providing access to clusters of settlements.

## **Geographic Information Systems (GIS)**

Matatiele local municipality has a Geographic Information Systems and a GIS website which provides an important foundation for the municipality to manage data within its area of authority. A greater variety of datasets are now available, many with high confidence and completeness levels and structures in a manner to make it easy to find and use. The use of the GIS on a daily basis will ensure that it is used, to it's used to its full advantage in terms of efficient allocation of resources, planning and maintenance of systems within the Matatiele local municipality.



## **4.2 BASIC SERVICE DELIVERY**

The reduction of Service Delivery Backlogs is one of the five (5) priorities for the municipality, thus striving to provide sustainable municipal services and infrastructure. Matatiele Local municipality has a number of service delivery and infrastructure backlogs as evident in the current situational analysis.

### **4.2.1 Water Provision and Sanitation**

In terms of water and sanitation, the district Municipality (ANDM) currently provides water and Sanitation to Matatiele Local Municipality. There is currently a large backlog with regards to the provision of water and sanitation. Sanitation in the rural areas comprise of VIP latrines. The District municipality, being the WSA is responsible for the compilation of the Water Services Development Plan (WSDP) and the Master Plans for sanitation & transport Planning. Currently in Matatiele Local Municipality, the following issues are experienced regarding water and Sanitation:

- There are a number of wards with no access to clean drinking water as per the RDP standards.
- The water backlog is sitting at 51%
- Where there is access to water; the supply is irregular, at times people go for days without water.
- Some Schools and health facilities in rural areas do not have access to clean drinking water.
- There are large numbers of households which still require toilets in the rural areas. There seems to be a great need to speed up the process for addressing the challenges regarding the provision of these essential services, thus strategies need to be put in place to fast track the process.

In terms of water availability, The Mzimvubu to Keiskamma WMA has the highest mean annual runoff in South Africa, and equates to almost 15% of the total river flow in the country. 40% of that occurs within the Mzimvubu River catchment. Consequently from a water availability perspective, it can be expected that the water sources and the selection of sites for potential bulk storage within this Municipal Area are plentiful.

The Mzimvubu River with its main tributaries the Tsitsa, Tina and Mzintlava Rivers, is the largest river in the WMA and is also the largest undeveloped river in South Africa. Rainfall occurs mainly in summer and the mean annual rainfall (MAP) within the Municipal Area is fairly constant, varying from between 550 to 1000 mm. The surface water flows within this region are fed by conventional catchment runoff during wet periods, water from springs and seeps, as well as snow melt from snowfalls occurring on the higher ground.

The Mzimvubu to Keiskamma WMA has the highest mean annual runoff in South Africa, and equates to almost 15% of the total river flow in the country. 40% of that occurs within the Mzimvubu River catchment. Consequently from a water availability perspective, it can be expected (and will be illustrated) that the water sources and the selection of sites for potential bulk storage within this Municipal Area are plentiful. In general there are a vast number of wetlands, rivers, and dams providing water to the municipality

#### **4.2.2 Comprehensive Infrastructure Plan**

- ❖ **Content:** Comprehensive Infrastructure Plan is comprised of **Storm water plan, Electricity Master Plan and Integrated Transport Plan**, Integrated Transport Plan is aligned with District Integrated Transport Plan.

##### **Electrification Plan**

- Electrification Plan
- Proposed Projects and Capital Plan
- Funding Model
- Conclusion and Recommendations

##### **Storm Water Plan**

- The Study Area
- Catchment Hydrology
- Storm water Infrastructure Design Criteria
- Required Storm water Intervention
- Conclusion and Recommendations

##### **Integrated Transport Plan**

- Transport Register
- Spatial Development Framework
- Roads and Traffic
- Identified Road and Transport Projects
- Gap Analysis
- Road Maintenance and Upgrading Strategy
- Road Maintenance and Upgrading Plan
- References

- ❖ **Current Status:** Municipality purchased full set of plant for maintenance of roads and adopted a priority list for implementation.
- ❖ **Future Plans:** The municipality has budgeted for an additional grader to concentrate on light maintenance because most of access do not just require maintenance however they need total rehabilitation, hence the plant take long reconstructing one access road.
- ❖ **Status of CIP:** the CIP has been prepared and submitted to the council and was adopted on 24 January 2014, council resolution number: **CR 538/24/01/14**.

#### **4.2.3 Integrated Waste Management Plan (IWMP)**

The Municipality has IWMP was adopted in and is essentially a strategic planning document including background information on the current waste situation in the LM, a regulatory framework and objectives and strategies to improve the waste management system.

The primary objective of Integrated Waste Management Planning is to integrate and optimise waste management, in order to maximise efficiency and minimise the associated environmental impacts and financial costs, and to improve the quality of life of all South Africans including those in the Matatiele LM.

#### **i. Current Waste Categories and Characteristics**

- **General domestic waste:** This consists of paper, plastic, metal, glass, putrescibles / food waste, garden refuse and building rubble.
- **Commercial waste:** This waste is produced in insignificant quantities in the area and can also be categorised as general waste. Commercial wastes identified in the area include used cooking oil from restaurants and takeaways
- **Industrial waste:** This waste is derived from industrial activities taking place in Matatiele LM, such as waste from sawmills (sawdust, residual treatment chemicals, etc).
- **Medical waste:** This includes hazardous medical waste such as sharps, infectious waste.
- **Hazardous waste:** Includes waste such as sewage sludge, oil from workshops and putrescible organic matter.
- **Agricultural waste:** Includes combination of the above, but could also include waste such as pesticide, herbicide and fertilizer residues and containers.

#### **ii. Waste Collection**

Refuse is collected by the local authority/private company at least once a week in 5395 households. Approximately 86% of the households do not have access to refuse collection, mainly in rural areas. Domestic and commercial waste tends to be collected together, mingled and is transferred to the respective landfill sites. There are is licensed lands fill site in Matatiele.

#### **Waste recycled or minimization**

There is some evidence of limited recycling of cardboard in Matatiele LM; however, these activities are limited. In addition, there is no evidence of recycling of any measurable quantities of commercial, industrial, medical and hazardous waste generation in Matatiele Local Municipality.

#### **iii. Priority issues with regards to waste management**

- Recycling is not coordinated
- There appears to be a great deal of recyclable waste in urban centres such as Matatiele that is sent to the landfill (e.g. cardboard, paper, engine oil, tins, metal, plastics, tyres, etc.)
- Landfill site is filling up rapidly
- The IWMP must come up with recommendations to deal with the impact of VIP toilets on underground water, particularly in rural areas
- Widespread littering
- There appears to be a general lack of awareness among the public concerning good waste management practices
- Hazardous waste and medical waste entering landfill site
- Hospitals seem to have adequate waste management practices in place, including medical waste
- Clinics generally appear to have good practices for the disposal of medical waste (e.g. Maluti Clinic).
- Waste disposal from funeral parlours is unknown
- There is a problem of LMs not having a lot of input in the allocation of MIG funding from the district municipality. This funding will help LMs in implementing the waste management plan.

#### **iv. Proposed Waste Management Objectives and Strategies for Priority Issues**

- Integrated long term planning of waste management in a sustainable manner
- Increase waste management related capacity and awareness among LM officials and councillors and the public
- Make provision of extended sustainable waste services
- Promote broader public awareness concerning waste management issues and cleaner urban areas
- Establish an effective legal, regulatory and policy framework for waste management
- Reduce waste disposal to landfills or dump sites and promote waste minimization, reuse and recycling
- Promote better waste management practices in rural areas

#### **V. Waste Management By-Laws**

No.52,2005. The Council Of Matatiele Local Municipality has in terms of section 156 of the Constitution, 1996 (Act No. 108 of 1996), read in conjunction with section 11 and 98 of the Local Government Municipality Systems Act, 2000, (Act No, 32 of 2000), made the following Bylaws:

- Waste Management Planning, Policy and Strategy
- Council Services: Part I- Providing access to council services  
Part II- Using council services  
Part III- Garden waste and Bulk Waste  
Part IV- Building Waste
- Transportation and Disposal of Waste
- Littering , Dumping and Abandoned Articles

#### **4.2.4 Disaster Management And Fire Services**

The District Municipality is providing Disaster Management services on a large scale within the Matatiele Local Municipality. Matatiele Local Municipality provides immediate Disaster relief, support and other initiatives throughout the local municipal area. The Municipality is currently developing the Disaster Management Plan, linked to the ANDM Disaster Management Plan. In recent years, there has been a prevalence of Disasters, natural and other. The following are some of the frequently occurring disasters in the Matatiele local Municipal Area;

- Wild fires
- Floods
- Heavy snow disasters
- Heavy Storms & tornados

Within Matatiele Local Municipality, The Disaster, Fire and Rescue unit functions to provide emergency and rescue services . although the unit is operational, there are challenges experienced which may hinder the sustainable progress on disaster Managent. Some of these challenges are;

- Limited financial and human resources
- Lack of equipment and tools
- Awareness on disaster Management
- Lack of support and intergration of services from other stakeholders

Although there are challenges being experienced, there are plans in place to address some of these challenges. In the coming financial year, the unit plans to get funds to carry out the proposed projects which will include: training of 260 volunteers in the wards, 10 fire fighters and also appointment of experts on fire and rescue.

### 4.3 LOCAL ECONOMIC DEVELOPMENT

#### Matatiele Local Municipality's Main Economic Development Challenges

Based on the findings of the situation analysis as captured in the SWOT analysis in the preceding section the following main challenges faced by Matatiele's economy are identified:

- Matatiele's agricultural potential is not fully utilised;
- There is a need to expand and diversify the economy especially with respect to the secondary sector that includes manufacturing and tourism development;
- The low human development capacity of the population is a particular challenge to the economy;
- The poor provision of infrastructural services and access to basic resources is a constraint to the development of the economy of Matatiele.
- There is a weak business development system of commercial services, information and advisory services, skills access to resources;
- Emerging entrepreneurs requires access a participatory institutional structure that can facilitate and lead economic growth and development in Matatiele through partnership agreements;
- A serious challenge in Matatiele is the poverty and needs within the rural areas

Further to that, a concerted effort was applied towards the attainment of LED objectives.

#### ➤ **Improve public and market confidence**

The Municipality has a Spatial Development Framework (SDF) which was adopted by Council in 2011. The SDF provides a guide for the location of future development projects. It also details the Spatial Planning strategies that guide the Development of the Municipality in general. For example, one of the strategies is the focusing of development on strategic Nodal Points so as to maximize the Public and Private sector investment.

#### ➤ **Investment and trading bylaws**

The Municipality recognized the importance of improving the policy framework in order to attract investors. As a result the municipality has trading by-laws. The Municipality does have an investment policy. This policy does amongst other things seek to position the Municipality as an investment destination for the domestic and foreign investors.

#### ➤ **Exploitation of Comparative and Competitive advantages**

Exploiting sector comparative and competitive advantage of the Municipality is essential. As a result, enhancing and creating an enabling environment for the growth of these sectors is pursued. Funds are regularly sourced to assist in the financing of initiatives that are aimed at exploiting this competitive advantage, as discussed in Section 2.5.1. The various agricultural projects were assisted by the Municipality in terms of Management and Project monitoring.

#### **Intensify enterprise support and business development**

The Municipality is yet to develop an SMME development and support plan. This will entail methods of assisting Cooperatives, Informal Sector in the following:-

- *Skill Development /Training*
- *Financial Support*
- *Monitoring and Business Advice*
- *Access to funding*
- *Compiling Business Plans*
- *Newly Established SMMEs*

The Municipality also assisted in the establishment and continued support of 20 new Cooperatives. This figure could be more since more Cooperatives could have been established directly with Companies and Intellectual Property Commission (CIPC). Similarly three hundred and four (304) informal traders can be recorded as established.

#### **4.3.1 Existing Businesses**

Some progress has been made as far as developing the commercial sector. However, this industry is still far from being fully developed. Formal business in Matatiele consists mainly of retail and commercial farming businesses. As far as the former are concerned, supermarkets, clothing stores and spaza shops are the most common types of business in the rural areas of this municipality.

Other than agriculture the dominant businesses in the rural areas are spaza shops (general dealers), transport businesses, cultural and eco-tourism activities, small-scale agricultural production and wood processing. One of the major challenges that they face is that their generally low density in these areas and a dispersed business population undermine their ability to access and benefit from knowledge transfer, which can help them grow.

A number of businesses and/or business services are not found in Matatiele. These include:

- Suppliers of agricultural inputs: Farmers buy supplies from other municipalities, such as Umvoti Local Municipality in KwaZulu-Natal;
- A tourism information or support office: A tourism office is needed for the provision of assistance to tourists; and

#### **4.3.2 LED Sectors**

The LED Strategy was adopted in 2010 and aims to provide a strategic direction to guide the municipality in efforts towards achieving local economic development of the municipality.

It suggests the following sectors as the ones that make the largest contribution to Matatiele's economy:-

- Commerce and industry
- Community, social and other personal services
- Wholesale & retail trade; catering and accommodation
- Finance and business services
- Transport and Communication
- Construction
- Agricultural and Agri-Tourism
- Manufacturing mining and quarrying

However, due to numerous challenges facing each of these sectors, creation of employment opportunities to adequately address poverty and to keep up with the economic needs of local communities has been growing at a slow pace. As a result, the municipality is home to many

poverty-stricken communities with high levels of poverty and unemployment, and generally low income levels. Many of these communities face the challenge of very limited access to basic services such as water and electricity.

Many people living in the rural areas rely mainly on subsistence agriculture. On the other hand, the construction industry is very small. Construction activities include road construction and the building of houses. This industry has the potential to provide more job opportunities in the future, based on:-

- Rapidly increasing fiscal allocations for public infrastructure
- Expansion of the EPWP (there needs to be a District (i.e. Alfred Nzo) EPWP Plan, with an M&E capability).
- Increased house-construction (human settlements) and retail infrastructure.

#### **4.3.3 EPWP**

In Matatiele local municipality, the implantation of the Expanded Public Works Programme commenced with the registration of Nkhesa Mofokeng Project in the Infrastructure Sector of EPWP. With the Expansion of the programme, additional EPWP programmes were introduced being; Rea-hloekisa programme, Food for Waste, Wattle removal Programme. Also an EPWP unit was established with 6 Cluster supervisors, an EPWP Co-ordinator and data Capturer.

The three programmes mentioned above, have contributed to the providing job opportunities and income opportunities in every ward within the municipality. To date the following opportunities have been created from the three programmes:

- Nkhesa Mofokeng
- Food For Waste
- Reahloekisa

#### **4.3.4 Agricultural Development**

The availability of water resources in various parts of Matatiele, such as rivers, streams and wetlands, the good quality of its soil and rainfall render the area suitable for large-scale production of a number of crops. Particular areas have been identified to be suitable for certain types of crops, for example, fertile soil, particularly in the Ongeluksnek area, is good for a variety of fruits such as apples, citrus fruit, and peaches. Despite this potential, Matatiele's agricultural crop sales have been ranked among the lowest in the country for many years due to a number of challenges:-

- Lack of storage facilities for the preservation of crop products, especially maize
- Lack of fuel (e.g. diesel) and/or electricity for the very few who own farming equipment.
- Absence of milling plants in areas where they are needed the most: Mafube, Belfort is among the areas that can benefit greatly from milling facilities.
- The existence of a vast area of under-utilised agricultural land in many parts of the municipal area Limited access to land as well as lack of title deeds hamper crop production and productivity.
- Lack of modern farming machinery such as tractors and implements
- Subsistence crop farming, especially in the rural areas is very dominant

Livestock farming and crop farming are the most common farming activities, the dominant of which is the livestock farming. The main livestock farming activities include cattle farming, sheep farming



and goat farming. Many emerging livestock farmers in urban Matatiele raise cattle on their farms mainly for beef which they sell to local slaughter-houses, supermarkets and also to individuals. Some sell cattle to buyers from Durban, Howick and Pietermaritzburg in KwaZulu-Natal, and Port Elizabeth in the Eastern Cape through auctions organised by the Cedarville Farmers Association. Live sheep, goats and wool get sold to local manufacturers in Port Elizabeth and Durban and to manufacturers based outside the country. A need for provision of dipping tanks has been raised for fourteen wards.

Emerging farmers in Matatiele generally face a number of difficulties, including:-

- Lack of proper stock-handling facilities,
- Lack of dipping facilities for protecting cows against diseases,
- Need for bulls to improve certain types of breeds and perpetuate those that are not found in large numbers, such as the Nguni breed,
- Shortage of grazing land for some cattle including Nguni cattle,
- Need for a feedlot for cows that are raised for commercial purposes,
- Lack of modern milking parlour,
- Poor access to economic-enabling physical infrastructure, such as electricity, roads and water infrastructure, which hamper productivity,
- Limited understanding of modern farming methods and practices, which compromises the quality of the cattle raised in the municipal area, especially in the rural areas, and
- Overgrazing.
- Need for improvements on Agricultural infrastructure.

Crop farming includes mainly maize, wheat, sorghum, beans, soya beans, canola, potatoes, butternut, green leafy vegetables (cabbage, spinach, turnip etc.), green, red and yellow pepper and sunflower. The markets for those who sell vegetables include local formal businesses, such as hypermarkets, including ShopRite and Pick'n'Pay, local vegetable vendors and vegetable traders from Lesotho. In addition, there are opportunities for them to supply crops and vegetables to local orphanages, hospitals and some primary schools. There are also various programmes and facilities for agricultural development, such as poultry farming facilities e.g at Khuthalani Sinosizo poultry project which is functioning very well. There are also Grain Silos however they are old hence the Municipality has Budgeted for new modern Silos in 2014/15 financial year. The department of Agriculture and Rural Development also provides for the fencing of Fields.

Opportunities also exist for honey production, although this sub-sector is highly underdeveloped. Efforts to retain bees could be made through planting of sunflowers in areas where most bees are found.

Approximately nine (9) wards indicated that they require fencing for their cultivate fields in order for them to better cultivate their land. Currently, the Department of Agriculture has committed funds towards economic development focussing on poverty alleviation and unemployment:-

#### **4.3.5 Forestry**

Land Was Secured In 2011 For New Forestation Purposes In The Jurisdiction Of Matatiele Local Municipality. Environmental And Rural Solutions Cc Were Appointed In 2011 To Conduct An EIA In The Sites Identified For Forestation.

The Department of Rural Development and Land Reform, SAPPI, Department of Agriculture, Forestry and Fisheries has assigned consulting services to Department of Trade and Industry (DTI) to conduct feasibility studies to the identified community sites that have been approved for forestation.

Subsequent to the feasibility and Environmental Impact Assessment will be undertaken, 17 villages licensed for the establishment of Forestry project while 48 villages applied and waiting for license

The following is a list of forestry products that can be produced from the natural forests and forestry plantations in the Municipality:

- **Timber Products**
  - ▶ Manufacture of furniture, poles (e.g. sign-posts), etc.
  - ▶ Manufacture of charcoal from timber waste products
- **Non-Timber Products** (closely related to natural forests and forestry plantations)
  - ▶ Beekeeping and honey production
  - ▶ Basket-making
  - ▶ Picking and packaging of edible plants
  - ▶ Ferns, foliage and flowers
  - ▶ Hiking trails
  - ▶ Medicinal plants
  - ▶ Picking and packaging of mushrooms

A number of challenges and threats facing the forestry sector were identified, including fires, diseases, drought, strong winds, snow, livestock trespassing and vandalism. There are also concerns about the potential impact on the water supply which could negatively affect existing agricultural and manufacturing processes and might also have negative impact on the tourism sector since some tourist attractions need a constant water supply.

#### **4.3.6 Tourism Development**

The abundant natural beauty of Matatiele makes it an area of high tourism potential. Among its attractive features are its wide, open spaces, mountainous terrain, rivers, scenic botanic features, flora and fauna (biodiversity), wetlands, picnic spots, birds, including special bird species, and snowy winters. In addition, Matatiele is home to diverse cultures.

These features provide opportunities for the growth or expansion of the following existing forms of tourism in the municipality:-

- **Nature-based tourism:** The municipality boasts several unspoiled environments with a diversity of naturally occurring attractions.
- **Cultural tourism:** There are opportunities for showcasing various cultures that exist in the municipality.
- **Agricultural tourism:** A number of festivals, all of which are associated with farms and agriculture, have been held in the municipality. They include agricultural shows, pumpkin festivals, fruit festivals, flower festivals, bird watching trips, hikes and wagon rides. The development of the educational aspect of this form of tourism should be considered since it has the potential to attract more tourists.
- **Bird-watching/Avitourism:** Since bird-watching has become one of the fastest growing recreational activities that attract international tourists, it can be used for boosting the economic performance of the municipality. One of the conditions for the success of avitourism is that habitat protection and environmental education are incorporated into the strategic documents of the municipality.

- **Eco and Adventure Tourism:** The area has the potential to become one of the most important econ-tourism and adventure travel tourist destinations in the country. Existing activities include rafting, hiking and 4X4 trips through the mountain passes that form the border between the municipality and the Southern districts of Lesotho. Qacha's Nek, Ramatseliso's Pass and Ongeluksnek provide access to Lesotho.
- **Winter Tourism:** Since snow is often experienced in winter, potential exists for skiing as one of the tourism activities in the municipal area,
- **The Rural Nature of Matatiele:** The rural setting of Matatiele renders it suitable for the development of tourism that is nature based, utilises the environment as a key resource, and places people development at the core of the planned tourism enterprises

#### **4.3.7 Mining**

Limited quarrying activity takes place in the municipality with some of them not registered. The stone that is extracted is used in road construction projects and in building houses. There is great potential for exporting the stone to various parts of the country for building purposes. Since there is an abundance of river sand in the municipality, sand mining is a common activity.

Most of the sand obtained from the local river banks is exported to other municipalities for construction purposes. According to the Matatiele Municipality IDP Review (2008-2010), a number of environmental management areas and eco-tourism with the potential for diamond, coal and paraffin mining exist in Wards 8 and 24. It is recommended in this regard that detailed investigations into these potential areas should be undertaken. Mining also has some potential but has to be further investigated.

#### **4.3.8 LED Strategy**

##### **I. Introduction**

The Matatiele LED strategy was adopted on 30 June 2010, council resolution number CR548/30/06/2010. S.A has adopted the Local Economic Development (LED) approach as a key element of an integrated approach to development. LED is an integrated, multi-disciplinary approach that aims to ease poverty in a local area and to develop its economic ability to improve its economic and social conditions. Municipalities are mandated to develop LED strategies and plans to build up the economic capacity of their respective areas to improve their economic future and quality of life.

Matatiele Local Municipality recognizes that it has a significant role to play in addressing the developmental challenges that it faces and in promoting economic development and human welfare. LED strategy is as a result of the high unemployment and poverty levels experienced. This Local Municipality is endowed with a variety of natural resources, counting fertile soils, game reserves, historical sites, natural forests, rivers and mountains. These resources provide opportunities for the development of diverse sectors of the local economy.

##### **II. Purpose and Objectives**

The purpose of this LED Strategy is to provide a strategic direction to guide the Matatiele Local Municipality in its actions and efforts to lead local LED stakeholders towards achieving local economic development in the municipal area. It sets out actions that will help improve the strength of the local economy and encourage its growth in a sustainable mode.

The objectives are to:

- Capacitate the Matatiele Local Municipality in carrying out its LED mandate

- Develop a strategic implementation plan that outlines the strategies and activities that the municipality and other LED stakeholders can employ
- Facilitate the creation of an enabling framework for private and public sector investment
- Provide an overall economic assessment for Matatiele in order to identify sectors or areas of high economic potential
- Identify and estimate the cost of projects that will potentially contribute to the improvement of both Matatiele local Municipality's economic future and quality of life within the municipal area
- Provide guidelines for implementing LED projects in Matatiele Local Municipality and for monitoring and evaluating them
- Identify the roles and responsibilities of local stakeholders in LED
- Provide guidelines for the monitoring and evaluation of the strategy.

The formulation and eventual implementation of the LED Strategy in this document takes place within the context of the national and provincial policy and strategy frameworks.

### **III. Situational Analysis**

An overview of the current demographic, socio-economic and economic profiles and trends of the municipality was done. Through this overview, it was possible to identify the development strengths, weaknesses, opportunities and threats of the economy of the municipality. This section accordingly deals with the following:

- ▀ Overview of Matatiele;
- ▀ Demographic and socio-economic profile of the area;
- ▀ Economic profile and trends
- ▀ Analysis of main economic sectors of the municipal area and
- ▀ Provision of services and resources impacting on the economy.

### **IV. Strategic Framework for LED intervention**

Formulation of a strategic framework for the implementation of the LED Strategy consists of the following components:

- The identification of the main challenges facing MLM's economy as derived from the SWOT analysis;
- The formulation of an LED Vision as derived from the Municipal IDP vision
- The formulation of goals and objectives. The goals and objectives flow from the vision, the main challenges and the inputs received.

The above section contains the main components of the LED Strategy of the municipality. This is followed below with the implementation strategy indicating the actions and projects that should be implemented in order to achieve the vision, goals and objectives.

### **V. Implementation of the Strategy**

The purpose of the section is to unpack the actions and projects that need to be employed by the stakeholders in order to achieve the goals and objectives outlined in the previous section. The main components of this section are the following:

- Identification of prioritized actions and projects for implementation
- From the prioritized list of projects a set of key anchor projects has been developed for the implementation by the stakeholders;
- An implementation schedule is devised from the key projects identified indicating responsibilities and resource requirements;

- Identification of monitoring and evaluation criteria that would be used to assess progress in terms of the implementation of the LED Strategy;
- Project Implementation Guidelines.

**VI Implementation Guidelines** - This section aims to guide the MLM LED Unit when implementing this LED Strategy in general and the identified LED anchor projects in particular. It is intended to be used by the LED unit as a manual for implementing the LED strategy. The section is structured as follows:

- ❖ *Roles and responsibilities Of Programme and Project Level Institutions*
- ❖ *General step-by-step guidelines for project implementation, and*
- ❖ *Creation of an environment that is constructive for economic growth and developmen*

#### **Stakeholder Involvement and Community Participation**

Matatiele Local municipality considers the inputs of stakeholders and communities as valuable in developing strategies and plans towards developing and improving the Local Economy. Various methods and mechanisms are utilised to engage stakeholders and the public. Amongst others is the:

##### ► **LED Forum/Local Action Team (LAT)**

An institutional arrangement that allows for participation and input at the community level will be critical to the successful implementation of this LED strategy. The key guiding principles of this LED Forum includes the following:

- It must be inclusive and representative,
- It must be participatory,
- It must have a clear and transparent role,
- It must meet regularly (at least quarterly) and adhere to proper meeting procedures, and
- It must receive feedback from project level committees.

The LED Forum comprises a number of stakeholders from the public sector, private sector, NGOs, and the civil society, private individuals and associations such as the Matatiele Farmers associations, Masibumbane Hawkers Association, Uncedo taxi association, Matatiele Drakensburg Taxi Association, Business Unit and bus associations amongst others.

## **4.4 FINANCIAL VIABILITY**

### **FINANCIAL PLAN**

#### **FIVE (5) YEAR FINANCIAL PLAN**

##### **Introduction**

In general usage a financial plan is a budget, in other words a plan for spending and saving future income. This plan allocates future income to various types of expenses, such as salaries, insurances and also reserves some income for short term and long term savings. A financial plan is also an investment plan, which allocates savings to various assets or projects expected to produce future income.

One of the key issues identified for the sustainability of Matatiele Local Municipality is expanding its revenue base whilst remaining financially viable and sustainable. The objectives are therefore to provide effective, efficient and co-ordinated financial management and financial accounting.

This financial plan includes therefore the assumptions used when compiling the budget, the operating and capital budget, financial strategies as well as the accounting policies.

##### **PURPOSE**

To advise Council about the budget process for 2014/2015 to 2016/2017 MTREF (Medium Term Revenue and Expenditure Framework).

To submit the 2014/2015 Final Capital and Operating budget; proposed tariff increases and budget related policies for tabling by Council.

To advise council about items affecting budget and service delivery.

To provide budget information to council for more discussions to achieve approved budget within the legislative required time.

##### **LEGAL / STATUTORY REQUIREMENTS**

Municipal Finance Management Act 56 of 2003, Chapter 4.

Local Government Municipal System Act 32 of 2000.

National Treasury Regulations, MFMA Circulars and other relevant Guidelines.

MFMA Municipal Budget and Reporting Regulation.

##### **BACKGROUND AND REASONING**

The preparation process of the Medium Term Expenditure Revenue Forecast for 2014/2015 and Two Outer years 2016/2017 has commenced as required by Municipal Finance Management Act by submitting the Budget and IDP Review process plan to Council for approval before 31 August 2013.

During these Budget and IDP Reviews the communities and other stakeholders have submitted their needs to be included in the IDP and their priorities to be budgeted for of which the Management have consolidated those budget proposals with alignment with the IDP to advise Council on Budget product.

##### **BUDGET PREPERATION ASSUMPTIONS**

The following assumptions have been used to prepare the proposed final budget,

#### Headline inflation forecasts

On setting up increases on tariffs and increasing of budget expenditures, the National Treasury issued inflation forecast through MFMA circular No 70 for 2014/15 of 5.6% has been well considered.

#### Revision of rates, tariffs, and other charges

As detailed on paragraph 1 above, when revising tariffs, rates and other charges, inflation forecast has been considered to ensure that all are proposed to increase not above 5.6%.

Further to the above, the labour and other input costs of services have been taken into account to ensure financial sustainability, local economic conditions and the affordability of services and also taken into consideration the municipality's indigent policy.

The proposed rates, tariffs and other charges have been tried to be kept as as low as practically possible.

#### Eskom bulk tariff increases

On announcement of Eskom bulk increases by NERSA, the municipality proposed increases on electricity tariffs is 7.39% as guided by NERSA and MFMA circular No 70 and final approved tariffs will be subject to NERSA. These will be only tariffs to increase above 7.39% and this is beyond municipality as electricity is purchased in bulk from Eskom.

#### Funding choices and management matters

Tough decisions on the expenditure side have been made by giving priority to ensure that service delivery is improved in all aspects as follows,

Supports of meaningful local economic development initiatives that foster micro and small business opportunities and job creation.

Day to day operations for provision of service delivery.

That there is expediting spending on capital projects that are funded by conditional grant and council revenue.

Supports of meaningful special programs for community groups.

#### **The Municipal Budget and reporting Regulations**

Since 1 July 2009, the budgets have been prepared as per requirements of the regulations. The municipality has complied with the formats set out in schedule A, B and C and the relevant attachments to each of the schedules.

#### **MFMA Circular No. 70**

Circular No. 70 has provided guidance on budget preparations on many aspects on this current budget preparations, the inflation forecast for increases have been considered.

Circular No. 70 provides further guidance to municipalities for the preparation of 2014/15 Budgets and Medium Term Revenue and Expenditure Framework.

Main guidance provided is on need to ensure that the inputs into 2014/15 budget and MTREF safeguard the financial sustainability of the municipality. More specifically, the council is advised against unrealistically low tariff increases and over-ambitious capital expenditure programmes.

The following assumptions have been used to prepare the proposed final budget,

#### **Capital & Operating Budget**

The five-year financial plan includes an Operating Budget and Capital Investment Programme for the five years ending June 2017.

##### a) Operating Budget

Table F1 details the Operating Budget for the five years starting 1 July 2014 and ending 30 June 2017.

#### **Table F1 Operating Budget**

#### **Final Expenditure Budget**



	Audited Outcome 2011/12	Expenditure %for 2011/12	Audited Outcome 2012/13	Expenditure % for 2012/13	ADJUSTED BUDGET 2013/14	BUDGET 2014/15	BUDGET 2015/16	BUDGET 2016/17
Employee related costs	R 46 428 750.00	24.53	R 57 395 055.00	25.44	76 333 355	90 399 594	99 482 280	106 613 347
Remuneration of Councillors	R 13 275 611.00	7.01	R 13 899 579.00	6.16	16 778 550	17 177 712	18 136 347	19 043 165
Bad Debt Provision	R 2 609 770.00	1.38	R -	0.00	3 000 000	4 677 597	4 945 305	5 241 701
Depreciation	R 15 905 291.00	8.40	R 17 083 688.00	7.57	13 053 023	14 065 850	14 769 017	15 507 468
Repairs and maintenance	R 9 450 048.00	4.99	R 10 290 130.00	4.56	12 559 001	12 065 000	12 435 750	12 982 538
Interest external borrowings	R 563 505.00	0.30	R 6 522.00	0.00	2 000 000	0	0	0
Bulk purchases – Electricity	R 21 898 140.00	11.57	R 24 556 468.00	10.89	28 000 000	28 000 000	29 400 000	30 870 000
Contracted Services	R 9 363 486.00	4.95	R 12 328 837.00	5.47	14 962 983	15 436 545	16 135 151	16 941 909
Grants and subsidies paid	R 8 467 660.00	4.47	R 23 662 852.00	10.49	28 888 555	27 144 247	21 071 048	21 801 465
General Expenses	R 23 703 314.00	12.52	R 30 576 361.00	13.55	49 846 012	48 913 976	51 575 599	54 154 379
Internal Charges	R2 445 181.00	1.29	R 5 064 153.00	2.24	0	0	0	0
Impairment loss	R62 166.00	0.03	R 63 893 245.00	28.32				
<b>Sub-Total</b>	<b>R154 172 922</b>	<b>81.46</b>	<b>R 258 756 890.00</b>	<b>114.71</b>	<b>245 421 479</b>	<b>257 880 520</b>	<b>267 950 497</b>	<b>283 155 975</b>
Capital Grants					0	64 510 902	000	000
Surplus	R 35 079 019.00	18.54	R -33 179 677.00	-14.71	0	-2 848	000	000
<b>TOTAL OPERATING EXPENDITURE</b>	<b>189 251 941</b>	<b>100.00</b>	<b>225 577 213</b>	<b>100</b>	<b>245 421 479</b>	<b>257 880 520</b>	<b>267 950 497</b>	<b>283 155 975</b>

**Break down of Employee Related Cost of R 90 399 757 per department:**

Unit	Amount
Municipal Manager's Office	9 095 987
Budget and Treasury Office	15 510 349
Corporate Services	18 664 468
Community Services	18 238 920
Economic Development Planning	5 639 948
Infrastructure	23 250 085
	<b>90 399 757</b>

**Salary Budget**

Description	Salary Budget	Total Operating Budget	Percentage of operational budget
	90 399 757	257 880 520	35%

**Repairs and Maintenance**

Description	Repairs and Maintenance	Total Operating Budget	Percentage of operational budget
	12 065 000	257 880 520	4.68%

**Creditor's Turnover Rate:**

30 days

**Final Income Budget**

	AUDITED OUTCOME 2011/12	INCOME % 2011/12	AUDITED OUTCOME 2012/13	INCOME % 2012/13	ADJUSTED BUDGET 2013/14	BUDGET 2014/15	BUDGET 2015/16	BUDGET 2016/17
Property Rates	R 13 234 519.00	R 6.99	R 15 500 969.00	6.87	42 297 947	30 729 031	32 265 483	33 878 757
Service Charges	R 38 261 621.00	R 20.22	R 40 322 579.00	17.88	49 813 718	48 690 405	51 124 926	53 681 172
Rentals of facilities and equipment	R 482 505.00	R 0.25	R 533 522.00	0.24	586 633	599 165	596 781	620 905
Interest earned – external investments	R 6 926 590.00	R 3.66	R 7 861 036.00	3.48	5 500 000	4 200 000	4 200 000	4 410 000
Profit on sale of an asset	R 293 195.00	R 0.15	R -	0.00	1 850 800	1 943 340	1 951 257	1 959 570
Fines	R 1 650 860.00	R 0.87	R 1 508 615.00	0.67	451 000	450 000	472 500	496 125
Licenses and permits	R 1 897 270.00	R 1.00	R 2 094 048.00	0.93	2 704 000	2 704 000	2 839 200	2 981 160
Government grants & subsidies	R 125 711 154.00	R 66.43	R 152 460 294.00	67.59	135 157 408	166 683 395	124 953 605	131 053 673
Capital Grants				0.00	0	64 510 902	73 086 000	80 164 000

Other	R 794 227.00	R 0.42	R 5 296 150.00	2.35	65 046 526	54 950 520	35 609 344	37 405 298
<b>TOTAL OPERATING INCOME</b>	<b>R 189 251 941.00</b>	<b>R 100.00</b>	<b>R 225 577 213.00</b>	<b>100</b>	<b>303 408 032</b>	<b>375 460 759</b>	<b>327 099 096</b>	<b>346 650 660</b>

Debtor's turnover: 95%

#### **Billing:**

Consumers are billed on a monthly basis.

#### **Valuation Roll:**

In terms of Municipal Property Rates Act of 2004, the municipality has a valuation roll and it has been implemented. Every four years, the municipality conducts general valuation roll, and the last valuation was done in 2013; and The supplementary valuation roll has also been conducted and implemented.

#### **FINAL OPERATING AND CAPITAL BUDGET SUMMARY BY MAIN VOTES**

Final operating and capital budget is tabled as follows:

Table 5: Total Final Budget Summary

Department	Expenditure	Income	Capital
Executive & Council	36 121 701	280 000	221 000
Budget & Finance	58 119 575	228 745 320	1 891 000
Corporate Services	30 364 329	300 000	2 123 000
Community Services	29 228 710	15 445 883	7 343 000
EDP	19 568 914	4 661 774	915 000
Infrastructure	84 477 293	126 027 781	135 084 192
Capital			147 577 392
Surplus		2848	
<b>TOTAL</b>	<b>257 880 519</b>	<b>375 460 758</b>	<b>147 577 392</b>

#### **GRANTS AND SUBSIDIES**

The municipal allocations from grants and subsidies for conditional purposes and operational purposes are tabled as follows for the medium term expenditure revenue forecast,

Table 6: Grants and Subsidies for MTERF

GRANT DESCRIPTION	DORA 2014/2015	DORA 2015/2016	DORA 2016/2017
Equitable Share	138 979 000	176 035 000	176 741 000
Finance Management Grant (FMG)	1 600 000	1 650 000	1 700 000
Municipal Systems Information Grant (MSIG)	934 000	967 000	1 018 000

Municipal Infrastructure Grant (MIG)	45 759 000	48 086 000	50 164 000
INEP	19 300 000	25 000 000	30 000 000
<b>Total</b>	<b>206 572 000</b>	<b>251 738 000</b>	<b>259 623 000</b>

The Municipal Systems Information Grant was fully spent (100%) in all the municipal years.

#### FUNDING FOR FINAL CAPITAL BUDGET

Final capital budget is projected at R117, 5 million and this is inclusive of council revenue allocated for capital projects from operating budget as tabulated below:

Table 3: Summary of Final Capital Budget

DESCRIPTION	ADJUSTMENT 2013/2014	BUDGET 2014/2015	NET-CHANGE
Grants Rolled Over	11 728 654	0	11 728 654
Electrification – DoE	10 008 865	19 300 000	-9 291 135
Municipal Infrastructural Grant – MIG	38 677 962	45 210 902	-6 532 940
<b>Sub-Total</b>	<b>60 415 481</b>	<b>64 510 902</b>	<b>-4 095 421</b>
Capital Replacement Reserve	51 776 782	53 066 490	-1 289 708
External Loans	11 500 000	30 000 000	-18 500 000
<b>Total</b>	<b>123 692 263</b>	<b>147 577 392</b>	<b>-23 885 129</b>

#### FINAL TOTAL CAPITAL AND OPERATING BUDGET

Total Final capital and operating budget for 2014/2015 is R405, 4 million and reflects an increase of R36, 93million which is 9, 84% from the 2013/2014 adjustment budget.

Table 7: Total Final Budget

DESCRIPTION	2013/2014 ADJUSTMENT BUDGET	2014/2015 FINAL BUDGET	NET-CHANGE	%
Operating Expenditure Budget	245 421 479	257 880 520	-12 459 041	5%
Revenue Budget	-366 038 656	-375 460 759	-9 422 103	2.57%

Capital Budget	123 692 263	147 577 392	-23 885 129	19.31%
<b>Total</b>	<b>369 113 742</b>	<b>405 457 912</b>	<b>-36 344 170</b>	<b>9.84%</b>

In conclusion, this final budget for both capital and operating estimates as suggested by all the Municipal departments. The capital estimates have been compiled after taking into account the IDP projects.

#### **8.1.4 Financial Strategy**

Matatiele Local Municipality is a developing municipality located in the rural areas of the Province of the Eastern Cape. Only 6.5% of its population is economically active which poses specific challenges regarding financial sustainability. Council operations must be conducted in a manner that will ensure that services will remain affordable and yet tariffs must be able to cover costs.

##### **Revenue Raising Strategy**

Outstanding debt amounts to R48, 8 million. Drastic steps must be implemented to have this amount reduced as it will eventually lead to cash flow problems. The target is that 90% of all billing must be collected.

The following are some of the more significant programmes that have been identified:

**The review and implementation of the Credit Control & Debt Collection Policy.** This policy and the relevant procedures detail all areas of credit control, collection of amounts billed to customers, procedures for non-payment etc.

- **The review and implementation of the Indigent Policy.** This policy defines the qualification criteria of an indigent, the level of free basic services enjoyed by indigent households, penalties for abuse etc.
- **The review and implementation of the Tariff Policy.** This policy will ensure that fair tariffs are charged in a uniform manner throughout the Matatiele Local Municipality area. Tariffs must remain affordable but also insure sustainable services.
- **The review and implementation of the Property Rates and Valuation Policy.** This will ensure that a fair rates policy and an updated valuation roll is applied to the entire Matatiele Local Municipality area and will aim to ensure that all properties are included in the municipality's records. Furthermore the policy will ensure that valuations are systematically carried out on regular bases for all properties.
- **The review and implementation of the Customer Incentive Scheme.** This scheme will detail the incentives and prizes that will be made available to encourage customers to pay their accounts promptly.
- **The review and implementation of the Improved Payment Strategy.** This strategy aims at implementing innovative cost effective processes to encourage consumers to pay their accounts in full on time each month, including increasing the methods of payment and implementing on-line pre-payment systems.

##### **Asset Management Strategy**

The following are some of the more significant programmes that have been identified:

- **The implementation of an integrated asset management system.** This programme will involve the investigation, identification and implementation of a suitable integrated asset management system. It will also include the capture of all assets onto this system, the maintenance of this system and the production of a complete asset register in terms of GRAP requirements.
- ***The implementation of the fixed asset infrastructure roadmap i.e. action plan.*** This plan will involve a status quo assessment of current infrastructure assets, the implementation of individual action plans within the roadmap and the development of individual infrastructure asset registers. This project is contingent on various departments maintaining their respective infrastructure asset registers and supplying all the necessary information to the Asset Management Section to enable the necessary infrastructure asset information to be included in the asset register in terms of GRAP requirements. ***The***

***review and update of asset and risk insurance procedures and the renewal of the insurance portfolio.***  
*This programme will involve the identification of risks in conjunction with insurers and all Departments and the review and update of the asset and risk insurance procedure manual. It will also include the review of the existing insurance portfolio and the renewal of the insurance policy as per the renewal terms.*

c) Capital Financing Strategy

The following are some of the more significant programmes that have been identified:

- **The review and implementation of the debt capacity policy.** This policy will ensure that any borrowings taken by the Matatiele Local Municipality will be done in a responsible manner and that the repayment and servicing of such debt will be affordable.
- **The review and implementation of the policy for access finance (including donor finance).** This policy will ensure that all available funding sources are vigorously pursued.

d) Projected staff growth and costs

Matatiele Local Municipality provides limited services to its rural population. When refuse removal services, roads and storm water management, building and town planning control and other services affected in the 3 towns are extended to the 256 rural villages; the staff complement will have to increase. This will be done through the Extended Public Works Programme.

### **8.1.5 Financial Management Policies**

#### **General Financial Philosophy**

The financial policy of the Matatiele Local Municipality is to provide sound, secure and fraud free management of financial services. The municipality reviews its policies on an annual basis.

The Budget and Finance Office has the following objectives:

- Implementation of LG MFMA
- Implementation of the LG Municipal Property Rates Act
- Management of the Budget Process
- Performance of the Treasury Function
- Management of Municipal Revenue
- Management of a Supply Chain Management Unit
- Establishment of a FBS/Indigent Support Unit
- Maintenance of Internal Financial Control
- Production of Financial Performance Reports
- To Retain the Financial Viability of the Municipality
- To have an Unqualified Audit Report

#### **Budget Policy**

The aim of the policy is to set out the budgeting principles which the municipality will follow in Preparing each annual budget, as well as the responsibilities of the chief financial officer in Compiling such budget.

#### **Tariff Policy**

A tariff policy must be compiled, adopted and implemented in terms of Section 74 of the Local Government: Municipal Systems Act 2000, such policy to cover, among other things, the levying Of fees for municipal services provided by the municipality itself or by way of service delivery Agreements.

#### **Property Rates Policy**

In developing and adopting this rates policy, the council has sought to give effect to the sentiments expressed in the preamble of the LG Municipal Property Rates Act, namely that:

- the Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities;
- there is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfill its developmental responsibilities;
- revenues derived from property rates represent a critical source of income for municipalities to achieve their constitutional objectives, especially in areas neglected in the past because of racially discriminatory legislation and practices;
- Every four years, the municipality conducts general valuation roll, and the last valuation was done in 2013; and
- It is essential that municipalities exercise their power to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the nation and which takes account of historical imbalances and the burden of rates on the poor.

In applying its rates policy, the council shall adhere to all the requirements of the Property Rates Act no. 6 of 2004 including any regulations promulgated in terms of that Act.

#### **Indigent Support Policy**

The objective of Indigent Support Policy is to ensure the following:

- The provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Council; and
- To provide procedure and guidelines for subsidization of basic provisions received from Central Government, according to prescribed National guidelines.

The Council also recognizes that there may be residents simply not able to afford the cost of full provision and for this reason the Council will endeavour to ensure affordability through:

- Settings tariffs in terms of the Council Tariff Policy; which will balance the economic viability of continued service delivery; and
- Determining appropriate service levels.

#### **Credit Control & Debt Collection Policy**

The purpose is to ensure that credit control forms an integral part of the financial system of the local authority, and to ensure that the same procedure be followed for each individual case.

#### **Supply Chain Management Policy**

The objective of this policy is to provide a policy framework within which the municipal manager and chief financial officer can institute and maintain a supply chain management system which is transparent, efficient, equitable, competitive, which ensures best value for money for the municipality, applies the highest possible ethical standards, and promotes local economic development.

By adopting this policy the council further pledges itself and the municipal administration, to the full support of the Proudly SA campaign and to the observance of all applicable national legislation, including specifically the:

- Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations;
- Broad Based Black Economic Empowerment Act No. 53 of 2003 and any applicable code of practice promulgated in terms of that Act; and
- LG Municipal Finance Management Act No. 56 of 2003, including the regulations relating to the prescribed framework for supply chain management.

A paraphrase of the relevant provisions of the foregoing statutes is annexed to this policy.

Where applicable, the council also pledges itself to observe the requirements of the Construction Industry Development Board Act No. 38 of 2000 and its regulations.

#### **Banking and Investment Policy**

The objective of this policy is to gain the optimal return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes.

To provide effective cash management

To comply with Sect. 13 of the MFMA

#### **Fixed Asset Management Policy**

The objective to specify the duties of all role players involved in asset management.

To provide directives regarding the management, depreciation and acquisition of fixed assets.

#### **Transport Policy**

Vehicles allocated to officials for carrying out their official responsibilities or to use in the service of the municipality;

The officials designated by the municipal manager to control and allocate municipal vehicles;

The use by employees and councillors of official transport.

#### **GRAP Framework Policy**

The objective of the policy is to define the practical implementation of Generally Recognised Accounting Practice at the municipality, in accordance with the provisions of the Municipal Finance Management Act.

#### **Risk Management Policy**

Define roles and responsibilities and outlining procedures to mitigate risks,

Ensure pro-active, consistent, integrated and acceptable management of risk,

Define a reporting framework to ensure regular communication of risk management information,

Provide a system to accommodate the central accumulation of risk data, and,

Comply with Sect. 62 and 95 of the MFMA.

#### **Data Backup Policy**

The objective of the policy is to provide guidelines on the backup procedures to be adhered to regarding all data utilised by the municipality in the normal course of business.

#### **Cash Management Policy**

The Council of the municipality is the trustee of the public revenues which it collects, and it therefore has an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently.

#### **Special Services Tariff Policy**

The objective of the policy is to define the guidelines to be utilised regarding the reduction of tariffs for municipal services to qualifying institutions.

#### **Grant & Donation Policy**

The objective of this policy is to define the conditions under which grants and donations may be made to organizations or individuals from the municipal operating budget.

#### **Donor Finance Policy**

The objective of the policy is to provide guidance to the management team of the municipality on the actions required to attract donor finance, grants and donations from Government and the private sector, for projects identified by the municipality.

#### **Procurement Policy**

The objectives of this policy are as follows:

To create a procurement system that is uniform within the municipality;

To clarify procurement definitions;

To eliminate fraud or any other irregularities in the procurement of goods and services; and

To outline the code of conduct of municipal staff.

#### **Payment Policy**



The objective is to describe the process to be followed regarding payment of invoices from creditors.

**Virement Policy**

The objective of the policy is to provide the guidelines to be followed, to effect virements of approved budgeted expenditure during the course of a financial year.

**Cash-up Policy**

The objective of this policy is to provide the guidelines to all staff tasked with the collection of cash at the various cash-taking points.

**Cash Shortage Policy**

The objective of the policy is to describe the steps to be taken when there is a cash shortage subsequent to a cashing up procedure at any cash taking point of the municipality.

**Electricity Token Policy**

The objective of the policy is to provide guidance on the actions required regarding requests from electricity consumers to replace a lost token or refund unused capacity relating to a token purchased.

**Credit Card Policy**

The objective of the policy is to describe the conditions and methods relating to the use of Credit Cards by office bearers of the municipality.

**Entertainment / Refreshment Policy**

The objective of the policy is to provide guidance on the expenditure allowed on the provision of Refreshments and Entertainment to staff, visitors and the public.

**Customer Incentive Scheme Policy**

The objective of the policy is to provide a framework for attracting industrial development to the municipal area by offering financial incentives.

**Strategy to improve Debtor Payment Policy**

The demands on the municipality to deliver services within its powers and functions underline the urgency to recover the cost of delivery wherever possible, to ensure continuity and expansion of service delivery to the inhabitants within its area of jurisdiction.

A revenue enhancement strategy has been developed is being implemented on a day to day basis.

**Customer Care Policy**

The objective of this policy is:

- ♦ To provide a reliable, responsive, competent, courteous, multi-optional, affordable quality service;
- ♦ To define a manageable customer care framework;
- ♦ To promote the culture of paying for services;
- ♦ To protect Municipal services users who are paying; and
- ♦ To encourage those not paying, to do so in the interest of sustainable services delivery.

Aligned to Sect. 95 of the Municipal Systems Act

**Fraud Prevention & Response Plan Policy**

Fraud prevention is about changing organisational features that allow fraud to occur and possibly go unnoticed or unreported. Fraud control is an essential element of sound corporate governance and is integral to internal risk control.

**Debt Capacity Policy**

The objective of the policy is to define the circumstances under which the municipality can incur debt.

**Long-Term Financial Plan**

- The above policies are reviewed on an annual basis as they form part of budget process.
- The budget related policies are promulgated into by-laws and are gazetted.
- On an annual basis, the municipality reviews its cash flow status on whether it is financially distressed or not.

**Accounting Policies**

Matatiele Local Municipality has always submitted its Annual Financial Statements in time to the Auditor General. Regrettably, qualified audit reports were received for the 2005/2006 and 2006/2007 financial years.

The Budget and Treasury Standing Committee has addressed the matters that caused the qualifications and correctives steps have being implemented, which includes amongst others the strict adherence to policies. Hence, an Unqualified Audit Report was received for the 2007/2008, 2008/2009, 2009/2010, 2010/2011, 2011/2012 and 2012/2013 financial years. The first draft of Annual Financial Statements will be issued on 31<sup>st</sup> July 2014 for the comments on individual Audit Committee Members and Internal Audit team. The second draft will be issued on the 15<sup>th</sup> August 2014 for a meeting with the Audit Committee and Internal Auditors. The Final Annual Financial Statements will be issued by the 31<sup>st</sup> August 2014 to the office of the Auditor-General. These accounting policies were adopted in the preparation of the Annual Financial Statements;

#### **1. Basis of Presentation**

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention, except where indicated otherwise.

The Annual Financial Statements have been prepared in accordance with the Accounting Standards as prescribed by the Minister of Finance in terms of Government Gazette number 31021, Notice Number 516, dated 9 May 2008, and also in terms of the standards and principles contained in Directives 4 and 5 issued by the ASB in March 2009.

The Accounting Framework of the municipality, based on the preceding paragraphs, is therefore as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changing in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of Non-cash-generating assets
GRAP 23	Revenue from Non-exchange Transactions
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits
GRAP 26	Impairment of Cash-generating assets
GRAP 27	Agriculture (Replaces GRAP 101)
GRAP 31	Intangible Assets (Replaces GRAP 102)

GRAP 100	Non-current Assets Held for Sale and Discontinued Operations
GRAP 101	Agriculture (Replaced by GRAP 27)
GRAP 102	Intangible Assets (Replaced by GRAP 31)
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GAMAP 9	Paragraphs relating to Revenue from Non-exchange Transactions
IPSAS 20	Related Party Disclosures
IPSAS 21	Impairment of Non Cash-generating Assets
IFRS 3	Business Combinations
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 32	Financial Instruments: Presentation
IAS 36	Impairment of Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRIC 4	Determining whether an Arrangement contains a Lease

## 1. BASIS OF PRESENTATION (continued)

### 1.1 Changes in Accounting Policy and Comparability

**Accounting Policies have been consistently applied, except where otherwise indicated below:**

For the year ended 30 June 2009 the municipality has adopted the accounting framework as set out above. The details of any resulting changes in accounting policy and comparative restatements are given in Notes 40 and 41 to the Annual Financial Statements.

The municipality changes an Accounting Policy only if the change:

- (a) Is required by a Standard of GRAP; or
- (b) Results in the Annual Financial Statements providing reliable and more relevant information about the effects of transactions, other events or conditions, on the performance or cash flow.

### 1.2 Critical Judgements, Estimations and Assumptions

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

#### 1.2.1 Revenue Recognition

Accounting Policy on Revenue from Exchange Transactions and Accounting Policy on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (Revenue from Exchange Transactions) and GAMAP 9 (Revenue) as far as Revenue from Non-exchange Transactions is concerned (see Basis of Preparation above), and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership

of the goods and when services is rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

#### **1.2.2 Financial Assets and Liabilities**

The classification of Financial Assets and Liabilities, into categories, is based on judgement by management.

#### **1.2.3 Impairment of Financial Assets**

Accounting Policy on Impairment of Financial Assets describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in IAS 39: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in Note 7 to the Annual Financial Statements.

#### **1.2.4 Useful lives of Property, Plant and Equipment**

As described in Accounting Policy clause 2.3, 4 & 5, the municipality depreciates its property, plant and equipment, Intangible Assets and Investment Property over the estimated useful lives of the assets, which is determined when the assets are brought into use. As mentioned in the said policy, the estimated useful life of the assets and the depreciation methods of the assets were however not reviewed during the current or prior financial years. The useful lives and residual values of the assets are based on industry knowledge.

#### **1.2.5 Impairment: Write-down of PPE and Inventories**

Significant estimates and judgements are made relating to PPE impairment tests and write down of Inventories to Nett Realisable Values.

#### **Defined Benefit Plan Liabilities**

As described in Accounting Policy, the municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of IAS 19. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in Note 18 to the Annual Financial Statements.

#### **Presentation Currency**

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

#### **Going Concern Assumption**

The Annual Financial Statements have been prepared on a going concern basis.

#### **Offsetting**

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP, GRAP or GAAP.

Standards, Amendments to Standards and Interpretations issued but not yet Effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18 Segment Reporting - issued March 2005

GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008

GRAP 24 Presentation of Budget Information in Financial Statements

GRAP 103 Heritage Assets - issued July 2008

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance. This date is not currently available.

1.6 Standards, Amendments to Standards and Interpretations issued but not yet Effective (continued)

The following standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the municipality:

IFRIC 17 Distribution of Non-cash Assets to Owners - effective 1 July 2009

IAS 39 Financial Instruments: Recognition and Measurement - portions of standard effective 1 July 2009

Management has considered all the of the above-mentioned GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

See Note 58 to the Annual Financial Statements for more detail.

## **2. PROPERTY, PLANT AND EQUIPMENT**

### **Initial Recognition**

Property, Plant and Equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Property, Plant and Equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

All the assets of the municipality are kept on a GRAP Compliant Asset Register, which is reviewed on annual basis.

### **Subsequent Measurement**

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all property plant and equipment, except for Infrastructure Assets, are measured at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses.

or given up is included in surplus or deficit when the compensation becomes receivable.

### **Depreciation**

Depreciation on assets other than land is calculated on cost, using the straight-line method, to

Depreciation only commences when the asset is available for use, unless stated otherwise.

The depreciation rates are based on the following estimated useful lives:

Asset Class	Years	Asset Class	Years
Infrastructure		Other	
Roads and Paving	10 - 100	Buildings	25 – 30
Pedestrian Malls	15 - 30	Specialist Vehicles	10 – 15
Electricity	15 - 60	Other Vehicles	5 – 15
Water	15 - 100	Office Equipment	3 – 15
Sewerage	15 - 60	Furniture and Fittings	5 – 15
Housing	30	Watercraft	15 – 20
		Bins and Containers	5 – 15
Community		Specialised Plant and	
Improvements	25 - 30	Equipment	10 – 15
Recreational Facilities	15 - 30	Other Plant and	
Security	15 - 25	Equipment	2 – 15

Residual values, estimated useful lives and depreciation methods were not reviewed in the previous and current financial years as required by GRAP 17. The municipality applied ASB directive 4 which states that the municipality need not comply with the measurement requirements of GRAP 17 for the years ending 30 June 2009 and 2010 but must comply with the measurement requirements for the year ending 30 June 2011. It must however identify and correctly classify all PPE on an assets register during the 2009 and 2010 years. depreciated as it is regarded as having an infinite life.Regarding to their estimated useful lives.

#### Infrastructure Assets

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the Asset Management Policy.

recognition of Property, Plant and Equipment.

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or

Included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

#### Impairment

##### Impairment of Cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

To the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

#### **Impairment of Non-cash Generating Assets**

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset. If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

The recoverable service amount of an asset or a non-cash generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- To the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.
- The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

#### **Transitional Arrangements**

The estimated useful lives and the depreciation methods were not reviewed in the previous financial year as required by GAMAP 17 as these requirements were exempted in terms of General Notice 522 of 2007. The estimated useful lives and depreciation methods have not been reviewed for the year ended 30 June 2009 in accordance with the transitional arrangements of ASB Directive 4.

### **3. INTANGIBLE ASSETS**

#### **Initial Recognition**

Identifiable non-monetary assets without physical substance which are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as Intangible Assets. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years. Development assets are tested for impairment annually, in accordance with IPSAS 21 / IAS 36.

Intangible Assets are initially recognised at cost. Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses. Where an intangible asset is acquired at no cost or for a nominal consideration, its cost is its fair value as at the date it is acquired. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

#### **Subsequent Measurement, Amortisation and Impairment**

Amortisation is charged on a straight-line basis over the intangible assets' useful lives, which are estimated to be between 3 to 5 years. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, for example servitudes obtained by the municipality give the municipality access to land for specific purposes for an unlimited period – however, such intangible assets are subject to an annual impairment test.

The estimated useful lives and depreciation methods have not been reviewed for the year ended 30 June 2009 in accordance with the transitional arrangements of ASB Directive 4.

#### **Derecognition**

Intangible Assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

#### **Transitional Provisions**



Costs incurred on intangible assets (other than on computer software) were expensed and not capitalised in the previous financial year as required by IAS 38 as this requirement was exempted in terms of General Notice 522 of 2007. The municipality accounted for all costs incurred that meet the intangible asset definition and recognition requirements as intangible assets for the financial year ended 30 June 2009 (and retrospectively, where practicable) in accordance with the requirements of GRAP 102, GRAP 3 and ASB Directive 4.

#### **4. INVESTMENT PROPERTY**

##### **Initial Recognition**

Investment Property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- Land held for a currently undetermined future use (If the municipality has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation);
- A building owned by the municipality (or held by the entity under a finance lease) and leased out under one or more operating leases (this will include the property portfolio rented out by the Housing Board on a commercial basis on behalf of the municipality); and
- A building that is vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

The following assets do not fall in the ambit of Investment Property and shall be classified as Property, Plant and Equipment, Inventory or Non-current Assets Held-for-Sale, as appropriate:

- Property intended for sale in the ordinary course of operations or in the process of construction or development for such sale;
- Property being constructed or developed on behalf of third parties;
- Owner-occupied property, including (among other things) property held for future use as owner-occupied property, property held for future development and subsequent use as owner-occupied property, property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) and owner-occupied property awaiting disposal;
- Property that is being constructed or developed for future use as investment property;
- Property that is leased to another entity under a finance lease;
- Property held to provide a social service and which also generates cash inflows, e.g. property rented out below market rental to sporting bodies, schools, low income families, etc; and
- Property held for strategic purposes or service delivery.

### Subsequent Measurement

Investment Property is measured using the cost model and is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the straight-line method over the useful life of the property, which is estimated at 20 - 30 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

### Transitional Provisions

Investment Properties were not recognised in the previous financial year as required by IAS 40 as these requirements were exempted in terms of General Notice 522 of 2007. Investment properties are recognised, and subsequently measured in accordance with the cost model, in terms of GRAP 16 and have been disclosed for the financial year ended 30 June 2009 (and retrospectively, where practicable) in accordance with the requirements of GRAP 16, GRAP 3 and ASB Directive 4.

## 5. FINANCIAL INSTRUMENTS

The municipality has various types of financial instruments and these can be broadly categorised as either Financial Assets or Financial Liabilities.

### Financial Assets – Classification

A financial asset is any asset that is a cash or contractual right to receive cash. The municipality may have the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

#### Debtors

##### Other Debtors

##### Bank, Cash and Cash Equivalents

In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows into the four categories allowed by this standard:

Type of Financial Asset	Classification in terms of IAS 39.09
Listed Investments	Held at fair value through profit or loss
Unlisted Investments – Stock	Held at fair value through profit or loss
Bank, Cash and Cash Equivalents	Available for sale
Bank, Cash and Cash Equivalents – Call Deposits	Available for sale
Long-term Receivables	Loans and receivables
Consumer Debtors	Loans and receivables
Other Debtors	Loans and receivables
Investments in Fixed Deposits	Held to maturity
Bank, Cash and Cash Equivalents – Notice Deposits	Held to maturity

Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:

They are classified as held for trading; or

Upon initial recognition they are designated as at fair value through the Statement of Financial Performance.

Available-for-sale investments are financial assets that are designated as available for sale or are not classified as:

Loans and Receivables;

Held-to-Maturity Investments; or

Financial Assets at fair value through the Statement of Financial Performance.

Held-to-Maturity Investments are financial assets with fixed or determinable payments and fixed maturity where the municipality has the positive intent and ability to hold the investment to maturity.

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). Cash Equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, which are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash-on-hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as Financial Assets: Available for Sale.

#### **Financial Liabilities – Classification**

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality may have the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

Long-term Liabilities

Creditors

Bank Overdraft

Short-term loans

Current Portion of Long-term Liabilities

#### **Consumer Deposits**

There are two main categories of Financial Liabilities, the classification based on how they are measured. Financial liabilities may be measured at:

Fair value through profit or loss; or

Not at fair value through profit or loss ('other financial liabilities')

Financial liabilities that are measured at fair value through profit or loss are financial liabilities that are essentially held for trading (i.e. purchased with the intention to sell or repurchase in the short term; derivatives other than hedging instruments or are part of a portfolio of financial instruments where there is recent actual evidence of short-term profiteering or are derivatives). Financial liabilities that are measured at fair value through profit or loss are stated at fair value, with any resulted gain or loss recognised in the Statement of Financial Performance.

Any other financial liabilities are classified as Other Financial Liabilities and are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

In accordance with IAS 39.09 the Financial Liabilities of the municipality are all classified as "Other Financial Liabilities".

Initial and Subsequent Measurement

#### **Financial Assets:**

Held-to-maturity Investments and Loans and Receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with revenue recognised on an effective yield basis.

Financial Assets at Fair Value and Available-for-Sale are initially and subsequently, at the end of each financial year, measured at fair value with the profit or loss being recognised in the Statement of Financial Performance.

#### **Financial Liabilities:**

Financial liabilities at fair value are initially and subsequently measured at fair value. Other financial liabilities are measured at amortised cost using the Effective Interest Rate Method.

#### **Impairment of Financial Assets**

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with IAS 39.

Initially Accounts Receivable are valued at fair value and subsequently carried at amortised cost.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

With the exception of Available-for-Sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of Available-for-Sale equity securities, impairment losses previously recognised through profit or loss are not reversed through the Statement of Financial performance. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

Consumer Debtors are stated at cost less a provision for impairment. The provision is made in accordance with IAS 39.64 whereby the recoverability of Consumer Debtors is assessed individually and then collectively after grouping the assets in financial assets with similar credit risks characteristics. Government accounts are not provided for as such accounts are regarded as receivable.

#### **Derecognition of Financial Assets**

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### **Derecognition of Financial Liabilities**

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

#### **Transitional Provisions**

### **6. RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES**

It is the policy of the municipality to disclose information that enables the user of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the municipality is exposed on the reporting date.

Risks and exposure are disclosed as follows:

**Credit Risk**

Each class of financial instrument is disclosed separately.

Maximum exposure to credit risk not covered by collateral is specified.

Financial instruments covered by collateral are specified.

**Liquidity Risk**

A maturity analysis for financial assets and liabilities that shows the remaining contractual maturities.

Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

A maturity analysis for financial liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in Note 48.7 to the Annual Financial Statements.

Risk management of Financial Assets and Liabilities were presented and disclosed in accordance with the requirements of the old version of IAS 32 in the previous financial year and not in accordance with the requirements of IFRS 7 as these requirements were exempted in terms of General Notice 522 of 2007. Risk management of Financial Assets and Liabilities are presented and disclosed for the financial year ended 30 June 2009 (and retrospectively, where practicable) in accordance with the requirements of IFRS 7 and GRAP 3.

**7. INVENTORIES****Initial Recognition**

Inventories comprise current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Direct costs relating to properties that will be sold as inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

**Subsequent Measurement**

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge, they are valued at the lower of cost and current replacement cost.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and sold by public auction. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arise.

The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

## **8. NON-CURRENT ASSETS HELD-FOR-SALE**

### **Initial Recognition**

Non-current Assets and Disposal Groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

### **Subsequent Measurement**

Non-current Assets and Disposal Groups classified as held-for-sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held-for-sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale are recognised in surplus or deficit.

## **9. REVENUE RECOGNITION**

### **General**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### **Revenue from Exchange Transactions**

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

### **Service Charges**

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year end when estimates of consumption up to year end are recorded as revenue without it being invoiced.

Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

### **Finance Income**

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

Interest earned on the following investments is not recognised in the Statement of Financial Performance: spent Conditional Grants, if the grant conditions indicate that interest is payable to the funder.

**Rentals Received**

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

**Tariff Charges**

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant advertised tariff. This includes the issuing of licences and permits.

**Sale of Goods**

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.

The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

**Revenue from Non-exchange Transactions**

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount

**Public Contributions**

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Where public contributions have been received and the municipality has not met the condition, a liability is recognised.

**Other Donations and Contributions**

Donations and Contributions are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

**Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure**

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

**Transitional Provisions**

Revenue was initially recognised at cost and not at fair value in the previous financial year as the requirements of GAMAP 9.12 and SAICA circular 09/2006, which states that revenue should be recognised initially at fair value through discounting all future receipts using an imputed rate of return, have been exempted in terms of General Notice 522 of 2007.

Revenue is initially recognised at fair value for the year ended 30 June 2009 (and retrospectively, where practicable) by discounting all future receipts using an imputed rate of return in accordance with the requirements of GRAP 9, GRAP 3 SAICA circular 09/2006.

**10. GOVERNMENT GRANTS AND RECEIPTS**

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in the Statement of Financial Performance in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

The municipality accounted for government grants and receipts in the previous financial year in accordance with the requirements of IAS 20. Government grants and receipts is accounted for the year ended 30 June 2009 (and retrospectively, where practicable) in accordance with the requirements of GAMAP 9.42 – .46 and ASB Directives 4 and 5.

## **11. PROVISIONS**

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the obligation.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision.

Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

The municipality has a detailed formal plan for the restructuring identifying at least:

- The business or part of a business concerned;
- The principal locations affected;
- The location, function, and approximate number of employees who will be compensated for terminating their services;
- The expenditures that will be undertaken; and
- When the plan will be implemented.

The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

### **11.1 Reserves**

#### **11.1.1 Capital Replacement Reserve ( CRR)**

In order to finance the future provision of infrastructure and other items of property, plant and equipment from internal sources amounts are transferred out of the accumulated surplus/(deficit) into the Capital Replacement Reserve (CRR) in terms of a Council resolution. The cash allocated to the CRR can only be utilised to finance items of property, plant and equipment.

**The following provisions are set for the creation and utilisation of the CRR:**

- The cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.
- Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for the maintenance of these items.



- The CRR is reduced and the accumulated surplus/(deficit) credited with corresponding amounts when the funds are utilised.
- The amounts transferred to the CRR are based on the Municipality's need to finance future capital projects.
- The Council determines the annual contribution to the CRR.

#### **11.1.2 Capitalisation Reserve**

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of a directive (budget circular) issued by National Treasury.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/(deficit).

#### **11.1.3 Government Grant Reserve**

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Government Grants.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

#### **11.1.4 Public Contributions and Donations Reserve**

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Public Contributions and Donations Reserve equal to the Public Contributions and Donations Reserve recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

When such items of property, plant and equipment are depreciated, a transfer is made from the Public Contributions and Donations Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Public Contributions and Donations.

When an item of property, plant and equipment financed from Public Contributions is disposed, the balance in the Public Contributions and Donations Reserve relating to such item is transferred to the accumulated surplus/(deficit).

#### **11.1.5 Revaluation Reserve**

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. Land and buildings are revalued every four years. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/(deficit). On disposal the net revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on current values, are credited or charged to the Statement of Financial Performance.

### **12. EMPLOYEE BENEFITS**

#### **Short-term Employee Benefits**

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs.

The municipality has opted to treat its provision for leave pay as an accrual.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a provision in the Statement of Financial Position.

The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

#### **Defined Contribution Plans**

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

#### **Defined Benefit Plans**

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement.

#### **Post-retirement Health Care Benefits**

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The other Medical Aid Funds, with which the Municipality is associated, do not provide for continued membership.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out every year by independent qualified actuaries.

Actuarial gains or losses are accounted for using the “corridor method”. Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10 per cent of the present value of the gross defined benefit obligations in the scheme at the end of the previous reporting period. Actuarial gains and losses exceeding 10 per cent are spread over the expected average remaining working lives of the employees participating in the scheme.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

#### **Long-service Allowance**

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality’s liability is based on an actuarial valuation.

The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of Financial Performance.

#### **Exemption regarding defined benefit accounting in previous financial year**

Defined benefit accounting in accordance with the requirements of IAS 19, as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information, has been exempted in the previous financial year in terms of General Notice 522 of 2007. The municipality has applied defined benefit accounting to the defined benefit plans for the financial year ended 30 June 2009 in accordance with the requirements of IAS 19.

#### **Provincially-administered Defined Benefit Plans**

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds (refer to Note 49 of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

### **13. LEASES**

#### **The Municipality as Lessee**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or Intangible Assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Liabilities. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense in the statement of financial performance on a straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **The Municipality as Lessor**

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale revenue is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Operating lease rental revenue is recognised on a straight-line basis over the term of the relevant lease.

#### **Transitional Provisions**

The recognition of operating lease payments / receipts on a straight-line basis in accordance with the requirements of IAS 17 has been exempted in the previous financial year in terms of General Notice 522 of 2007 (provided that the municipality recognised the lease amounts on the basis of the cash flows in the lease agreement). The municipality recognised operating lease payments / receipts on a straight-line basis for the financial year ended 30 June 2009 in accordance with the requirements of GRAP 13 and ASB Directive 4.

#### **14. BORROWING COSTS**

Borrowing costs incurred relating to qualifying assets and all other borrowing costs incurred were recognised as expenses in the Statement of Financial Performance in the previous financial year in accordance with the benchmark treatment in the old IAS 23, i.e. expensing all borrowing costs. The municipality capitalises borrowing costs incurred that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset only when the commencement date for capitalisation is on or after 1 July 2008, while all other borrowing costs incurred (including borrowing cost incurred on qualifying assets where the commencement date for capitalisation is prior to 1 July 2008) are recognised as an expense in the Statement of Financial Performance for the financial year ending 30 June 2009 in accordance with the requirements of GRAP 5 and ASB Directive 4.

It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established - the municipality expenses borrowing costs when it is inappropriate to capitalise it. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete.

#### **15. GRANTS-IN-AID**

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;

Expect to be repaid in future; or

Expect a financial return, as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as expenses in the period that the events giving rise to the transfer occurred.

#### **16. VALUE ADDED TAX**

The Municipality accounts for Value Added Tax on the cash basis.

#### **17. CASH AND CASH EQUIVALENTS**

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

#### **18. UNAUTHORISED EXPENDITURE**

Unauthorised Expenditure is expenditure that has not been budgeted for; expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state; and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance. If the expenditure is not condoned by the Council, it is treated as an asset until it is recovered or written off as irrecoverable.

#### **19. IRREGULAR EXPENDITURE**

Irregular Expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expense in the Statement of Financial Performance. If the expenditure is not condoned by the Council, it is treated as an asset until it is recovered or written off as irrecoverable.

#### **20. FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the Council, it is treated as an asset until it is recovered or written off as irrecoverable.

#### **21. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS**

Changes in Accounting Policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality restated the

opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to Note 40 for details of changes in accounting policies.

The retrospective application, where practicable, of changes in accounting policies affected by management in accordance with the requirements of GRAP 3 was exempted in the previous financial year in terms of General Notice 522 of 2007 (providing that these changes in accounting policies were applied prospectively by the municipality). The municipality applied changes in accounting policies affected by management retrospectively, where practicable, for the financial year ended 30 June 2009 in accordance with the requirements of GRAP 3.

Changes in Accounting Estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the Notes to the Annual Financial Statements where applicable.

Correction of Errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to Note 41 to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

The identification and disclosure of the impact of GRAP standards that have been issued but are not yet effective was exempted in the previous financial year in terms of General Notice 522 of 2007. The municipality identified and disclosed the impact of GRAP standards that have been issued but are not yet effective for the financial year ended 30 June 2009 in accordance with the requirements of GRAP 3.

## **22. RELATED PARTIES**

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

## **23. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes 51 and 52 to the Annual Financial Statements.

## **24. EVENTS AFTER THE REPORTING DATE**

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in Note 56 to the Annual Financial Statements.

## **25. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES**

The costs of internal support services are transferred to the various services and departments to whom resources are made available.

## **26. COMPARATIVE INFORMATION**

### **26.1 Current year comparatives:**

Budgeted amounts in respect of capital expenditure have been included in the Annual Financial Statements for the current financial year only.

**26.2 Prior year comparatives:**

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

The municipality prepares its Financial Statements on a monthly basis.

**Supply Chain Management:**

The municipality has a functioning supply chain management which consists of three bid committee's i.e Specification, Evaluation, and Adjudication committee.'

**Turn-over Rate of the Procurement Process:**

Two (2) months

**Contract Management Unit**

The municipality does not have a unit called contract management rather a legal services unit where they are prepared and documented.

**Information and Communication Technology**

The ICT Software used by Matatiele Local Municipality is summarized in Table F6 below:

Table F6

COMPANY	PROGRAMME	APPLICATION
1. Fujitsu	1. Abakus	Billing, Creditors, Stores Ledger Assets Advances Cash Book Customer Care Audit Extracts Hot key
	2. SCO Unix	Operating System
	3. Corvu	1 Report Writer
2. Payday	1. Payday	Payroll Leave Equity Human Resource Post Third Party Cheque General Ledger Interface Skills Employee Self Service Employee Photo Statistical Budget
3. Contour	1. Contour	Pre-paid Electricity Vending
4. Syntell	1. Syntell	Pre-paid Water Vending
5. Microsoft	1. MS Office	Word Excel Power Point Presentations and Publisher Adobe Acrobat 6.0, 8 & 5
	2. MS Exchange	Email

	3.	Ms Small Business Server	Fire wall
6. Windeed	1. 2. 3.	Windeed Winsearch Win Transfer	Property transfers Title deed searches Report on property transfers
8. Standard Bank	1.	CATS	Electronic Banking
9. SITA	1. 2.	eNatis Pals	Motor Vehicle Registration Library Book issues
10. MAMS (PTY)LTD	1.	MAMS	Municipal Asset Management System
11. Juta	1.	Juta Law	Legislation searchers
12. First National Bank	1.	Investment	Electronic Banking
13. Co-Driver	1.	Co-driver	Fleet Management
14. Tradepage	1.	Web Host	Website hosting
15. Coretalk	1.	Coretalk	SMS Facility & reporting
16. Arch View	1.	Arch View	GIS
17. TGIS	1.	Cemetery Register	Cemetery Register
18. Juta Law	1.	Juta Law	Regulations of South Africa
19. CQS Technology Holding (PTY)LTD	1.	Caseware	1 Report writer
20. Ned Bank		Business Internet Solution	Electronic Banking



## Cash flow projections

EC441 Matatiele - Supporting Table SA30  
Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014 /15	Budget Year +1 2015 /16	Budget Year +2 2016 /17
<u>Cash Receipts By Source</u>													1		
Property rates	4 230	4 230	4 230	4 230	4 230	4 230	4 230	4 230	4 230	4 230			42 298	44 413	46 633
Property rates - penalties & collection charges	-	-	-	142	142	142	142	-	-	-	-	-	-	-	-
Service charges - electricity revenue	3 458	3 458	3 458	3 458	3 458	3 458	3 458	3 458	3 458	3 458	3 458	3 458	41 500	43 575	45 754
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	599	599	599	599	599	599	599	599	599	599	599	599	7 190	7 550	7 927
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	50	50	50	50	50	50	50	50	50	50	50	50	599	597	621
Interest earned - external investments	333	333	333	333	333	333	333	333	333	333	333	333	4 000	4 200	4 410
Interest earned - outstanding debtors	-	-	-	13	13	13	13	162	163	163	-	-	1 943	1 951	1 960
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	38	38	38	38	38	38	38	38	38	38	38	38	450	474	496

Licences and permits	229	229	229	229	229	229	229	229	229	229	229	229	2	2	2
													744	839	981
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	19 824	22 881	22 881	22 881	22 881	22 881	22 881	22 881	22 881	22 881	22 881	22 881	237 885	252 783	269 416
Other revenue	4 576	4 576	4 576	4 576	4 576	4 576	4 576	4 576	4 576	4 576	4 576	4 576	54 911	35 609	35 635
Cash Receipts by Source	33 336	36 394	36 394	36 548	36 548	36 548	36 548	36 556	36 557	36 557	32 164	32 164	393 520	393 990	415 834
Other Cash Flows by Source															
Transfer receipts - capital												-			
Contributions recognised - capital & Contributed assets												-			
Proceeds on disposal of PPE												-			
Short term loans												-			
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits												-			
Decrease (Increase) in non-current debtors												-			
Decrease (increase) other non-current receivables												-			
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	33 336	36 394	36 394	36 548	36 548	36 548	36 548	36 556	36 557	36 557	32 164	32 164	393 520	393 990	415 834

<b>Cash Payments by Type</b>															
Employee related costs	7 409	7 409	7 409	7 409	7 409	7 409	7 409	7 409	7 409	7 409	7 409	7 408	88 907	97 275	104 226
Remuneration of councillors	1 413	1 413	1 413	1 413	1 413	1 413	1 413	1 413	1 413	1 413	1 413	1 408	16 951	17 798	18 688
Finance charges	–											–	–	–	–
Bulk purchases - Electricity	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 174	14 066	14 769	15 507
Bulk purchases - Water & Sewer	–											–	–	–	–
Other materials	2 333	2 333	2 333	2 333	2 333	2 333	2 333	2 333	2 333	2 333	2 333	2 337	28 000	29 400	30 870
Contracted services	839	839	839	839	839	839	839	839	839	839	839	836	10 065	10 546	10 998
Transfers and grants - other municipalities	1 352	1 352	1 352	1 352	1 352	1 352	1 352	1 352	1 352	1 352	1 352	1 352	16 224	16 962	17 810
Transfers and grants - other	2 820	2 820	2 820	2 820	2 820	2 820	2 820	2 820	2 820	2 820	2 820	2 815	33 835	21 229	21 967
Other expenditure	5 641	5 641	5 641	5 641	5 641	5 641	5 641	5 641	5 641	5 641	5 641	5 640	67 690	71 325	74 940
Cash Payments by Type	22 978	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 969	275 737	279 304	295 006
Other Cash Flows/Payments by Type															
Capital assets												–			
Repayment of borrowing												–			
Other Cash Flows/Payments												–			
Total Cash Payments															

by Type	22 978	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 979	22 969	275 737	279 304	295 006
NET INCREASE/(DECREASE ) IN CASH HELD	10 358	13 415	13 415	13 569	13 569	13 569	13 569	13 577	13 578	13 578	9 185	9 195	117 783	114 686	120 827
Cash/cash equivalents at the month/year begin:		10 358	23 773	37 188	50 758	64 327	77 896	91 465	105 042	118 620	132 198	141 383	–	117 783	232 469
Cash/cash equivalents at the month/year end:	10 358	23 773	37 188	50 758	64 327	77 896	91 465	105 042	118 620	132 198	141 383	150 578	117 783	232 469	353 296

## 4.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

### 4.5.1 Public Participation and Communications.

#### 4.5.1.1 Public Participation

The consultation and involvement of the general community in the development agenda of Matatiele is primary to the IDP. This informs the strategic planning process and ensures that planning responds to the root causes of development challenges, the ward based community needs and ward based priorities. In essence, the fact that approximately ninety one percent of the population of Matatiele is rural, high levels of illiteracy, and is generally poor indicated the need for the Municipality to use means of participation that would be both relevant and maximize the impact of the participation.

The municipality also has an adopted public participation plan and a petitions policy and has appointed a Public Participation Coordinator. As a result, whilst written media (newspapers, internet etc.) was utilized as other means of communication, other forms of communication that are relevant to the municipality were utilized to a greater extent. The use of radio, word of mouth and the use of the existing traditional structures like senior traditional leaders, together with the existing council support structures like the ward clerks and community development workers were effective.

The following is a list of the tools that were utilized to consult with the community:-

- **IDP Representative Forum (IDP REP):** This forum represents all stakeholders and key interested and affected parties. This includes the Ward Committees, Senior Traditional leaders, Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs), Organized Business and organized agriculture.
- **Media:** Local newspapers are used to inform the community of the progress of the IDP and planned meetings.
- **Radio Slots:** The community radio station is used to make public announcements where necessary.
- **The ANDM and Matatiele Website:** The Alfred Nzo DM's website will also be utilized to communicate and inform the community. Copies of the IDP and Budget will be placed on the website for people and service providers to download.
- **Ward Committees:** Matatiele Municipality has adopted the Ward Committee policy which has resulted to the establishment of ward committees. There are 260 Ward committees (each ward has 10). The municipality considers ward committees as one of the institutional bodies to fast-track service delivery. Ward committee meetings are held on a quarterly basis. They are represented in the IDP REP forums meetings and their input is always considered. They are also being used to disseminate the information about the developmental agenda of the municipality.
- **Traditional leaders:** As a rural community, the reliance of the majority of the community on the traditional leaders as the custodian of culture, state land and leadership cannot be overemphasized. Traditional leaders are considered and for an integral part of the planning and processes of this municipality. Ten (09) traditional leaders are part of the Municipal Council. IDP outreach meetings were also communicated through this institution.

The IDP Guide Pack recommends the following

#### **ROLES AND RESPONSIBILITIES:-**

##### ➤ **Mayor**

The Mayor coordinated and made the final decisions on issues regarding the process plan.

##### ➤ **IDP Manager**

The IDP Manager as delegated by the Municipal Manager was given the responsibility to prepare, properly manage, monitor, organize and implement the planning process on a daily basis.

##### ➤ **IDP Steering Committee (Technical Representation)**

The IDP Steering Committee is made up of technical specialists, such as the Municipal Manager, representatives from each municipal directorate (General Managers), Executive Committee members, and the Chairperson of the IDP Representative Forum. The IDP Steering Committee is chaired by the Municipal Manager. The Steering Committee assists the IDP Manager in driving the IDP process. They are a technical committee which provides direction to Representative Forum meetings.

##### ➤ **IDP Representative Forum (Community Representation)**

The IDP Representative forum represents the broader community. They advise all stakeholders and assist in the IDP process by providing information for review and gap identification. They represent the interests of the organizations and contribute their knowledge and ideas towards identifying community priorities. The IDP Representative Forum is composed of the steering committee, all ward councillors and ward committees, youth, women, disabled, business, religious leaders and other recognized stakeholders. The Mayor chairs the IDP Representative Forum.

The Municipality in its process plan assigned roles and responsibilities to various stakeholders involved in the development of the IDP.

IDP and Budget Process Plan which was adopted by Council and Implemented, council resolution CR411/31/07/2013

MILESTONE	ACTIVITIES & PURPOSE	RESPONSIBILITY	TIMEFRAME
<b>PROCESS PLAN</b>			
	Council Adoption of the IDP/Budget Process Plan for the review 2014/2015	Municipal Manager/CFO/IDP/M&E Manager	31 July 2013
	Council adoption of the Budget Timetable for 2014/2015		
	Submit Process Plan to National Treasury and Provincial Treasury	Municipal Manager/CFO/IDP/M&E Manager	02 August 2013
	Draft Annual Performance Report to be inclusive of the Annual Financial Statements		15 August 2013
	1 <sup>st</sup> IDP Steering Committee 1 <sup>st</sup> IDP Representative Forum meeting Outlining and buy – in on the process plan	Municipal Manager IDP/ M&E Manager	20 August 2013
	Submit Process Plan to relevant authorities		20 August 2013
	Budget Steering Committee/BTO STANCO	CFO	26 August 2013
	Advertise the IDP Community Based Plan Outreach	IDP/M& E Manager	29 August 2013
<b>SITUATIONAL ANALYSIS</b>			

	Issue GM's with Budget Assumptions, Policy Guidelines and instructions as well as the IDP planning guidelines and requirements	Municipal Manager /CFO/IDP / M& E Manager	10 September 2013
	IDP community Outreach -confirm community needs and priorities	Municipal Manager IDP / M& E Manager	11-13 September 2013
	All IDP sector plans to be reviewed commence situation analysis	All Section 57 Managers	16 September 2013
	2 <sup>nd</sup> IDP Steering Committee 2 <sup>nd</sup> IDP Rep Forum  Draft status quo report <ul style="list-style-type: none"> <li>• <i>service Delivery achievements and identified gaps</i></li> <li>• <i>Presentation of community needs</i></li> <li>• <i>Presentation of status quo on IDP sector plans</i></li> </ul>	Municipal Manager IDP/M& E Manager  ALL Departments	10 October 2013
	Review of budget policies e.g. Budget, Tariffs of charges, Property Rates, Supply Chain Management, Indigent, Dept collection and Credit control	CFO	21-22 October 2013
	Submission of budget requests from Municipal departments	All section 57 Managers	29 November 2013
	Budget Steering Committee meeting	CFO	06 December 2013
EXCO SITTING	Draft IDP Status Quo Report to EXCO	Mayor/ Municipal Manager IDP/M& E Manager	05 December 2013
COUNCIL SITTING	Draft IDP Status Quo Report to Council	Mayor Municipal Manager IDP/M& E Manager	13 December 2013
PROJECTS PHASE & PRIORITISATION			
	<ul style="list-style-type: none"> <li>• <u>Departmental Mid-year Assessment reports to reach the Municipal Managers Offices</u></li> <li>• <u>Municipal Budget, departmental request consolidated by Budget &amp; Treasury</u></li> </ul>	<u>All Section 57 Managers</u>  <u>CFO</u>	<u>14 January 2014</u>
	<ul style="list-style-type: none"> <li>• <u>All project proposals finalized and submitted to the Municipal manager</u></li> </ul>	<u>ALL Departments</u>	<u>17 January 2014</u>
	<ul style="list-style-type: none"> <li>• <u>Presentation of draft budget to MANCO</u></li> </ul>	<u>CFO</u>	<u>21 January 2014</u>
EXCO	<ul style="list-style-type: none"> <li>• <u>Tabling of Annual Report, Mid-Assessment report</u></li> </ul>	<u>Municipal Manager</u>	<u>20 January 2014</u>
COUNCIL	<ul style="list-style-type: none"> <li>• <u>Tabling of Annual Report, Mid-Assessment report</u></li> </ul>	<u>Mayor/Municipal Manager</u>	<u>24 January 2014</u>
STRATEGIC PLANNING	<u>Strategic Plan Session</u> <ul style="list-style-type: none"> <li>• <u>Evaluate the status quo</u></li> <li>• <u>Formulate Strategies and Indicators</u></li> <li>• <u>Review of Policies</u></li> <li>• <u>Align indicators with Performance framework</u></li> </ul>	<u>ALL Section 57 Managers</u> <u>Municipal Manager</u> <u>IDP/ M&amp;E Manager</u> <u>Communications Manager</u>	<u>26-29 January 2014</u>
	<u>3<sup>rd</sup> steering Committee</u> <u>3<sup>rd</sup> Representative Forum Meeting</u> <u>Presentation of Strategies &amp; Projects</u>	<u>Mayor</u> <u>Municipal Manager</u> <u>IDP / M&amp; E Manager</u>	<u>25 February 2014</u>
INTEGRATION	<u>Integrate - interdepartmental &amp; sector projects</u>  Integrate all IDP sector Plans	<u>All Sector Departments</u> <u>IDP/M&amp; E Manager</u>	<u>26-28 February 2014</u>
EXCO SITTING	Draft IDP and Budget to EXCO	Municipal Manager/CFO / IDP/ M&E Manager	06 March 2014
COUNCIL SITTING	Table Draft IDP and Budget to Council	Mayor Municipal Manager IDP/ M&E Manager	31 March 2014
SUBMIT FOR MEC COMMENTS	Forward Draft IDP/ Budget to Department of Local Government & Traditional Affairs for MEC comments and relevant departments for comments	Municipal Manager /CFO/ IDP / M& E Manager	01 - 04 April 2014

	Advertise draft IDP, Draft Budget, Outreach Programme & Tariffs	Municipal Manager CFO	03 April 2014
	Public Participation Draft Budget and IDP Outreach	Municipal Manager CFO	15-17 April 2014
	Incorporate Inputs into the IDP	Municipal Manager IDP/ M&E Manager	21 - 25 April 2013
	Align Budget to IDP re: submission made by community, Provincial Treasury, National Treasury and others	Chairperson Budget & Treasury Standing Committee/CFO	
EXCO SITTING	Consideration of submission made by community, Provincial Treasury, National Treasury and other departments, Final IDP/Budget	Mayor Municipal Manager IDP/ M&E Manager	08 May 2013
COUNCIL SITTING	Consideration of submission made by community, Provincial Treasury, National Treasury and other departments, Final IDP/Budget	Mayor	29 May 2014
PUBLICIZING	Advertise the Approved IDP, Budget and Tariffs and	MM/CFO	05 June 2014
SUBMISSION	Submit to relevant Stakeholders		02 - 06 June 2014



#### **4.5.1.2 Customer care Management**

With regards to Customer care, Matatiele Local municipality has the objective to provide a reliable, responsive, competent, accessible, courteous, multi operational, affordable quality service and to treat consumers with empathy at all times under all circumstances, also to define a customer care framework to ensure loyalty and participation of customers into the objective of the municipality. A community liaison officer has been appointed to deal with community relations and customer care. There is a customer care policy which has been adopted to guide the processes and procedures with regards customer care and complaints management.

The policy address the aims of BATHO-PELE principles and the municipality is committed to the provision of high quality relevant services in an open and responsive manner and will ensure the strategy is delivered to a standard that is user-friendly and efficient. The Municipality is also linked to the Presidential Hot Line, monitored by the Community Liaison Officer. Customers use written and verbal means of conveying their concerns, using such as Walk-ins and suggestion books and boxes.

The municipality currently has an adopted Customer Care Policy which set out following Objectives:

1. To restore and promote the culture of paying for services rendered and used, through a fair and equitable customer care policy;
2. To protect the Municipal services users, paying for services and to encourage those not paying to do so in the interest of sustainable service delivery;
3. To define a manageable customer care framework to ensure enrolling of consumers into the objectives of the municipality;
4. To meet customer's needs with efficiency, effectiveness, fairness and courtesy;
5. To provide a friendly service, demonstrating respect and sensitivity;
6. To demonstrate our commitment to equality and diversity;
7. To recognize and respond to customer's particular needs;
8. To deal with customer's requests and enquiries accurately, promptly, and efficiently;
9. To respect customer's confidentiality;
10. Making effective referrals to other departments/institutions;
11. Offering an explanation if the municipality is unable to can't answer one's requests/enquiries;
12. Making effective use of Information Technology (IT) and web services;
13. Establishing service standards and monitoring our performance; and
14. Welcoming customer's feedback.

## **4.5.2 Communication**

### **4.5.2.1 Communication Strategy**

Matatiele Local Municipality has an adopted communication strategy which has been reviewed in the (2013/2014) financial year. For the local sphere to fulfil its mandate effectively, the need for a consultative, democratic, integrated, participatory and developmental communication becomes central to the developmental agenda of local government in line with the local government turn-around strategy (LGTAS). A national effort has been initiated by the tripartite alliance of: SALGA, CoGTA and Gcis to develop a system of local government communication which will ensure effective and coordinated communication between the three spheres of government.

The main objectives of communication are:

- To promote transparency in the municipality
- To enhance maximum public participation
- To empower communities with information

To communicate successes in service delivery

- To coordinate internal and external communication
- To build good working relations with traditional leaders, NGO's, CBO's, FBO's and other civil society structures.
- To ensure compliance to communication policy and protocol

To brand and market the municipality

In line with the Batho Pele Principles the following are the communication Objectives:-

- To Promote Transparency in the Municipality
- To Enhance Maximum Public Participation
- To Empower Communities with Information
- To Communicate Successes in Service Delivery
- To coordinate internal and external communication
- To build good working relations with traditional leaders, NGO's, CBO's, FBO and other civil society structures.
- To ensure compliance to communication policy and protocol
- To brand and market the municipality

Communication environment has Positive Perceptions including business opportunities, tourism potential, cleanest town and clean audit reports. Public Perceptions on the other hand involve slow service delivery, lack of quick feedback to people's needs, politicians are only interested in people's votes - politicians are more with power struggle than service delivery, lack of local economic development support from the municipality, nepotism, high crime rate, poverty, corruption and poor public participation of NGO's, CBO's and FBO's.

Media relations with local and national needs to be strengthened through:-

- Minimal coverage on electronic and print
- Municipal support on local print media is still a challenge.
- Maximum utilization of community radio

### ***I. Internal Communication Assessment***

Internal Communication Assessment done revealed the following:-

- Staff members are viewed to be the best marketers and implementers of institutional communications when they are well informed, once they are not well informed, they dent the institutional image.
- Lack of understanding of the communication role as well as the strategic or political role within the municipality

### **II. External communication assessment**

External communication assessment revealed a lack of information and understanding of government and municipal functioning in communities. A lack of public participation and lack of communication personnel in sector departments was also revealed.

Some of the communication challenges to be dealt with are:-

- Coordination of communication between sector departments and municipality (slow response on lcf by Sector departments)
- The geographic rural nature of Matatiele villages versus the semi-urban type of the town causes an imbalance on the rate of communication flow within the municipal area.
- Non availability of electricity and lack of network poles lack of network poles in most wards contribute to a slow flow of information dissemination
- Communicating in sign language is a challenge in the municipality.
- Internal communication flow and tools for communication is a challenge e.g. intranet and audiovisuals.
- Interpretation of document into languages used in Matatiele is a very big challenge.
- Improve on compliance by the municipality to SALGA Resolution (Local Government Communication System)

The Municipality plans to align its events with the national calendar of events considering consistency in themes, messages, tone and style, to ensure an instantly recognizable look and feel to all from the council to all audiences.

### **III. Communication Channels**

The following channels of communication are used to communicate to the public, stakeholders, customers etc.:

- EXCO Outreach Programmes
- Traditional Councils
- School Governing Bodies
- Electronic and Print Media
- Posters, Brochures, Banners, and Fliers
- Information Days
- Civil Society Organizations
- Municipal Billboards
- Loud Hailing
- Municipal Staff
- Municipal Website
- SMS
- News Letters
- Public Participation Outreaches
- Constituency Offices

- Distribution Points
- Council Meeting
- Local Communicators Forum

#### **4.5.2.2 Inter-Governmental Relations**

The Matatiele Local Municipality has a an IGR Forum, guided by the terms of reference compiled during the workshop held conducted with the assistance of the Department of Local Government and Traditional Affairs. The IGR forum is chaired by the municipal Manager and consists of the Senior Management from Various Sector Department. The forum Meetings are held quarterly. Sector departments should also be involved in the IDP process from the first phase to ensure that their programmes and projects are included in the IDP document.

IGR Forum Meetings and IDP Rep Forum meetings are used as platforms for information sharing and progress reporting on all programmes planned and implemented in the local municipality. Sector Plans are also prepared and reviewed in line with IDP development and review process and such plans should form the basis for initiating and guiding development within the municipality and further assist the municipalities in having credible IDPs.

#### **4.5.2.3 Stakeholders**

The main purposes of the external communication is to inform stakeholders of MLM with policy and legislative matters of the Municipality , its IDP, PMS Municipal Programmes of service delivery , information about campaigns, best practices, issues. Two way communications is prompted in order to obtain feedback so that MLM convey relevant information that meets the needs of the communities. The following are the stakeholders within the municipality;

- Women's Forum
- Business Organization
- Community Organization
- Faith Based Organization
- NGO's
- Traditional Leaders
- Youth Forums
- Labour Forums
- Political Organizations
- Ratepayers
- Hawkers Association
- Sector Departments

Below is the stakeholder registers, detailing some of the stakeholders:

NAME OF ORGANISATION	CONTACT PERSON	CONTACT NUMBERS
IMBUMBA YA MAKHOSIKAZI	MRS SIBI	083 678 0021
MATATIELE RETIRED TEACHERS(MARTA)	MR LESAOANA	076 724 9187
NAFCOC	MR NONJINGO	073 556 2813
CONTRALESA	CHIEF SIBI	072 533 4873
LOCAL CO-ORPARITIVE FORUM		083 506 8021
DISABILITY FORUM	MR PHOOKO	072 9898 507
COSATU	MR KORTJAAS	078 358 4920
MASIBUMBANE HAWKERS ASSOCIATIONS	MR RORISANG MOOROSI	073 497 2951
MATATIELE RATE PAYERS AND BUSINESS ASSOCIATION	MR VINCENT, MR HAVISIDE AND MR MOHOTO	083 5572214
WORLD VISION	Mr Mbi/Mvimbi Z.	071 585 4645/071 605 3830/ 072 950 2249
SANANCO	NOMAWETHU SOMDAKA	083 398 0699
MEHLODING TOURISM TRUST	MR Lesia Simon	078 285 0999
MATATIELE FARMERS ASSOCIATION	MR Mohapi	083 582 7398
COUNCIL OF CHURCHES	Rev. Setlaba Rev. Qobo	071 204 7743 079 493 6455
UNCEDO TAXI ASSOCIATION	MR DLOMO	073 135 0231
DRAKENSBURG TAXI ASSOCIATION	MR MOTHIBEDI	082 680 0577
FARMERS UNIONS : GRAIN SA NERPO	CLLR MONGOATO MR MOHAPI	082 770 4710 083 582 7398
BUS ASSOCIATION	MR V.S. MBOBO	083 561 1646
PAKISTAN & INDIAN COMMUNITY	CHAIRPERSON MR SHAHID MUHAMMAD	072 3402189
IMFUYO FARMERS ASSOCIATIONS	MR THOBILE MFENE	079 265 7721/082 796 6313
CERDAVILLE FARMERS ASSOCIATIONS	MR KENNY BIGGS	

#### 4.5.3 Performance Management System

The Department of Co-operative Governance and Traditional Affairs, (CoGTA) defines Performance Management as “... a strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.” This system will therefore ensure that all leaders, managers and individuals in a municipality are held accountable for their actions, which should bring about improved service delivery and value for money.

For a PMS to be successful it is important that:

- Top management and the council drive the system.
- There is a clear understanding and appreciation of its value by all stakeholders.
- Middle Managers are trained and take responsibility for performance management.

Performance management in a municipality is a two way communication process between the municipality and the community that is making use of the municipal services. The performance of the municipality is then measured against specific standards and priorities which have been mutually developed and agreed upon during the IDP process. Performance management is potentially the area of management that can make the most significant contribution to organisational performance.

The system should be designed in such a way that it improves strategic focus and organisational effectiveness through continually seeking to improve the performance of the municipality as a whole.

In compliance with the basic requirement of Chapter 6 of the Municipal Systems Act (2000), Matatiele Local Municipality has an adopted PMS framework and Policy for implementing Performance Management System (PMS). The PMS model that is used by Matatiele is Municipal Scorecard. The framework recommended this Model because it is a conceptual framework that provides guidance as to what aspects of the municipality's performance should be measured and managed.

The model has proved useful in performance management for it provides balance, simplicity, mapping of inter – relationships and alignment to the Integrated Development Planning processes of the municipalities. The model also prompts municipal organizations to take a balanced view in terms of how it measures and manages its performance. It prevents bias by ensuring that performance measurement does not heavily rely on one facet of performance (i.e. financial viability), but rather encapsulates a multi – perspective holistic assessment of the municipality's performance. It is considered simple because it covers all key areas of performance within the municipal organization.

The municipality facilitates the implementation of this framework on an on – going basis as a tool to meet the targets that are outlined on the municipal objectives and priorities as entailed in the comprehensive Integrated Development Plan (IDP). The Service Delivery and Budget Implementation Plan (SDBIP) is prepared on an annual basis to monitor the implementation of the IDP and Budget in the immediate term. The SDBIP captures the IDP capital projects and other municipal operational activities which have been resourced with funding and human capital for the current financial year and set the measurable annual and quarterly targets for Council to be able to monitor development on the ground versus what has been planned.

It is also through the SDBIP that Matatiele Management reports to the Municipal Council in a structured manner (i.e. Monthly and Quarterly) and the performance of the Municipal Manager and Section 56 Managers is thus monitored. The Municipal Manager is directly responsible for the Performance of the municipality as such the IDP and PMS Unit are located within the Office of the Municipal Manager. The key units that mainly assists the Municipal Manager with PMS can be briefly discussed as follows:

- IDP, Monitoring and Evaluation Unit (*PMS*) – this unit is responsible for the development and review of the Municipal Integrated Development Plan, compilation of the Service Delivery and Budget Implementation Plan, consolidation of the SDBIP quarterly reports for Council, Mid – Year Budget and Performance Report, Annual Performance Report and co – ordination of the Strategic Planning Session.
- **Budget and Treasury (*Financial Reporting*)** – this office is responsible for monitoring the municipality's performance in terms of financial expenditure in line with the IDP, Budget and SDBIP. This also includes consolidation of monthly and quarterly financial reports that are part of the SDBIP quarterly reports, Midyear Report and Annual Financial Statements.

In addition to the above the municipality also considers additional PMS functions to the Internal Audit Unit and the External Audit Committee. These functions can be briefly outlined as follows:-

Internal Auditing and Risk Reserves– the Risk and Audit Services Unit has been established in terms of Section 165 of MFMA, which states that each municipality each entity must have an internal audit unit. The Unit has a Manager, Chief Audit Officer, Chief Risk Officer, 2 Interns. An Internal Audit is a co-sourced function.

The Internal unit of a municipality municipal entity among other issues:

Prepare a risk-based audit plan and an internal program for each financial year

Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relation to:

Internal Audit

Internal Controls

Accounting procedures and practices

Risk and risk management

Performance management

Loss control and

Compliance with the MFMA, Annual DORA and any other applicable legislation

- **Independent Advisory (Audit Committee)** – The Audit Committee has been appointed, council-Resolution No: *CR456/11/10/2013*, in terms of Section 166 of the MFMA as an independent advisory body.

Each municipality and each municipal entity must have an audit committee, subject to subsequent (6)

(1) advises the municipal council, the political office bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity on matters relating to:

- (a) Internal financial control and internal audits
- (b) Risk Management
- (c) Accounting policies
- (d) The adequacy, reliability and accuracy of financial reporting and information
- (e) Performance management
- (f) Effective governance
- (g) Compliance with MFMA, the DORA and any other applicable legislation
- (h) Performance evaluation and
- (i) Any other issues referred to it by municipality or municipal entity

#### **4.5.4 HIV/AIDS Strategy**

The Matatiele Local Municipality guided by SALGA and AMICAALL Policy Framework for municipalities respond to HIV/AIDS challenge, facilitated the establishment of a multi-sectoral AIDS council. The Municipality has an adopted HIV/AIDS strategy which has been reviewed in 2013/2014. This document is the product of that engagement and it is organised according to six sections which are:

**Section1: Municipal Situational analysis:** the Matatiele multi-sectoral plan focuses on issues that are critical in developing the multi-sectoral municipal respond to HIV and AIDS. The Municipal HIV/AIDS multi-sectoral plan analyses different socio-economic conditions that drives for the spread and impact of the HIV and AIDS pandemic in our communities.

The Municipal situational analysis focuses on the following:

- Municipal geographic location
- Municipal Socio-economic profile
- Access to basic services and health care services

**Section 3: Policy and Legal framework for municipal response to HIV and AIDS:** this section of the strategy document provides a policy framework for municipality's response to HIV/AIDS. The document focuses on the National and International prescripts.

**Section 4: HIV Prevalence and impact on the municipality:** in this section of the strategy document we map out the landscape of the pandemic within the municipality. The landscaping traces the HIV prevalence in the provinces, district and local. As part of this landscaping we also look at some of the factors that contribute towards the spread of the pandemic. The second part of this section focuses on the impact of the pandemic in the livelihood of the communities and it focuses on:

- Impact on Family Life and Children
- Provision of Service Health, Education and Welfare
- Impact on Local Economy
- Impact on community and poverty

**Section 5: Matatiele Local Municipality HIV and AIDS strategy 2010-2015:** in line with the national strategic framework, the Matatiele multi-sectoral strategic plan has set its broad objectives as to:

- Reduce the rate of infection of HIV and AIDS
- Reduce the impact of the HIV and AIDS on individuals, families, communities and the broader society by ensuring improving access to treatment care and support and service delivery targeting the infected and affected.

This section is organised into three focus areas which are:

- Prevention, education and awareness
- Treatment, care and support
- Care and support for orphaned and vulnerable children

In each of these three focus areas the Matatiele Municipality HIV and AIDS strategic plan document outline:

- The broad goal
- Problem analysis
- Available services
- Gap analysis between the available services and needs
- Outputs needed and approach towards the implementation.

**Section 6: Structural arrangements and co-ordination of the municipal response:** this last section of the strategic documents focuses on the establishment and function of the local AIDS council. The document outlines the structures, roles and responsibilities and what it needs to ensure effective co-ordination and implementation of multi-sectoral response.



#### **4.5.5. Municipal Public Accounts Committee (MPAC)**

S79 Committee reporting directly to Council. Municipality had an “Oversight Committee” as prescribed by the MFMA for the conclusion of the Annual Reporting Process. The MPAC has been established and in early stages of executing its duties.

##### **MPAC Members:**

- Cllr T.V. Mongoato (Chairperson)
- Cllr S Mavuka
- Cllr V.M. Mlandu
- Cllr J.Z. Munyu
- Cllr L. Shemane
- Cllr S. Baba
- Cllr N.B. Nkomo
- Cllr N.N. Ndukwana
- Cllr Z. Bono

#### **4.5.6 Audit and Compliance**

The scope of work of the Internal Audit function is to determine whether the municipality’s risk management, control and governance processes, as designed and represented by management, are adequate and functioning in a manner to ensure:-

- That risks are appropriately identified and managed;
- That interaction with the various governance groups occurs as needed;
- That significant financial, managerial, and operating information is accurate, reliable, and timely;
- That employees’ actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- That resources are acquired economically, used efficiently, and adequately protected;
- That programs, plans, and objectives are achieved
- That quality and continuous improvement are fostered in the municipality’s control process.
- Those significant legislative or regulatory issues impacting the municipality are recognized and addressed appropriately.
- Effective, efficient and transparent governance / administration

Matatiele Local Municipality has an Audit Committee. The Audit committee operates in terms of accepted terms of Reference for the Audit Committee as set out in the appointment letters subject to the provisions of Section 166 of the MFMA. In particular the Committee emphasises that its overall objective is to ensure that good corporate governance is observed and practiced by the Municipality. In particular the purpose is to assist the Council in the course of the Council fulfilling and achieving its developmental objectives which are to deliver a quality service to ratepayers, service consumers and stakeholders utilizing minimum resources, while creating and bringing about a self-sufficient municipality.

##### **4.5.6.1 The Audit committee**

The Audit Committee is responsible for all issues as outlined in Section 166 of the MFMA. This committee serves also as the Performance Audit Committee.

The members of an Audit committee are as follows:

Advocate Andrew Duminy	Chairperson
Ms SJK Earl	Member
Ms N Thipa	Member
Ms TW Tsabo	Member
Ms MS Panicker	Member

#### 4.5.6.2 Audit Outcomes Opinions for the last three financial years

<b>Opinion</b>	<b>Financial Year</b>	<b>Audit Finding</b>
<b>Unqualified Audit Opinion</b>	<b>2010-2011</b>	<i>Material losses on electricity distribution</i>
		<i>Measures taken to improve performance were not provided in the performance report</i>
		<i>Compliance with laws and regulations: Strategic planning and performance management</i>
		<i>Annual financial statements, performance and annual report</i>
		<i>Expenditure management</i>
		<i>Leadership- Management have not implemented and ensured adherence to all documents policies and procedures that guide the operation and financial reporting of the municipality.</i>
<b>Unqualified Audit Opinion</b>	<b>2011 - 2012</b>	<i>Performance Indicators not well defined</i>
		<i>Performance target not specific measurable or time bound</i>
		<i>Reported indicators and targets not consistent with planned indicators and targets</i>
		<i>Reported performance not valid, accurate or complete</i>
		<i>Annual financial statement, performance and annual report</i>
		<i>Leadership- Management have not implemented and ensured adherence to all documents policies and procedures that guide the operation and financial reporting of the municipality.</i>
<b>Unqualified Audit Opinion</b>	<b>2012/2013</b>	<i>Impairment loss</i>
		<i>Electricity distribution</i>
		<i>Pre-determined objectives</i>
		<i>Restatement of corresponding figures (Irregular Expenditure)</i>

#### 4.5.6.3 Audit Plan

The purpose of this plan is to set out the nature, role, responsibility, status and authority of the Internal Audit function within the municipality and to outline the scope of the internal audit. The Audit Committee accepted the conclusions of the Auditor-General on the Annual Financial Statements for the year ended 30 June 2013. The municipality developed and an action plan and is implementing the action plan to address the findings raised. The Audit Action Plan is attached below on 4.5.7.

#### **4.5.6.4 Compliance Auditing**

Compliance Auditing is performed after the internal controls have been evaluated and is defined as test of controls with the objective to express an opinion that is satisfactory, needs improvement, or unsatisfactory on the achievement of the control objectives of each significant system.

#### **4.5.6.5 Performance Auditing**

The promotion of economy, efficiency and effectiveness depends on adequate overall management arrangements for planning, budgeting, authorisation, control and evaluation of the use of resources. Whereas accounting officers are responsible for the implementation of proper functioning of such overall management arrangements, the responsibility of performance audit is to confirm independently that these measures do exist and are effective and report to the management and the Audit Committee on these issues.

#### **4.5.6.6 Information Systems Review**

A high level review of the Information system controls to obtain an understanding of the control environment, to support the audit risk assessment and to ensure that proper IS controls are in place in such a way as to ensure that IS supports the business objectives and process of the organization.

#### **4.5.6.7 Fraud Prevention**

The identification and prevention of fraud is clearly the responsibility of management. Internal Audit function is well qualified to assist management to identify the main fraud risks facing the Organisation and to design appropriate controls that could help minimize the effects of the risks.

**Accountability** - The Internal Audit function, in the discharge of its duties, shall be accountable to the Audit Committee to:-

- Provide annually, an assessment on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risk in the areas set forth under the mission and scope of work;
- Report significant issues related to processes for controlling the activities of the organization including potential improvements to those processes;
- Periodically provide information on the status and results of the annual audit plan and sufficiency of the division resources; and
- Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance security, legal, external audit).

**Independence** - To provide for the independence of the Internal Audit function, it reports to the Accounting officer administratively and operationally to the Audit Committee periodically.

**Responsibility** - The Internal Audit function has responsibilities amongst others to develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Audit Committee for review and approval as well periodic updates. It also has a responsibility to implement the annual audit plan as approved, including as appropriate any special task or projects requested by the management and the Audit Committee.

**Authority** - There are no restrictions placed upon the scope of internal audit's work. Members of the internal audit function engaged on internal audit work are entitled to receive whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of the organization.

**External Auditors** - The External Auditors will be notified of the activities of Internal Audit in order to minimize the duplication of audit effort. This will be accomplished by a compulsory meeting between Internal and External Audit to discuss the annual internal and external audit plans.

**Strategic Internal Audit Plan** - Internal audit will in consultation with management prepare a three year rolling internal audit plan to the Audit Committee for approval. The plan should set out the recommended scope of their work in the period.

**Operational Internal Audit Plan** - Internal audit will in consultation with management present an annual internal audit operational plan to Audit Committee for approval. The plan should set out the recommended scope of their work in the year.

**Reporting** - The Internal Audit function will carry out the work as agreed, report the outcome and findings to the management, and will make recommendations on the action to be taken. The details will be copied to the relevant line management, given a maximum response period of two weeks. A follow up report will be issued to the managers of the affected section three months after the main report enquiring about the progress made regarding the corrective measures taken as a result of the audit. On a quarterly basis the Internal Audit will submit an Executive Report to the Audit Committee. The process of drafting annual financial statements and the ensuing audit will take up at least 6 months of the financial year between July and December.

**Standard of Audit Practice**- the Internal Audit function will meet or exceed the Standard for Professional Practice of Internal Auditing of The Institute of Internal Auditors, provided that sufficient resources have been allocated. A full time resource will be available to Matatiele Local Municipality in ensuring the proper implementation of systems and controls at the Municipality.

#### ***4.5.6.8 Fraud Prevention Plan***

The Municipality has an adopted Fraud Prevention Plan. The purpose is to ensure that the Matatiele Local Municipality has a successful, efficient and transparent system of financial and risk management and internal control. It is committed to fighting fraudulent behaviour at all levels within the organization.

The policy of the Municipality is zero tolerance to fraud and corruption. In addition, all fraud and corruption will be inspected and followed up by the application of all remedies available within the full extent of the law and implementation of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of the Municipality. It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their managers.

The Municipality encourages the members of the public or providers of goods and/or services who suspect fraud and corruption to contact any member of management, the Municipal Manager, the Speaker, the Mayor and/or the chairperson of the Audit Committee. For issues raised by employees,

ratepayers, members of the public or providers of goods and/or services, actions taken depend on the nature of the allegation.

The matters raised will be screened and evaluated and may be subsequently:

- Investigated internally
- Directed to the law enforcement agency

Any fraud and corruption committed by any employee or any other person will be practiced by a thorough examination and to the full level of the law, consider the following:

- In case of employees, taking disciplinary action within a reasonable period of time after the incident.
- Instituting civil action to recover losses;
- Initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency; and
- Any other appropriate and legal remedy available

**a) Components of the plan**

The main principles of this plan are based on and aligned to the LGTAS including the following:

- Creating a culture which is ethical and intolerant to fraud and corruption;
- Deterrence of fraud and corruption;
- Prevention of fraud and corruption which cannot be deterred;
- Detection of fraud and corruption;
- Investigating detected fraud and corruption;
- Taking appropriate action in the event of such irregularities, e.g. disciplinary action, recovery of losses, prosecution, etc. and
- Applying sanctions that include blacklisting and prohibition from further employment.

**b) Approach to Fraud Prevention**

Steps of approaching fraud prevention:

- Organizational focus
- Focus on employees including management
- Focus on other stakeholders
- Enforcement
- Implementation

**4.5.6.9 Risk Management Plan**

The management of risk is the process by which the Accounting Officer, Chief Financial Official and the other senior management of the municipality will proactively, purposely, and regularly, but at least annually, identify and define current as well as emerging business, financial and potential risks and identify appropriate, business and cost effective methods of managing these risks within the municipality, as well as the risk to stakeholders.

The purpose of risk assessment is to provide management with an assessment of the risk profile of the municipality. The risk analysis also provides an indication of the impact and likelihood of critical risks occurring that may prevent the Municipality from attaining the desired performance against strategic objectives. Before the start of a new financial year, a Risk Management workshop is held at which the annual Risk register new financial year is developed. The Risk register is monitored monthly and then departments report to the Internal Audit unit on a quarterly basis.

#### **a) Risk Management Policy**

##### *Objective of the risk management policy*

The objective of the risk policy is to ensure that a strategic plan is developed that should address the following:

- An effective risk management architecture
- A reporting system to facilitate risk reporting; and
- An effective culture of risk assessment

The Policy is used to ensure that risk management becomes the concern of line management and everyone in the Municipality and that risk management practices are consistent across the whole of the municipality.

A risk management committee for the municipality is established to oversee the implementation of the risk management Policy. The committee comprises of the following disciplines

- The Municipal Manager and all General Managers
- Electrical services unit
- Public Safety unit

The committee:

- Ensure that the Risk Management Strategy is appropriate to the Municipality
- Convene and facilitate Risk Assessment workshops for the purpose of identifying, analysing and evaluating risks
- Prepare the Risk Profile of each Department
- Ensure that the Risk Assessment and Risk Profile is completed prior to the end of each financial year
- Oversee the implementation of the Strategy within the Organization to ensure that Departments identify, analyze and rate risks and furthermore implement the necessary control measures as prescribed by management to respond to risks identified

#### **b) Risk Management Strategy**

##### **• Risk Identification and Evaluation**

Risks will be identified and related to the process objectives for each department. It is accepted that risks within the three categories are themselves subjected to further categorization. For instances, within the High-risk category, it is accepted that some risks will be of a higher level than others, whilst all of them will be globally categorized as “high”.

##### **• Assessment of controls**

According to South African Auditing Standard, an internal control system” consists of all the policies and procedures (internal controls) adopted by management of an entity to assist in achieving management’s objective of ensuring, as far as it is practicable, the orderly and efficient conduct of its business, including adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. Controls are evaluated and rated as being strong, medium or weak. Non-existent controls are indicated as such in the assessment of controls.

Matatiele local municipality uses an internal control tool questionnaire, updated by the internal audit department and is submitted quarterly to local government.

##### **• Residual risks**

After documenting the activities; identifying, classifying and rating risks as well as identifying and rating the existing controls, the residual risks per activity, will be established. Residual risks are the risks that are identified after taking into consideration the effect and impact of direct control measures implemented as well as the impact of compensating control measures, relative to a risk identified.

- **Risk profile**

A risk profile will be maintained by Internal Audit reflecting all activities with a residual risk and shall categorize the residual risks into High, Medium and Low. The residual risks will be depicted in tabular form and the rating of residual risks will be indicated. Management shall identify the person/s responsible for the implementation of the control measure and time frame within which the control measure will be implemented.

- **Control Self-Assessment**

The final phase of the risk management strategy requires continuous monitoring and evaluating of the risk profile.

Management shall conduct a cost-benefit-analysis to establish whether the benefits of implementing a control measure exceed the costs thereof. If not, the effects of the risk should be carefully analysed and appropriate action taken.

- **Monitoring / Review**

The Manager shall, on a regular basis, but at a minimum on an annual basis, review the risks identified in the risk profile, with due regard of the impact of any compensating controls, and report to council on the effectiveness of the Risk management strategy. Accounting officer will coordinate an annual review of the effectiveness of this policy with the key managers in the municipality.

This annual review will take place immediately prior to the development of the annual business and integrated development plans so that it can have due regard to the current as well as the emerging risk profile of the business. Internal audit will monitor key controls identified in the risk management system as part of the annual audit plan developed in conjunction with the Accounting Officer and approved by the Audit Committee.

#### **4.5.6 Social Cohesion**

Matatiele Local Municipality is committed to promoting social initiatives that enhance the uplifting and empowering of communities through social cohesion. The municipality has amongst other initiatives, annual events which are geared towards improving and empowering communities.

- **Golden Games**

Golden Games is a programme that is held annually, the purpose of this programme is to encourage our senior citizens to participate in physical activities. More importantly the municipality recognizes that not all senior citizens are physically active in sporting activities, hence the Municipality identified the need to have a sport day for our senior citizens to encourage them to be active physically. This is because principles, values and discipline that are involved in sport also apply in physical fitness with benefits such as: reduced dependency on pain and depression medication and fewer secondary medical conditions (e.g., diabetes, hypertension etc). The programme allows all elderly people from all wards to participate those in projects and those who are not in projects.

#### 4.6.7 Audit Action Plan

AUDIT FINDING	BACKGROUND	ACTION	RESOURCE	BUDGET	RESPONSIBLE OFFICIALS	DEPARTMENT RESPONSIBLE	MEANS OF VERIFICATION & PROGRESS	TIME-LINES	STATUS
<b>1. Impairment loss – PPE Revaluation</b>	The municipality performed the revaluation of Infrastructural Assets which resulted to impairment loss of R68 million.	Develop monthly report template for assets per department.	Fixed Asset Management System. ECGLTA	R500 000	MR VUMASE AND MEHLOMAKHULU	BTO	SYSTEM ACQUISITION	30/04/2014	
							Template to be ready by 28-02-14		
		Asset Management Unit to provide inventory list for each department.	Fixed Asset Management System.	N/A	MR VUMASE	BTO	Inventory List Report to departments	On going	Assets / inventory list is sent to departments monthly.
		Departments to do their spot checks for the verification of these assets and their status	Inventory List	N/A	Unit Managers	ALL	Monthly Report	On going	t's done by departments on monthly bases
<b>2. Impairment – Debtors</b>	Municipality is faced with a challenge of long outstanding debtors not recoverable.	Letters of demands to be obtained from Ven Hart by the Municipality.	ECLGTA Funding	R1 000 000	Ms Bavu	BTO	Debtors Age Analysis	Monthly	Letters of demands are sent to debtors
		Data Cleansing to be done	Sheriff				No of Summons served	Monthly	20 summons are being by the sheriff of the court
							Appointment Of Debt Collectors	28/02/2014	Venn Hart



							Appointment of Service Provider for Data Cleansing	31/03/2014	Service provider (PWC) is on site
<b>3. Alfred Nzo DM Debt</b>	Water and Sanitation Services transfer resulted to the debt of R10 million by district municipality.	Meeting to be organised with Sisonke and the previous CFO to be present.  Engage ECLGTA to facilitate between the two Municipalities.			Mr L Ndzelu Dr DCT Nakin		28 -02-14 to report back on progress		The meeting is being convened between the two municipalities. (possibilities are that the debt will be impaired)
<b>4. Department of Health - EC</b>	Clinic transfer resulted to the debt of R500 thousand by DoH.	Follow up with Department to be done					Report back by 28-02-14		Health has paid R470 000 and the balance is to be paid by end June 2014
<b>5. Electricity losses</b>	Electricity theft, illegal connections and unmetered electricity use of street lights and traffic lights.	Appointment of a Service Provider for On-going Meter Audit  Engage Service Provider for the Smart Metering implementation	Own Funding	R800 000	Mr. J. Augustyn, Mr Vumase and Mrs. Bavu-Ncoyini	BTO, Infrastructure Services	Appointment of meter audit service provider	30/04/2014 4	The smart metering is in tendering stage.
							Appointment of Smart Metering Service Provider  Number of	30/04/2014	Appointment of service provider to be done in 31 June 2014.
				R500 000			List Of Disconnections	Monthly	Disconnection list is done

									monthly, and progress is reported on MTM monthly.
							Reduction of Line Loss	30/06/2014	Will be addressed by the implementation of the smart metering.
<b>6. Prior Year Error Corrections</b>	Revaluation reserve of R300 million had to be reversed to accumulated surplus due to non-availability of prior years' revaluation reports.						Once off		Done
<b>7. Performance Management</b>	Non meeting of set targets as per performance plan. Unrealistic set targets and non-reviewed set targets	SMART Targets to be set and reviewed at Mid Year	N/A	N/A	Miss NNP Maqubela	Office of the MM	SDBIP and Revised SDBIP	31/01/2014	Realistic targets are being met through SMART principle
<b>8. CIDB Registration</b>	Awarded construction bids not registered to CIDB as per requirement.	SCM to register to awards and Infrastructure will give progress update	Internet Access	N/A	Mr Vumase and Miss N Ntloko	BTO and Infrastructure	Monthly Reports of the registration	On going	Registration is done as bids are awarded And loaded on the CIDB.

<b>9. Awards disclosure on Website</b>	Awarded bids not recorded to MLM website	SCM forward the register of awarded tenders to Communications Office and they will give progress update	Internet Access	N/A	MR Vumase and Mrs N Matshoba	BTO and Office of the MM	Monthly Reports of the registration	On going	Registration is done as bids are awarded.
<b>10. Councillors and Staff Arrears – 90 days</b>	Amounts owed by councillors not recovered.	Monthly deduction to settle the accounts has been done through salaries	N/A	N/A	Ms Bavu	BTO	Salary Advise	Monthly	Monthly deductions are done on councillors and staff.
<b>11. Unauthorised, Irregular, Wasteful and Fruitless Expenditures</b>	Depreciation and impairment loss due to revaluation and debtors resulted to Unauthorised Expenditure.	To review over expenditure and the adjustment budget must correct such	N/A	N/A	Mr Mehlomakhulu	BTO	Monthly Income and Expenditure Report	On going	Irregular, Unauthorised, and fruitless expenditure are being maintained.
	2012 irregular and fruitless expenditures not investigated and properly reported to council and MEC for action.	An investigation by the MM must be instituted for irregular expenditure.  Council Decision to be made on report/investigation recommendation on whether to condone or recover the money.	Committee	N/A	MM	Office of the MM	Council Resolution  Progress by 31-03-14	30 June 2014	To be done before year end.

<b>12. Vacant Posts</b>	Budgeted posts not filled during the financial year.	Audit all budgeted posts.	N/A	N/A	Mr Zwane	Corporate Services	Report of all budgeted posts	31/01/2014	Posts are advertised and some are filled.
		Advertising and filling of all budgeted posts.	N/A	N/A	Mr Zwane	Corporate Services	Filling of Posts	31/03/2014	
<b>13. IT Systems</b>	Non function of IT systems.	Development a detailed information security and ICT USAGE POLICY	Internal Resources		Mr. P. Letuka and LT Somtseu	Corporate Services	Policies have been developed and are on draft stages		Policies have been drafted but still in consultation stage and to be submitted to Council.
<b>14. Internal Audit and Audit Committee</b>	Internal Audit Committee not reporting to council.	Audit Committee to report Quarterly to Council	Council Agenda	N/A	Ms Mdlankomo	Office of the MM	Council Resolution	Quarterly	Internal Audit Committee reports to Council quarterly.
							On going		
	Internal Audit not properly reviewing AFS to eliminate misstatements.	Internal Audit to Review monthly AFS and report quarterly to Audit Committee on AFS reviews	Internal Funding	R340000	Ms Mdlankomo	Office of the MM	Reviewed AFS	Quarterly	Interim AFS were reviewed on the 14 March 2014 by internal auditors and presented to Audit Committee on the 2 <sup>nd</sup> April 2014.
<b>15. Approved Road Maintenance Plan</b>	Municipality does not have the plan.	To table Draft CIP for Council Approval	N/A	N/A	Mr Somi	Infrastructure	CIP Document and Council Resolution	24/01/2014	CIP has been approved by Council.
<b>16. Road Asset Management System</b>	Municipality does not have	Follow up with the DM	N/A	N/A	Mr Somi	Infrastructure	Adopted CIP	24/01/2014	CIP has been approved by

	the system.	Integration to the current GIS system	N/A	N/A	Mr Somi and Ms Tobia	Infrastructure and EDP	Updated GIS with access roads coordinates	31/05/2014	Council.
<b>17. Accounting Policies</b>	Policies not adequately reviewed.	To review all Accounting Policies and align with Grap Standards	Internal Audit	N/A	Mr Mehlokhulu and Ms Mdlankomo	BTO and MRAS	Internal Audit and Audit Committee Reports. Council Resolution	31/05/2014	Policies have been reviewed by internal auditors and correction communicated to finance on the 12 <sup>th</sup> May 2014, to be sent for council approval on the 30 <sup>th</sup> May 2014.
<b>18. Consultants</b>	Municipality does not prepare and document the reasons for the need and	All departments to do an analysis why they need use of Consultants and that	N/A	N/A	ALL	ALL	Approved use of Consultants	On going	Template is being utilised for the 2013/2014.

	utilisation of consultants.	needs to be endorsed by the Accounting Officer. Development of a standard template to be used for the recording of reasons for sourcing consultant's services.					Mr Vumase by 28-02-14 Must form part of Specification Committee documents.		
<b>19. Leave Provisions</b>	Late approval of leaves.	All leave applications will be approved in advance excluding sick leave applications	Official	N/A	Mr Zwane	Corporate Services	Approved leaves in advance	On going	Leaves are approved and deduction will be implemented for non approved leaves
	Leave books management.	Centralise leave management	Official	N/A	ALL	ALL	Centralised Leave Management	On going	Leave Books are centralised in Corporate Services
		Procurement of Leave management system	ECGLTA	R 500 000	Mr Zwane	Corporate Services	Leave Management System	31/03/2014	System has been installed.
<b>20. Overtime Payments</b>	Incorrect calculations of overtime.	Analysis of over/under payments for the year 2013/2014 from 01/07/2014 and identify under and repay them and those who have been over paid the money will be recovered	N/A	N/A	Ms Bavu	BTO	Repayment of under payments and recovery of over payment.	28/02/2014	Overtime repayments and deductions will be implemented by the 1 <sup>st</sup> June 2014.
<b>21. Procurements not on Deviation Register.</b>	Prior year's procurements done as deviations and not	Identify all those procurement which	N/A	N/A	Mr Somi and Mr	BTO and	Provide a list of all those projects and they	31/01/2014. On	SCM double checks before

	recorded as such during the year of payments.	were not in line with SCM regulations			Ndzelu	Infrastructure	should be condoned by the Municipal Manager. Updated Deviation register on payments done	going	payments are being done to suppliers.
<b>22. Investment Property - General Valuation Roll</b>	Incorrect information like street names.	Reconcile addresses on the VR and the Asset Register and correct them.	Internal Funding	N/A	Ms Bavu and Mr Vumase	BTO	Supplementary Valuation Roll with Corrections and Updated Asset Register	30/05/2014	Corrected on the new valuation roll by the 15 <sup>th</sup> June 2014.
	Street Naming	Revise the SDBIP and Allocate the budget. Printing and erection of street name	Internal Funding		Ms Ntloko and Mr Faro	EDP and Infrastructure	Erected Street Names	30/03/2014	A service provider has been appointed to supply name signs.
<b>23. Investment Property -Land Ownership</b>	Properties on FAR (Fixed Asset Register) with no municipal name on VR and vice versa.	Valuer to value all the unregistered properties in Maluti.	Khanyisa Properties	R200 000	Ms Bavu and Ms Ntloko	BTO and EDP	Supplementary Valuation Roll	30/04/2014	Valuer is finalising the Supplementary Valuation Report by 02 June 2014.
		Information of properties used by the Department must be compiled and submitted to Rural Development	Supplementary Valuation Roll	N/A	Ms Bavu and Ms Ntloko	BTO and EDP	Proof of information Submitted to Rural Development	28/02/2014	Valuer is finalising the Supplementary Valuation Report

		Municipal Delegation to meet Rural Development to facilitate land donation	N/A	N/A	Ms Tobia, MM and CFO	EDP	Meeting with Rural Development	31/03/2014	by 02 June 2014.  Meeting was held in March 2014 and coordination task team to be formed by 30 May 2014.
		Donation of the Maluti Land to the Municipality by Department of Rural Development	Political Support	N/A	Ms Ntloko	EDP	Rural Development confirmation Letter	30/06/2014	
<b>24. Investment Property – title deeds</b>	Municipal properties on old names at deeds records.	Appointment of Conveyancer to amend the ownership details	Internal Funding : ECGLTA	R 500 000	Mr Somtseu and Mr Ndzelu	Corporate Services and BTO	Signed SLA	28/02/2014	Appointment of Conveyancer on the 15 <sup>th</sup> May 2014.
							Submit TOR to SCM by the 14 <sup>th</sup> -02-14		
		Updating of the Deeds information	Internal Funding		Mr Somtseu and Mr Ndzelu	Corporate Services and BTO	Updated Deeds Data	30/06/2014	Awaiting the report from the Conveyancer



## 4.6 INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT

### 4.6.1 Organisational structure

Matatiele Local Municipality (EC441) is a Category B Municipality as determined by the Demarcation Board in terms of Section 4 of the Municipal Structures Act 1998. The Municipality functions under the Collective Executive system consisting of nine (9) Executive members of whom one is the Mayor. The Council consists of 52 Councillors including the members of the Executive Committee and nine Traditional Leaders. Of the 52 Councillors, 26 are Ward elected Councillors. The Council has six (6) standing committees which are chaired by Portfolio Heads.

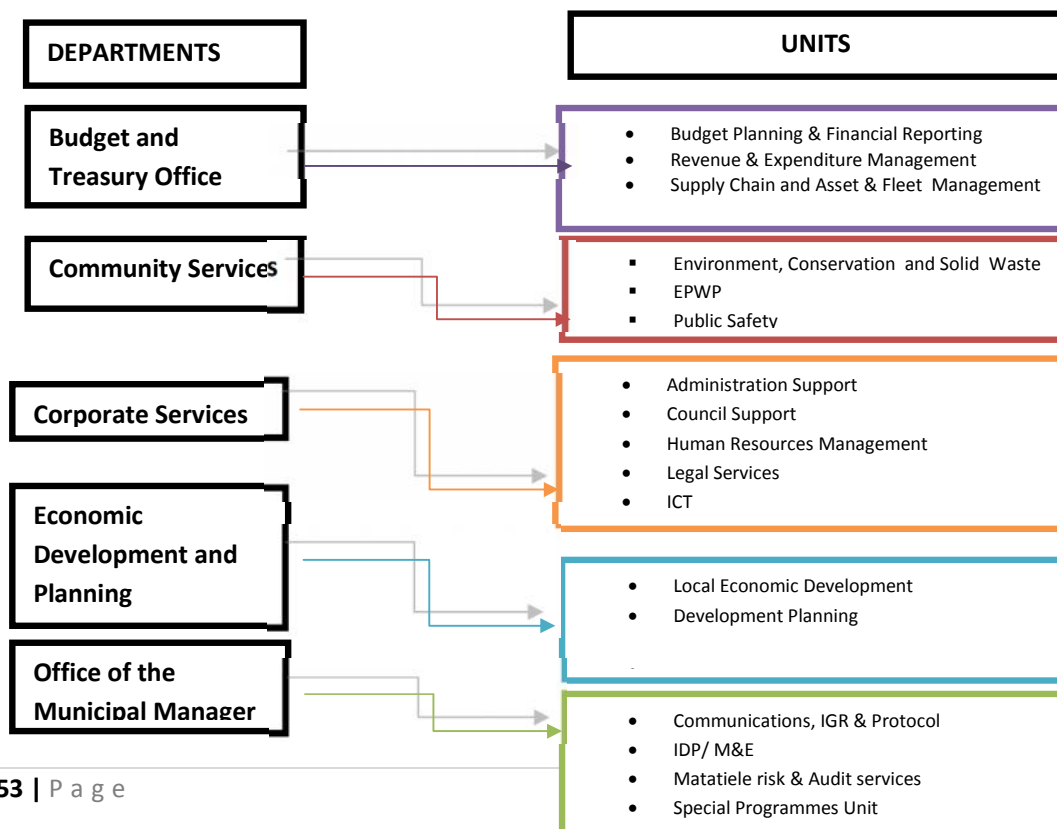
The six (6) portfolios of the municipality are as follows:

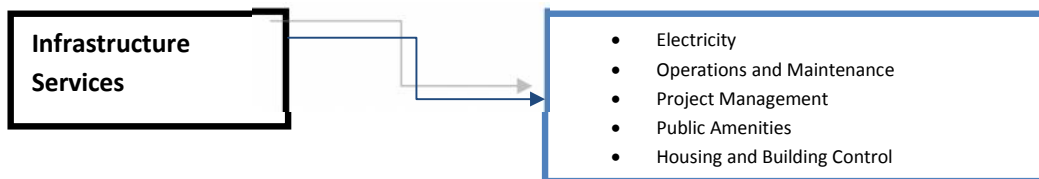
- Budget and Finance – Portfolio Head: Cllr. P.M Stuurman
- Community Services – Portfolio Head: Cllr. M.M Mbobo
- Corporate Services – Portfolio Head: Cllr. N.Mshuqwana
- Local economic Development – Portfolio Head: Cllr. N. A Nkukhu
- Infrastructure –Portfolio Head :Cllr. S. Mngenela
- Communications and Special Programmes Unit- Cllr: N. Ngwanya

### 4.6.2 Municipal Administration

The Municipality's organisational structure comprises three hundred and fifty five (355) positions which are divided into six (6) departments including the Office of the Municipal Manager. The management comprises of the Municipal manager, 5 General Managers, 18 middle managers. There are currently 32 interns and 8 in-service trainees. Matatiele Local Municipality has three offices located in the towns within the municipal area, i.e Maluti, Matatiele Civic Building and Cedarville.

The main office is in Matatiele, with two other sub offices in Cedarville and Maluti. Below are the departments and the units within each department.





#### **4.6.3 Human Resources-Employment Practices**

The Municipality is committed to developing human resources systems, policies and procedures, which incorporate prevention practices. There is a risk of poor implementation of its human Employees focused anti-fraud and anti-corruption measures should be visible from the point of advertising a vacant post, recruitment, specific employment conditions, maintaining high employee morale, Individual performance management and even exit procedure upon resignation or retirement.

The approaches indicated below are key to the Municipality's efforts in this regard:

- Advertising posts
- Pre-employment screening
- Probation
- Ongoing financial disclosure
- Employee induction programme
- Obligatory leave periods
- Managers will encourage ensuring that appropriate control
- Exist procedures for employees and control over assets
- The Municipality will ensure that an exit interview process is in place

#### **Organogram**

Matatiele local municipality has a reviewed organogram. The reviewed organogram has been adopted by council; council resolution number CR 559/30/05/14, it forms part of this document at annexure A. This organogram details the various filled posts, the vacant posts as well the budgeted and vacant posts.

#### **Local Labour forum**

The local labour Forum consists of ten (10) members and sits monthly.

#### **Discipline**

The Municipality is consistent and efficient in its application of disciplinary measures. Additional measures, which will be considered include:

- Communication of specific disciplinary standards and forbidden conduct. Each Employee upon appointment signs the Code of Conduct.
- Introducing a system where the application of disciplinary measure is applied consistently
- Steps for ongoing training of managers in the application of disciplinary measures

- Where managers are found to be inconsistent and/ or inefficient in the application of discipline, the Municipality will consider firm action;
- Publicize the outcomes and sanction of disciplinary action as a deterrent effect to others.

### ***Staff Development/Capacity Enhancement***

There are staff development initiatives taken by the municipality in the form of training programs and bursary assistance offered to the municipal officials and councillors, from annually. The skills development ranges between one week to 12 months and also learnership programmes with the assistance of different service providers like PALAMA, NMMU, Lemark Training & Development, University of Pretoria, University of Fort Hare and Stellenbosch University etc. officials and councillors were trained and some of them are still attending in the following areas:-

- Bid Committee Training
- Disciplinary Hearing
- Project Management 1
- Public participation
- Project Management 2
- Employee wellness
- Credit Control, Debt collection and Indigent Policy for government and Parastatals
- First Aid Level 1
- Basic Fire Fighting
- Occupational Health & Safety
- Peace Officer Training
- Pay day training
- HIV/AIDS Care and Counselling
- Gender Mainstreaming
- Programme in Municipal Finance Management offered by Fort Hare University
- Municipal Minimum Competency Training offered by Stellenbosch University

### **Job Descriptions**

In the 2013-2014 financial year, the municipality embarked on the process of developing Job descriptions for all employees as per the organogram. The process has been completed and Job each employee has a job description.

### ***Staffing Policies***

#### **Section 14 manual**

##### **Purpose and Scope of the Manual**

*Section 14 of the Act obliges public bodies to compile a manual which would assist a person to obtain access to information held by such public body and stipulates the minimum requirements a manual has to comply with. As required under section 14, the manual contains the following information:*

- The structure and functions of the Matatiele Local Municipality (the municipality);
- Contact details;
- A description of the guide referred to in section 10 of the Act, if available, and how to obtain access to it;
- Categories of information available without formal request;
- A description of the records available in accordance with any other legislation;

- A description of the subjects on which the municipality holds records and the categories of records held on each subject; and
- Such other information as may be prescribed.

*Section 9(b) (i) of the Act however recognises that the right to access to information may be subject to justifiable limitations, including, but not limited to limitations aimed at the reasonable protection of privacy, commercial confidentiality; and effective, efficient and good governance. Section 9(b)(ii) of the Act further recognises that the right to access to information must be given effect to in a manner which balances the right with any other rights, including such rights contained in the Bill of Rights in the Constitution.*

*Wherever reference is made to Public Body in this manual, it will refer to Matatiele Local Municipality, a public body within the local sphere of government, for whom this manual is drafted.*

#### **Employment Equity Plan**

The MLM is committed to the implementation of employment Equity to redress the legacy of past discrimination during which people were denied access to equal opportunities based on their race, gender, HIV/AIDS, marital status, sexual orientation, religion; ethnic/social origin, age and disabilities. MLM is committed to redress the past legacies through the establishment of EE Forum. In order to guide its implementation process and review, the municipality developed an Employment Equity Plan. The plan is reviewed and updated to ensure that it is consistently in line with the economic realities of the Municipality. Employment Equity Reports are submitted online in October annually.

#### **Training Policy**

The training policy aims to fulfil the following objectives:

- To provide skills development framework for officials and Councillors.
- To provide a framework for aligning training needs with the strategic objectives of the Municipality.
- To equip Municipal Human Resources with the necessary skills for better service delivery.
- To manage skills development processes within the Municipality.
- To cater for the previously under privileged sections of the Municipal Human Resources.

#### **Succession Policy**

The reasons for preparing succession planning and career path plans are as follows:

- To ensure continuity of suitably trained staff in key posts for the future
- To ensure that someone is always available to fulfil any particular job in the municipal service, even in the event of illness, resignation or death. More than one staff member in a specific department should always be able to do any particular job.
- To comply with the legal requirements of the Employment Equity Act, this requires the appointment and promotion of suitably qualified persons from previously disadvantaged groups, to ensure proportional representation in all occupational categories and levels.
- To ensure that training programs are undertaken in an orderly way and that staff do not simply attend training courses without a purpose. In this way training initiatives can be properly focused.
- To develop career paths for individual staff members to assist them in their careers, making them more enthusiastic about their jobs and therefore making them more productive. In this way, the individual skills may be utilised to achieve the goals of both the department as well as the organisation

- To assist the employee in meeting his/her performance goals. Individual goals must be aligned with the goals of the overall department and the organisation, including the Council's Integrated Development Plan (IDP) and budget. Succession planning and career planning must, furthermore, be aligned with all other human resources activities such as selection, training, performance management etc
- To establish a highly motivated work force which could lead to a decrease in staff turnover
- Employed successful applicants in the identified critical and budgeted posts
- Implement Salary and Wage Agreement
- Consolidated Conditions of Service
- Started implementing the Electronic Archiving System

### ***Human Capital Retention Strategy***

Staff retention is a process of ensuring that employees with valued, needed skills and experience are kept within the service of the Municipality. Recruitment and retaining potential staff is one of the important processes of the Human Resource Function. It is always desirable for the organisation to have the right number of staff; with the right skills. The Matatiele Local Municipality recognises that its most valuable asset is its human resources. A great deal of time and money is invested in the recruitment, training and development of employees and, as such every effort should be made to retain such employees. As a result, this Strategy has been developed to guide the Matatiele Local Municipality in attracting and retaining staff.

### ***Purpose of the strategy***

Staff retention is about finding the best employees for the job and finding ways of keeping these employees within Municipality. It involves a range of ideas and practices that should all be seen as interlinked. The focus is on attracting employees to join the organisation focusing on recruitment strategies and keeping those who are already employed, especially those with relevant qualifications. It also involves motivating the staff, covering both psychological aspects of the employees (their perception, their goals, and their behaviours) and operational aspects attached to the job or tasks for which they were appointed. It requires a management approach that takes all factors (both inside and outside the organisation) into account.

### ***The purpose of the Staff Retention Strategy is:***

- *To allow Council to effectively retain their staff by providing information on staff retention and some possible staff retention techniques.*
- *To prevent the loss of competent staff from the Municipality that can have an adverse effect on service delivery*
- *To attract and retain competent staff*
- *To retain key staff members whose services are regarded as critical to achieve the vision and mission of the Municipality.*
- *To identify individual's potential for assuming a higher degree of responsibility.*
- *To help develop a skills base for succession planning*
- *To provide internship and learnerships to occupations that is critical to the Municipality's strategic objectives.*

- To create and sustain a pleasant humane working environment where employees are given the opportunity to thrive.

***Renewal Or Extension Of Employment Contracts, Conversion Of Employment Status And Re-Employment Policy***

**Objectives of this Policy:**

To establish and maintain policy framework for managing renewal, extension of employment, re-employment as well as conversion of employment status.

- To provide regulations for renewal of the employment contract.
- To provide regulations for managing extension of employment contracts.
- To provide prescripts for managing re-employment of individuals by the Municipality.
- To provide of terms and conditions for managing conversion of employment status of an employee.
- To provide for promotion of sound standards and legally compliant practice for dealing with renewal, extension of employment, re-employment and conversion of employment status of employee.

With regards to employees currently on contract, the information is provided below:

Position	Department	Length of contract
The General Managers	Corporate Services , Community services, Budget and Treasury, Infrastructure services, Economic development and Planning	5 Year Contract
Middle Managers	Corporate Services , Community services, Budget and Treasury, Infrastructure services, Economic development and Planning	5 Year Contract
Chief Labour Relations Consultant	Corporate Service Department	2 Years
Project Coordinator	Infrastructure Services Department	3 Years
EPWP Coordinator	Community Services Department	3 Years
EPWP Programme Implementation Officer	Community Services Department	3 Years
EPWP Programme Implementation Officer	Community Services Department	3 Years
Data Capture	Community Services Department	3 Years
Coordinator Plant Management	Infrastructure Services Department	2 Years

## Staff Retention Techniques

### scarce skills

The municipality Conducts annual skills Audit for employees and councillors to identify and classify the current skills needs and the future needs of the Municipality. There are challenges in attracting professionals with scarce skills in areas such as, Information Technology, Urban and regional planners, accountants, Policy Analysts/ Researchers, Electricians, Labour law practitioners amongst others.

Identification of scarce and critical skills on an annual basis.

Where scarce/critical skills have been identified, an executing authority may set the salary for a post or an employee above the minimum notch of the salary scale indicated on the staff structure of Council.

The process may also be initiated where an employee with scarce/critical skills and/or experience has received a higher job offer and the executing authority may give a counter offer to retain his/her service. Below are some of the challenges experienced in implementation of the strategy:

*Employment Equity-* Employment Equity Act, 1998, requires every employer to retain and develop people from the designated groups. The municipality is currently experiencing difficulty in attracting women (in senior management positions) and people with disabilities (PwD). Opportunities should be created to make the employment more attractive for example apprenticeship, learnership and furthering of studies for all employees and the previously disadvantaged in particular. Decisions of this nature must be taken with due consideration to the Municipality's Employment Equity Plan.

*Individual Performance Appraisal-* Performance appraisal is a two-way process, it includes the employer and employees as a tool to identify shortcomings and future development of employees.

*Individual Performance Management and Development-* Each employee from all levels of employment must have a performance agreement, which is cascaded from the departmental score card. The output must be specific and measurable with clear time frames for achievement. The performance must be assessed two times per financial year. The identified needs or shortcomings must be followed by the appropriate intervention/training. Where under-performance has been detected, assistance in terms of training, counselling, coaching etc, should be given to that particular individual.

*Succession Plan-* A Succession Plan database should be compiled from the career discussion outcomes and should be in the custody of Corporate Services Department and kept confidentially. The Corporate Services Department should identify potential key competencies to be developed in the light of the identified succession plan positions. Planning is fostering activities like job rotation to expose staff to the workings of the Municipality. This can assist in the identification of top performers and employees with potential.

*attracting scarce skills-* Scarcity of the skills and/or the competencies that the said employee possesses shall be the key guiding factors that will determine the final outcome. In order to attract new employees whose skills are critical to the Municipality, higher packages can be offered to the employee regardless of the current packages. The prevailing market trends should be studied and taken into consideration. The granting of higher salaries for the purpose of counter offer requires that the following measures be taken into account, namely the demonstration of fairness, budgetary provisions to sustain the position and alternatives.

## Monitoring and evaluation

Methods to be used for the evaluation of the effectiveness of the Retention Strategy shall include:

- Analysis of the staff turnover
- Analysis of the exit interview reports,
- Analysis of Labour market trends

## Workplace Skills Plan

The Workplace Skills Plan (WSP) document provides information on the Municipal current employment profile and to indicate the training interventions that have been planned for each financial year in order to develop the Municipal employees and councillors and to improve the municipal performance. The document also requests information on Skills Development circumstances so that Local Government Sector Education and Training Authority (LGSETA) can render assistance and support. This WSP must be submitted to the LGSETA by 30 June each financial Year.

The process of developing Workplace Skills Plan includes:

- The Training needs analysis through circulation of Skills Audit Questionnaires to all employees and councillors.
- Consolidation of all Skills Audit Questionnaires collected
- Compilation of Workplace Skills-Plan(WSP) and Annual Training Report (ATR)
- Presentation of Workplace Skills Plan (WSP) and Annual Training Report (ATR) to the Training Committee
- Signing of Workplace Skills Plan (WSP) and Annual Training Report (ATR) by the relevant signatories
- Submission of Signed Workplace Skills Plan (WSP) and Annual Training Report (ATR) to the National and Provincial office of LGSETA by 30 June annually.

## Recruitment & Selection Policy

The municipality currently has an adopted Recruitment & Selection policy. The purpose of this policy is to guide the process of recruiting and thus ensuring that in the appointment of any staff member, the principles set out in the policy be followed, to ensure that the most suitable person will be appointed to the to a particular post. The current policy however needs to be reviewed in the next financial year.

The policy gives guidance and procedure regarding the following:

- Planning, Organising and Advertising the Position
- Processing Of Application Forms Received
- Checking Of References and Other Personal Information
- Interviewing Process
- Appointment of Employees, Letters Of Appointment and Contracts of Employment



### ***Human Resource Plan***

The municipality developed an HR Plan. The contents of the HR Plan include the following:

#### **Municipal HR Strategic Objectives**

- To provide effective Human Resource Management
- To provide effective and efficient administrative services
- To ensure compliance with all relevant pieces of legislation and agreements
- To ensure development and implementation of policies and bylaws

#### **Action Plan/ Implementation Plan**

The HR Plan will be implemented on 5 year period, reviewed annually

#### **Monitoring and Evaluation**

The plan will be monitored quarterly

#### **Identified Priority HR Issues**

Recruitment and Selection

Retention Strategy

Skills Development

Employee Wellness Programme

Occupational Health and Safety

Performance Management System (PMS)

Employee Relations

Succession Planning and Career Development

### ***4.6.4 Physical and Information Security***

#### **Physical Security**

The Municipality's main physical security threat arises in the area of control over its physical assets, facilities and employees. Security personnel and access system are deployed to ease this threat.

#### **Information Security**

The Municipality will ensure that all employees are sensitized on regular basis to fraud and corruption risks related with information security and the utilization of computer resources, particularly access control, & to ensure systems are developed to limit the risk of manipulation of computerized data.

#### **Enforcement**

No Fraud Prevention Plan would be complete without enforcement forming an integral component for instances where fraud and corruption occurs. The implementation and awareness will be achieved through: Monitoring, Creating awareness, Education, Communication, Implementation structure, Adoption and Implementation-This Plan shall take effect on the date of Council resolution. It shall be reviewed as and when required.

#### **4.6.5 ICT**

The municipality has an established ICT Unit, and currently employed the Senior ICT Services Officer and the post for the IT Manager is still vacant and to be filled soon. 2 ICT Desktop Support Technicians are proposed and need to be filled.

The IT General Control Framework has been developed and is expected to be adopted by Council by the 30<sup>th</sup> June 2014. The contents of the policy include the following:

- Information Systems security
- Internet Usage
- Email usage
- Network Usage
- Front End Peripheral Usage
- Physical Access and Environmental Control
- Logical Access control
- Virus Protection and Patch Management
- ICT Fault Reporting and Management
- Acquisition and Provision of IT Resources
- Backup and Restoration
- Network Security
- Risk Management
- Privacy
- Protection of ICT Equipment

The current available IT Infrastructure

- Upgrade of Server infrastructure to blade servers(Virtualization)
- ICT Network upgrade
  - Installation of new Cisco switches
  - Upgrade of network cabling (from cat5e to cat6e)
- Telkom Virtual Private Network Supreme(VPNS)

## CHAPTER 5: KEY DEVELOPMENT PRIORITIES

### 5.1 PRIORITIES, OBJECTIVES AND STRATEGIES

A municipal/Council Strategic planning session was held on 16 to 20 February 2014 to formulate immediate and future development Objectives, Priorities, Targets, strategies and Key Performance Indicators to address the developmental issues and to budget accordingly as identified through community needs analysis. Taking into consideration the limited resources and the scope of service delivery backlogs, priorities' objectives as well as strategies were formulated to address the developmental issues, as per the assessment of the current situational analysis. The subsequent discussion is linked directly to the findings on the Situational Analysis and taken further to realise the developmental vision of the municipality. The focus is intended to achieve appropriate and sustainable delivery of services and create an enabling framework for social and economic development.

#### 5.2.1 BUDGET AND TREASURY

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>SUPPLY CHAIN - ASSET &amp; FLEET MANAGEMENT</b>											
<b>Basic Service Delivery</b>	Municipal Annual Procurement Plan	Preparation of integrated Procurement Plan	Approved Procurement Plan to control and manage municipal procurements of goods and services	To have an approved Procurement Plan 31 July 2014.  Implementation of the approved procurement plan. 30 June 2015	Approved procurement plan by set date	Approved Procurement Plan – 2013/2014	Rolled over projects due to delays on procurement of services to implement such projects	Council approved procurement plan for all departmental units	Procurement Plan Management & Implementation	operational	BTO:SCM unit with departmental units

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>Municipal Financial Viability</b>	Improved Compliance with SCM Regulations & Council policies	Ensure that the monthly Reports are prepared and submitted to Management Team Meeting (MTM) and Council.	Prevention and elimination of irregular expenditure through fully compliance with SCM prescripts.  Proper maintenance of deviation procurements with valid reasons.	To have 12 monthly reports submitted to Management Team Meeting (Mtm), 4 Quarterly reports to STANCO, EXCO and the Council by June 2015	Report to MTM, Management Team Meeting (Mtm) On A Monthly Basis.  Report to standing committee on a quarterly basis	SCM monthly Reports, Deviation register & irregular expenditure register.	Prior year's irregular expenditure.	Suppliers Data-base, Irregular register maintenance, Deviation register, SCM policy reviewed and amended.	Supply Chain Management.	operational	BTO: Supply Chain Management Unit.
<b>Municipal Financial Viability</b>	Movable & Immovable Assets Management	To ensure that the GRAP Compliant Updated Register is Reconciled to General Ledger.	Updated Fixed Asset Register reconciled to general ledger by the 10 <sup>th</sup> of every Month.	4 quarterly reports on assets physical verification.  12 monthly reports on assets reconciliations to General Ledger.  4 quarterly reports on GRAP compliant Asset Register.	Number of Reports to MTM, Management Team Meeting (Mtm) On A monthly basis.  Number Reports to standing committee, Exco and Council on a quarterly basis the Updated Fixed Asset Register	There is an Updated Fixed Asset Register for 2013/2014	Outdated Fixed Assets Register not fully compliant with GRAP compliance.	Physical verification of movable and immovable assets and monthly updating of Assets Register 4 times a quarter.	Fixed Asset management.	operational	BTO: Asset Management Unit together with all other department.
<b>REVENUE AND EXPENDITURE MANAGEMENT</b>											

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>Municipal Financial Viability</b>	<b>Outstanding Debtors Reduction</b>	Reduction Debt to be within ageing of 60 days.	Report debtors ageing on a monthly basis to Management Team Meeting (MTM), Treasury and on a quarterly basis to standing committee, Exco and Council.	Reduction of the debt by 5 M 30 June 2015	Amount of debt reduced by set date	R 48 M	R48 M debt outstanding	Training of current staff on implementation of the debt collection and credit control policy procedures & customer care management  Recruitment of skilled personnel  Seek assistance	Debt Collection & Reduction	2 000 000	BTO – Revenue Management Unit
<b>Municipal Financial Viability</b>	<b>Reconciliation of debtors</b>	Align the Age Analysis with the General Ledger – ensure that there are no variances	12 monthly Reconciliations	Reconciliations Done on a monthly basis by 30 June 2015	Number of monthly debtor's reconciliations	Monthly Reconciliations are done monthly.	N/A	Retaining skilled personnel.  Training of personnel to adapt to changes.	Debtors Reconciliations	operational	BTO – Revenue Management Unit.

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>Municipal Financial Viability</b>	<b>Indigent Support</b>	Identify and support households that are indigent in a municipal jurisdiction.	Report to MANAGEMENT TEAM MEETING(MTM) on a monthly basis  Report to Provincial Treasury on a monthly basis  Report to Standing Committee, Exco and Council on quarterly basis.	Supply 12 613 registered approved indigent beneficiaries by 30 June 2015		12 613 Indigent applicants on the register	2 200 are not benefiting due to insufficient funds	Get Funding and devise Indigent Rehabilitation Plan	Provision and Supply of free basic services to Indigent Beneficiaries.	As per DORA allocations (Equitable Share portion of FBS).	BTO – Revenue Management Unit.
<b>Municipal Financial Viability</b>	<b>Indigent Support</b>	Establish Free Basic Services Steering Committee.	Report to MANAGEMENT TEAM MEETING(MTM) on a monthly basis  Report to Provincial Treasury on a monthly basis	Established Free Basic Services Steering Committee by 30 June 2015	Date of establishment of the committee	None	None	Adherence to municipal council's policy.  Formulation of a team that includes Ward Councillors, Ward Committees	Free Basic Services Steering Committee	operational	BTO – Revenue Management Unit.

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
	<b>Poor collection of rental income i.e. Transido, Itsokolele hostel, Stores, Commonages,</b>	Ensure all municipal properties that are leased are paid for.	Report to MANAGEMENT TEAM MEETING(MTM) on a monthly basis  Report to Standing Committee on a quarterly basis	Leases reviewed and adhered to by 30 June 2015.	Number of leases renewed	There are leases in place	Market Value Rental Review has not been done	Adherence to municipal council's policy and reviewing of leases	Review of Rental Properties	operational	BTO
<b>Municipal Financial Viability</b>	<b>Charge interest on outstanding debt</b>	Encourage customers that owe municipal services to make payment before their debt incurs interest	Report to MANAGEMENT TEAM MEETING (MTM) on a monthly basis.  Report to Treasury on a monthly basis.  Report to Standing committee on a quarterly basis.	Levy of Interest on outstanding debtors by 30 June 2015	Amount of interest levied	Interest is charged on arrear accounts	N/A	Adherence to municipal policy and MFMA	Charging of Interest on arrear accounts	operational	BTO

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>Municipal Financial Viability</b>	<b>Staff Training</b>	Ensure that the staff in the department are trained for relevant courses	Report to MANAGEMENT TEAM MEETING (MTM) number of staff that needs to be trained.	Training of Revenue and Expenditure staff done by 30 June 2015	No of trained staff	9 Employees are training MMC	8 Employees need to be trained	Registering employees through SAQA Accredited Academic Institutions	MMC Training Programme	FMG Funding	BTO
<b>BUDGET PLANNING AND FINANCIAL REPORTING</b>											
<b>Municipal Financial Viability</b>	<b>Submission of monthly, quarterly and mid-year reports</b>	Ensure all we fully comply with MFMA – with regards to reports that need to be submitted.	12 reports per year submitted to Management Team	Submission of monthly reports to National Treasury, Provincial Treasury and mayor on the 10 <sup>th</sup> of every month	Number of reports submitted timously.	Monthly submission	None	Abacus Financial System/ Corvu/personal by the 10th working day of the following month	Reports submitted to National Treasury as required to National and Provincial i.e. section 71, 72 by 30 June 2015	operational	Budget and Treasury Office
<b>Municipal Financial Viability</b>	<b>Submission of monthly, quarterly and mid-year reports</b>	Ensure all we fully comply with MFMA – with regards to reports that need to be submitted.	4 reports per year submitted to Management Team	Submission of quarterly reports National Treasury, Provincial Treasury by 30 June 2015	Number of reports submitted	Quarterly reports	None	Abacus Financial System/ Corvu/personal by the 10th working day of the following quarter	Reports submitted to National Treasury as required to National and Provincial i.e. quarterly reports section 52 (d)	operational	Budget and Treasury Office



KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>Municipal Financial Viability</b>	<b>Submission of monthly, quarterly and mid-year reports</b>	Fully compliance with the requirements of the MFMA on monthly, quarterly and mid-year reports.	One annual report submitted Management Team.	One annual report to be reported to National Treasury, Provincial Treasury by 31 March 2015.	Number of report submitted by set date	Bank account completed forms on an Annually basis	None	Abacus Financial System/ Corvu/person al before the 30 June each year	Reports submitted to National Treasury as required to National and Provincial i.e. annual details of bank accounts	operational	Budget and Treasury Office
<b>Municipal Financial Viability</b>	<b>Submission of monthly, quarterly and mid-year reports</b>	Fully compliance with the requirements of the MFMA on monthly, quarterly and mid-year reports.	4 reports submitted to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	4 withdrawal reports to be submitted to the Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury on a quarterly basis by 30 June 2015	Number of submitted report to the Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury on a quarterly basis.	Withdrawal report submitted on a Quarterly reports	None	Abacus Financial System/ Corvu/person al by the 10th working day of the following quarter	Reports submitted to National Treasury as required to National and Provincial i.e. withdrawal report	operational	Budget and Treasury Office

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>Municipal Financial Viability</b>	<b>Submission of monthly, quarterly and mid-year reports</b>	compliance with the requirements of the MFMA on monthly, quarterly and mid-year reports.	Submit 1 annual report to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury	One annual report to be submitted to Management Team, Standing Committee, EXCO, Council and National and Provincial by the 25 <sup>th</sup> January.	Date of Submission of annual report	Annual report submitted by the 25 <sup>th</sup> January to Council, National and Provincial Treasury.	None	Abacus Financial System/ Corvu/personal by the 25th January each year	Submission of mid-year report	operational	Budget and Treasury Office
<b>Municipal Financial Viability</b>	<b>Submission of monthly, quarterly and mid-year reports</b>	Fully compliance with the requirements of the MFMA on monthly, quarterly and mid-year reports.	Submit 12 monthly reconciliations to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury	12 monthly reconciliations to be submitted to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury by the 10th of the following month.	Number of submitted monthly reconciliation	Submitted Bank reconciliation monthly basis to National Treasury.	none	Abacus Financial System/ Corvu/personal by the 10th working day of the following month.	Completion of recons on a monthly basis and adherence to MFMA	operational	Budget and Treasury Office

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>Municipal Financial Viability</b>	<b>Submission of monthly, quarterly and mid-year reports</b>	Fully compliance with the requirements of the MFMA on monthly, quarterly and mid-year reports.	Submit 12 monthly investment reports to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury	12 monthly investment register to be submitted to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury by the 10 <sup>th</sup> working day of the	Number of submitted monthly month.	Submitted Investment register to National Treasury on a monthly basis	none	Abacus Financial System/ Corvu/person al by the 10th working day of the following quarter	Completion of recons on a monthly basis and adherence to MFMA	operational	Budget and Treasury Office
<b>Municipal Financial Viability</b>	<b>Submission of monthly, quarterly and mid-year reports</b>	Fully compliance with the requirements of the MFMA on monthly, quarterly and mid-year reports.	Reviewal of budget related policies and submit to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Development and annual review of policies within the legislative prescripts of MFMA, MSA, MPRA and nt Guidelines by 30 June 2015	Number of reviewed policies Number	Submitted and reviewed policies to National Treasury.	None	Review of policies on an annual basis and adherence to MFMA	Budget related management policies	operational	Budget and Treasury Office

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>Municipal Financial Viability</b>	<b>Loan Register</b>	Ensure that loans that were taken are being serviced	Servicing of taken loans and reporting to Management Team, Standing Committee, EXCO, Council and National Treasury.	Repayments of loans taken and reported to Management Team, Standing Committee, EXCO, Council, National and Provincial Treasury by the 10 <sup>th</sup> of the following month.	Paid loan reported to Management Team, Standing Committee, EXCO, Council and National Treasury by the 10 <sup>th</sup> working day of the following month.	Statement from the funder	none	Abacus Financial System / Corvu/personal by the 10th working day of the following month	Completion of recons on a monthly basis and adherence to MFMA	operational	Budget and Treasury Office
<b>Municipal Financial Viability</b>	<b>Submission of monthly, quarterly and mid-year reports</b>	Fully compliance with the requirements of the MFMA on monthly, quarterly and mid-year reports.	Submit 12 monthly reconciliation reports to Management Team, Standing Committee, EXCO, Council and National and Provincial	12 monthly reconciliation to be submitted to Management Team, Standing Committee, EXCO, Council and National and Provincial	Number of submitted monthly to Management Team, Standing Committee, EXCO, Council and National Treasury by the 10th working day	Submitted to National Treasury on a monthly basis	None	Abacus Financial System/ Corvu/personal by the 10th working day of the following month	Completion of recons on a monthly basis and adherence to MFMA	operational	Budget and Treasury Office

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>Municipal Financial Viability</b>	<b>Submission of monthly, quarterly and mid-year reports</b>	Fully compliance with the requirements of the MFMA on monthly, quarterly and mid-year reports.	Submit monthly Financial Statements to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury	12 monthly financial statements to be submitted to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury by the 10 <sup>th</sup> working day	Number of submitted monthly financial statements to Management Team, Standing Committee, EXCO, Council and Provincial Treasury by the 10 <sup>th</sup> working Report to Management	Submitted monthly Financial Statements to Management Team, EXCO, Standing Committee, Council and National Treasury and Provincial Treasury.	None	Abacus Financial System/ Corvu/person al by the 10th working day of the following month	Completion of financial statements on a monthly basis and adherence to MFMA	operational	Budget and Treasury Office
<b>Municipal Financial Viability</b>	<b>Multi-year budget</b>	Ensure that the municipality reports on its spending patterns as at 31 December and adjust the budget if there is a need	Submit Time schedule to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury	One time schedule submitted to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury by for the next financial year 10 months before start of new financial year	Number of submitted reports to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury 10 months before start of new financial year.	Submitted Time schedule to Management Team, EXCO, Standing Committee, Council and National and Provincial Treasury.	None	Abacus Financial System/ Corvu/person al	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>Municipal Financial Viability</b>	<b>Multi-year budget</b>	Ensure that the municipality reports on its spending patterns as at 31 December and adjust the budget if there is a need	Submit tabled annual budget to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Submit tabled budget 90 days before of the new financial year to Management Team, Standing Committee, EXCO, Council and National and Provincial	One tabled budget reported to Management Team, Standing Committee, EXCO, Council, National and Provincial Treasury.	Submitted tabled budget to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury by the 31 <sup>st</sup> March.	None	Abacus Financial System/Corvu/personal	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office
<b>Municipal Financial Viability</b>	<b>Multi-year budget</b>	Ensure that the municipality reports on its spending patterns as at 31 December and adjust the budget if there is a	Public meeting	No of public held during each financial year	Report to Management Team, Standing Committee, EXCO, and Council	Public meeting	None	Abacus Financial System/Corvu/personal	Adherence to municipal council policy and MFMA	R200 000	

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>Municipal Financial Viability</b>	<b>Multi-year budget</b>	Ensure that the municipality reports on its spending patterns as at 31 December and adjust the budget if there is a need	Submit tariff setting to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Submit the tariff setting 30 days before the start of the new financial year to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	One tabled tariff of chargers reported to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Submitted tariff of charges to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	None	Abacus Financial System/Corvu/personal	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office
<b>Municipal Financial Viability</b>	<b>Multi-year budget</b>	Ensure that the municipality reports on its spending patterns as at 31 December and adjust the budget if there is a need	Submit Aligned budget with IDP to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Submit 90 days before the start of the new financial year to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Date of submission of Aligned budget with IDP to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	of the Aligned budget with IDP to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	None	Abacus Financial System/Corvu/personal	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>Municipal Financial Viability</b>	<b>Standard budget return form</b>	Provide the managers with template or guidance on budgeting for each year	Submit standard budget return form to Management Team 10 months before start of new financial year.	Submit the return forms to Management Team by 31 October of each financial year	Submit standard budget return form to Management Team 10 months before start of new financial year.	Submit the completed budget return forms to Management Team.	None	Abacus fs/Corvu/personal	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office
<b>Municipal Financial Viability</b>	<b>Budget Control</b>	Ensure that departments don't spend more than what they have budgeted for	Submit 12 monthly reports to Management Team by the 10 <sup>th</sup> working day of the following month.	Submit number of reports to Management Team.	Submit 12 monthly reports to Management Team by the 10 <sup>th</sup> working day of the following month.	Submit the 12 monthly reports to Management Team.	None	Abacus Financial System/Corvu/personal	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office
	<b>Annual Financial Statements</b>	Ensure that the municipality is able to fairly produce its annual financial statements	Submit one Trail balance to Management Team by the 15 <sup>th</sup> July.	Submit the number of reports to Management Team by the 15 <sup>th</sup> July each year	Submit one Trail balance to Management Team by the 15 <sup>th</sup> July.	Submit the one report to management team.	None	Abacus Financial System/Corvu/personal	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office



KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
	<b>Annual Financial Statements</b>	Ensure that the municipality is able to fairly produce its annual financial statements	Submit one Reconciliation with general ledger to management team.	Submit number of reconciliations with the ledger by the 15th July each year.	Submit one reconciliation with general ledger to Management Team by the 15th July of each month.	Submit one reconciliation with general ledger to Management Team.	None	Abacus Financial System/Corvu/personal	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office
	<b>Annual Financial Statements</b>	Ensure that the municipality is able to fairly produce its annual financial statements	Submit Working papers for year-end transactions and report to Management Team.	Submit to Management Team, Audit Committee and Auditor-General the working papers for the year by the 15th July each year.	Submit Working papers for year-end transactions and report to Management Team.	Submit the working papers for year-end transactions to Management Team, Audit Committee and Auditor-General.	None	Abacus Financial System/Corvu/personal	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office
	<b>Annual Financial Statements</b>	Ensure that the municipality is able to fairly produce its annual financial statements	Submit Accounting policies in respect of statements to the Management Team, Audit Committee and Auditor-General by the 31 <sup>st</sup>	Submit one set of Accounting policies to Management Team, Audit Committee and Auditor-General by the 31 <sup>st</sup> August.	Submitted accounting policies to Management Team, Audit Committee and Auditor-General by the 31 <sup>st</sup> August.	Submitted accounting policies to Management Team, Audit Committee and Auditor-General by the 31 <sup>st</sup> August.	None	Abacus Financial System/Corvu/personal	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Municipal Financial Viability	Annual Financial Statements	Ensure that the municipality is able to fairly produce its annual financial statements	Submit GRAP compliant Statements to Management Team, Audit Committee and Auditor-General by the 31 <sup>st</sup> August of each year.	Submit one set of GRAP Compliant Statements to Management Team, Audit Committee and Auditor-General by the 31 <sup>st</sup> August.	Submitted GRAP Compliant Statement to Management, Audit Committee, and Auditor-General by the 31 <sup>st</sup> August.	Submitted GRAP Statements to Management Team, Audit Committee and Auditor-General.	None	Abacus Financial System/Corvu/personal	Adherence to municipal council policy and MFMA	R220 000	Budget and Treasury Office
	Annual Financial Statements	Ensure that the municipality is able to fairly produce its annual financial statements	Submit GRAP compliant Annual Financial Statements to Management Team, Audit Committee, Auditor-General, National and Provincial Treasury by the 31 <sup>st</sup> August.	Submit one set of GRAP compliant Annual Financial Statements to Management Team, Audit Committee, Auditor-General, National and Provincial Treasury by the 31 <sup>st</sup> August of each year.	Submitted GRAP Compliant Annual Financial Statements to Management Team, Audit Committee, Auditor-General, National Treasury and Provincial Treasury by the 31 <sup>st</sup> August..	Submitted GRAP compliant Annual Financial Statements to Auditor-General, National and Provincial Treasury.	None	Abacus Financial System/Corvu/personal	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>Municipal Financial Viability</b>	<b>Audit Report</b>	Ensure that the municipality is able to fairly produce its annual financial statements	Clean operating governance	Achieve a Clean Audit Report issued by the Auditor-General and submit it to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Achieved Clean Audit Report issued by the Auditor-General and submitted to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Achieved Clean Audit Report submitted by the Auditor-General.	None	Abacus Financial System/Corvu/personal	Adherence to municipal council policy and MFMA	R4 000 000	Budget and Treasury Office
<b>Municipal Financial Viability</b>	<b>Compliance with SCOA regulations</b>	Implementation of and adherence to SCOA regulations	Compliance to SCOA	Adherence to SCOA regulations	dates	Alignment of municipal system with Regulations	None	Abacus Financial System/Corvu/personal	SCOA Regulations	2 000 000	Budget and Treasury Office

### 5.2.2 COMMUNITY SERVICES DEPARTMENT

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>ENVIRONMENT, CONSERVATION AND WASTE MANAGEMENT</b>											
Basic Service Delivery	Environmental Management	To facilitate Game translocation to Matatiele Nature Reserve	Herd of 70 Burchell's Zebra.	To source 70 Burchell's Zebra by 30 June 2015	Number of zebra	One male Burchell's Zebra	A herd 69 Burchell's Zebra	Apply for game species donation	Game translocation	MDTP Funding	Community Services
Basic Service Delivery	Promotion of environmental management and nature conservation	To construct 10 chalets in the Nature Reserve	10 Chalets	Construction of 10 Chalets by 30 June 2015	Number of Chalets constructed	One 6 bedded chalet	10 chalets	Apply for funding assistance	Chalets construction	Possible funders (MDTP, DEA, DEDEAT,	Community Services
Basic Service Delivery	Environmental Management and Climate Change	To construct new landfill site cells	3 Landfill cells	To construct 3 landfill refuse cells by 30 June 2015;	Number of landfill cells constructed	3 landfill cells in site (nearly extinct)	N/A	Source the service provider for construction through procurement process	Landfill cells construction	(CRR) R 3 500 000.00	Community Services
Basic Service Delivery	Environmental Management and Waste	To curb illegal dumping sites in Matatiele	Elimination of illegal dump sites	To identify and eradicate illegal dumping by	Monthly reports	08 illegal dumps in Matatiele and one in	None	By-law enforcement and conducting awareness	Control of illegal dumping	DEA Funding	Community Services
Basic Service Delivery	Environmental Management	Establishment of one recreational park	Recreational park	Establish one recreational park in ward 19 by 30 June 2015	Established recreational park	Site has been identified for establishment of park	No existing park	Utilise Department of Environmental Affairs funds for construction	Park establishment	DEA Funding	Community Services
Basic Service Delivery	Environmental Management and conservation	To construct the Nature Reserve Gateway Complex Office	Reserve Gateway Office Complex	To construct Reserve Gateway Office	Completed and operational structure	Site has been identified and building plans approved	No existing Nature reserve staff offices	Utilise Department of Environmental Affairs funds for construction	Nature Reserve Gateway Office Complex Construction	DEA Funding	Community Services

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Basic Service Delivery	Development of a burial register/ management system	To purchase and install electronic burial management system	Electronic Burial Management system	To install the burial management system by 30 June 2015	Installed burial system for Cemeteries in wards 01, 19 and 26	Burial system is done manually	No electronic management system	Appoint service provider to install system and train relevant personnel	Electronic burial management system	R500 000	Community Services
EPWP											
Basic Service Delivery	Job Creation	To create 636 jobs in the 2014/15 financial year	636 beneficiaries to be contracted	390 Nkhoesa` Mofokeng; 156 Rea Hloekisa and 90 Food for Waste by 30 June 2015	636 beneficiaries identified and contracted	766 EPWP beneficiaries	None	Create EPWP jobs	Nkhoesa Mofokeng, Rea Hloekisa and Food for Waste Programme	R1 093 500.00 (CRR)  R4.48m (EPWP Grant)	Community Services
PUBLIC SAFETY											
Basic Service Delivery	Test all grades of Drivers Licences	To upgrade the testing ground to Grade A	Grade A testing station	Complete Surfacing of Grade A testing ground by 30 June 2015	Tarred testing surface	Grade D testing station	No grade A testing station	Source a contractor to conduct surfacing of testing ground	Surfacing of Grade A Testing Ground	R 1 500 000	Community Services
Basic Service Delivery	Supply fire, rescue and disaster services to all 26 wards	To provide immediate response when fire, disaster and accidents occur	Rescue, Fire and Disaster management services for entire MLM area	1. 260 staff trained by 30 June 2015 2. Purchase heavy duty fire tender by 30	1. Number of staff trained 2. Date of Acquired heavy duty rural fire	<ul style="list-style-type: none"> <li>207 volunteer staff trained</li> <li>Medium fire tender</li> <li>Work</li> </ul>	N/A	1. Training of additional staff 2. Acquire a heavy duty rural fire tender 3. Emergency feed	1. staff training 2. Purchase of new rural heavy duty fire tender. 3. purchase equipment 4. Establishing of a	R 100 000 R1 500 000 R1 500 000 R250 000	Community Services

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
				June 2015  3. Purchase a Tractor, lasher & Bailer by 30 June 2015  4. Have an operational 24hr control room by 30 June 2015	tender  3.Date of acquisition of a tractor, lasher and bailer  4. Establishment of a dedicated 24hr control room.	<i>contracted out</i> • <i>Dayshift control room operational</i>		for live stock available and to conduct own bailing for emergency feed During disasters.  4. Coordinated operations for all emergencies and channel for community to report incidents.	disaster, fire & rescue management 24hr control room		
Basic Service Delivery	Monitoring of Hot spot crime areas	To procure and install 10 CCTV cameras	CCTV coverage on all 26 wards	To have 10 CCTV cameras installed in Maluti, Matatiele & Cedarville by 30 June 2015	Number of cameras installed	No existing cameras	No CCTV Cameras	Install 10 CCTV cameras throughout town linked to the control room	Installation of CCTV Cameras - Phase One	R800 000	Comm. Services
Basic Service Delivery	Regulate the parking areas	To regulate and control parking	Metered parking	10 Parking meters erected in North street by 30 June 2015	number of parking meter installed	No parking meters	Parking meters for entire town of Matatiele	Implement the parking meter by 30 June 2015	Acquire parking meters	R 500 000	Comm. Services
Basic Service Delivery	facilitate road marking and signage to be completed adequately	To purchase an LDV for road markings and signs.	Lack of dedicated LDV for road marking	To purchase LDV by 30 June 2015	Acquisition of LDV and clearly marked road signs	No road marking vehicle	One dedicated vehicle for road sign and painting	Procurement of the vehicle.	Road markings & signage vehicle	R 150 000	Comm. Services

### 5.2.3 CORPORATE SERVICES DEPARTMENT

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
HUMAN RESOURCES MANAGEMENT UNIT											
Municipal Institutional Transformation and Development	The development and implementation of Staff Establishment.	To plan, design and provide a sustainable human capital establishment as well as quality human resources for the Municipality respectively	Human capital needs of the organisation	Approval of a reviewed Staff Establishment by 30 June 2015	Approved Reviewed staff Establishment by set date through council resolution	2014/15 approved Staff Establishment.	Not all departmental human capital needs are met.	To utilise both internal and external resources for attainment of this objective	Review of staff Establishment	R 50 000	Corporate Services
Municipal Institutional Transformation and Development	Employment of appropriately qualified Human Capital			5 employees capacitated as job evaluation practitioners by 30 June 2015	Number of employees capacitated by set date	SALGA Job evaluation policy	No job descriptions Evaluated	To participate in the district job evaluation structure	Job Evaluation	200 000.00	Corporate Services
Municipal Institutional Transformation and Development	Capacitated Human Capital	To Capacitate, develop, manage and maintain municipal human capital.	Need for the municipal work force to be trained	12 training programs to be rolled out by 30 June 2015	Number of trainings to be rolled out by set date	Work Skills Plan in place	12 training programs	Utilization of service providers and in house trainings	Training of Human Capital	900,000.00	Corporate Services
Municipal Institutional Transformation and Development	To have a conducive working environment	To enhance performance	Improved performance by staff	Have 6 workshops on HR policies done by 30 June 2015	Number of Workshops conducted by set date	Reviewed HR policies	No workshop on HR policies conducted	Workshops to be conducted by HR unit	Performance Enhancement Workshops	operational	Corporate Services
Municipal Institutional Transformation and Development	Cascading IPMS across the full spectrum of the municipal work force	To enhance Human capital utilization, productivity and performance measurement	Optimal human capital utilization and measurement of performance	Have performance plans and agreements for developed and implemented from coordinator s (TASK grade	Number of performance plans and agreements signed	Individual performance management system policy in place	No performance agreements and plans in place	Utilisation of HR Unit Personnel	Development of performance plans and agreements	operational	Corporate Services

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
				14) up to senior officer I (TASK grade 11) by 30 June 2015.							
Good governance and public participation	Employee health, safety, wellness and assistance programme	To provide a healthy, safe, secure and a productive work environment.	Healthy, safe ,secure and a productive work environment	To roll out health ,safety and wellness programmes by 30 June 2015	Number of programmes rolled out by 30 June 2015	Employee health and safety, workplace HIV/AIDS and EAWP policies in place	Absence of a conducive environment for effective management of health, safety and wellness issues	Utilisation of internal and external resources	Occupational health ,safety, wellness and employee assistance	R550 000	COPORATE SERVICES
Good governance and public participation	Human Capital development plan	To develop an annual workplace skills plan(WSP)	Capacity building for human capital	To facilitate and monitor formulation o f WSP	Issued and returned of completed skills audit questionnaires	Training budget and training policy are in place	none	Utilisation of skills development facilitation office of the municipality	Work place skills plan development	operational	COPORATE SERVICES
<b>COUNCIL SUPPORT UNIT</b>											
Good governance and Public participation	Engage community in Municipal Affairs	To create an enabling environment for community participation in Municipal Affairs	Establishment of Public Participation Ward Fora	Establishment of Public Participation of 26 Ward Fora by 30 June 2015	Number of Public Participation Ward Fora by set date	Ineffective Matatiele Local Municipality Public Participation Forum	None availability of Public Participation Ward level Fora	Engage Municipal stakeholders	Establishment Public Participation of Ward Fora	1,000,000.00	Corporate Services
Good governance and Public participation	Properly managed Customer care, Complaints & petitions system	To provide a Proactive, effective and efficient Customer care, Complaints &Petitions management system within the Municipality	A need to Assess customer satisfaction within the municipal area	Conduct customer satisfaction Survey by 30 June 2015	Number of participants in the customer satisfaction survey	Customer care policy , public participation and petitions policy are in place	No customer satisfaction surveys conducted	Use of a service provider and Stakeholder engagement and involvement	Customer Satisfaction Survey	500,000.00	Corporate Services
Good governance	Harmonious and congruent	To provide efficient and effective	Enhancement of Public	Quarterly meetings held	Number of meetings per	Stakeholder engagement	Ineffective and uncoordinated	Systemic coordination of all	Ward Stakeholders meetings coordination	100,000.00	Corporate Services



KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
and Public participation	governance internal stakeholders support environment	support services to the Municipal Councillors, Traditional Leaders, Ward Committee Members, Community Development Workers (CDWs) and Ward support assistants( Governance Stakeholders)	Participation	by 30 June 2015	set date	and mobilization policy as well as public participation policy are in Place	meetings of ward structures	meetings and involvement of all internal governance stakeholders by Council Support unit.			
<b>ADMINISTRATIVE SUPPORT UNIT</b>											
Municipal Institutional Transformation and Development	Secure and proper record-keeping and paperless work environment	To create a well-structured records and information management system	a well structured records and information management environment and Electronic archiving	Final Adoption of the records and information Policy by council by 30 June 2015	Policy approved by council by set date	Policy being scrutinised by the EC Provincial Archives	Pre adoption of policy by the council	Application of the latest information and records management technology	Records and Information Management	operational	Corporate Services
Municipal Institutional Transformation and Development	Efficient and effective implementation of governance system	To deliver an efficient and effective support to the functioning of the council and its committees	Compliance with the Rules and orders of the council	To facilitate the sitting of governance and oversight structures meetings in terms of the adopted annual calendar of meetings and Rules and Orders d the council by 30 June 2015	Number Of Meetings Held As Per The Annual Calendar of meetings	Rules and Orders of Council Annual Calendar of meetings	Lack of adherence to the annual calendar of meeting and lack of a quorum at meetings	implementation of annual calendar of meetings and monitoring of compliance with Rules and Orders of council	Facilitation of sitting of governance and oversight structures meeting meetings	operational	Corporate Services
Municipal	Safe and Secure	To provide safety	Provision of	To monitor	Number of	Service	Sub standard	Use of security	Safety and Security	R4 285 287	Corporate

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Institutional Transformation and Development	environment for municipal property and human resource	and security for the Municipal property and human resources	security services to the municipal property and human resources	the provision security services on key municipal premises by 30 June 2015	monthly reports	provider appointed	performance of the service provider	services to safeguard Municipal property and human resources			Services
Municipal Institutional Transformation and Development	Satisfactory rendering of all auxiliary services to recipients	To coordinate provision of all auxiliary services within the Municipality	Provision of efficient and effective auxiliary services within the municipality	Monitor of all auxiliary services within the Municipality by 30 June 2015	Number of monthly reports on services renders	Appointed staff for rendering services and schedules	Telephone misuse, untidy offices, misuse of messenger vehicles	Provision of the appropriate equipment and tools of trade to the employees	Monitoring of Auxiliary Services	Operational	Corporate Services
<b>LEGAL SERVICES UNIT</b>											
Good governance and Public Participation	Proper contractual management and consistent legal environment	To provide effective legal drafting and contract management services for the Municipality	Contractual Management	Development of a contract management data base by 30 June 2015	Developed Contract management register	Contracts and lease agreements and procurement plan are in place	No contract management data base in place	Use of legal services unit	Contract management data base	operational	Corporate Services
Good governance and Public Participation	Legally compliant acts of the Municipality and the public	To foster compliance with legal requirements Of the law	Compliance With The Prescripts Of The Law	To have 20 by –laws adopted and Gazetted by 30 June 2015	Number of by-laws adopted and gazetted by set date	Draft By-laws in place	By-laws that are outdated, need to be approved	Utilise internal and external legal resources	Review and development of By-laws	R100 000.00	Corporate Services
Good governance and Public Participation	Effective legal protection of the Municipal interests	To provide an effective litigation services in defence of the interests of the Municipality	Defence of the interests of the municipality	Development and adoption of litigation strategy by 30 June 2015	Adopted strategy by set date	external referral of litigation matters	Litigation strategy is not in place	Deployment of internal and external legal resources	Development of a litigation strategy.	operational	Corporate Services
Municipal Institutional Transformation and Development	Legally acceptable property registration and	To render effective real estate management services for the	Registration of properties	Registration of all municipal properties by the 30 June	Proof of registration of all municipal property by	Majority of properties registered under the	20 Properties not registered	Use of conveyances	Property Registration	500,000.00	Corporate Services

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
	proof of ownership	Municipality		2015	the set date	municipality					
ICT UNIT											
Municipal Institutional Transformation and Development	Efficient and balanced ICT governance framework	To provide effective and efficient ICT governance	Compliance with the DPSA ICT governance framework	<i>To have an approved ICT governance framework by council by 30 June 2015</i>	<i>Approved ICT governance framework</i>	<i>ICT General Control Framework in place</i>	No IT governance framework in place	Use of internal and external resources	Development of an ICT governance framework	operational	Corporate Services
Municipal Institutional Transformation and Development	fully functional ICT systems	To provide a reliable and effective ICT infrastructure and systems administration	Fully functional ICT systems	To have upgraded network infrastructure equipment by 30 June 2015	Acquisition of new servers and network equipment	Service provider appointed	Sites are not linked	Deployment of internal and external resources	ICT Infrastructure Upgrade	2 000 000	Corporate Services
Municipal Institutional Transformation and Development	Effective and reliable user support environment	To provide timely; efficient and effective user support services	A need for provision of quick service to the users	To establish a fully functional help desk system by 30 June 2015	Functional help desk by set date	Incident Management Policy is in place	There's no call logging Management software system	Deployment of an effective user-support management system	End-user computing support	200 000	Corporate Services

#### 5.2.4 ECONOMIC DEVELOPMENT AND PLANNING

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>DEVELOPMENT PLANNING: FUTURE PLANNING</b>											
Spatial Rationale	Investment Attraction	To develop a precinct plans for nodal areas	Inability to attract investment to Cedarville	Approved Cedarville Precinct Plan by 30 June 2015	Approved precinct plan by date.	2011 SDF	Small town urban decay	Appointment of the Service Provider	Cedarville Precinct Plan	R350 000.00	EDP: Development Planning
<b>KEY FOCUS AREA: LAND USE MANAGEMENT</b>											
Spatial Rationale	Land availability for Residential Housing Development	To provide land for middle income housing	Planning & Survey for 2000 middle Income sites in Matatiele	Draft layout recommended by Council by June 2015	Draft layout completed by date.	2011 SDF.	High demand for middle income residential sites	Future spatial planning	Planning & Survey - Cedarville Middle Income township.	500 000.00	EDP: Development Planning
Spatial Rationale	Land availability for Residential Housing Development	To open a township register for Area M Township.	Area M Township registration	Open Township Register for Area M by 30 June 2015	Opened Township register by date	Township approval in place	The opening Township Register for Area M	Appoint a Conveyancer	Area M Township register	50 000.00	EDP: Development Planning
Spatial Rationale	Ensure full compliance with the Town Planning Scheme by 2017	To process rezoning and special consent applications within days of receipt	Process rezoning applications within 60 days	Process rezoning, applications within 60 days	Turnaround time for processing applications	60 days	None	Ensure functionality of the Development applications approval committee	Processing of rezoning applications within 60 days	Operational	EDP: Development Planning

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Spatial Rationale	Town Planning Scheme compliance	To process subdivision and consent applications within 60 days turnaround time	Processing of subdivision and consent applications within 60 days	Processing of subdivision and consent applications within 60 days	Number of days (Turnaround time) for approval of Subdivision applications	60 day turnaround time	none	Ensure functionality of the development applications approval committee	Processing of subdivision and consent applications within 60 days	Operational	EDP: Development Planning
Spatial Rationale	Town Planning Scheme Compliance	Enforce compliance with the Town Planning Scheme by 2017	Need to manage town planning contraventions	Compliance notices served within one week of identification	Turnaround time to issue notices	Conducted site inspections, LUMS By-Law	Town Planning Scheme Contraventions (illegal land uses)	Use of internal resources	Serving of compliance notices within one week of identification.	Operational	EDP: Development Planning
Spatial Rationale	Town Planning Scheme Compliance	To formulate Policies in line with the relevant legislation	Formulation of land use enforcement policies	Approved Scrapyard and Panel Beating Policies by 30 June 2015	Approved policy by date	2013 LUMS	6 land use enforcement policies	Develop new policies in line with relevant legislation	Development of Scrapyard and panel beating policy	Operational	EDP: Development Planning
				Approved Car Wash Policy by 30 June 2015	Approved policy by date	2013 LUMS	6 land use enforcement policies	Develop new policies in line with relevant legislation	Development of the Car Wash policy	Operational	EDP: Development Planning
Spatial Rationale	Upgrading of tenure rights	To upgrade land tenure rights for Maluti	No title deeds for Maluti township.	Registration of 1241 Title by	Number of Registered title Deeds by	Deed of grants available	1241 Unregistered Title Deeds	Facilitate speedy land donation of	Maluti Land Tenure Upgrading	R1.2ml	EDP: Development Planning

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
		Township		June 2015	date			erf 1 Maluti			
Spatial Rationale	Monitoring of Encroachments	To re-locate survey beacons in existing townships	High encroachment incidents	Re-location of Survey Beacons by 30 June 2017	Surveyor's report and re-located pegs	Approved Surveyor-General Diagrams in place	encroachments in Area C, Dark City and other townships	Appoint Land Surveyor	Re-location of Survey Beacons	1.5 million	EDP: Development Planning
<b>KEY FOCUS AREA: LAND ADMINISTRATION</b>											
Spatial Rationale	Land Development	To avail land for development within the Municipal area	Need to manage expansion of the town	60 sites to be disposed by 30 June 2015	Disposed 60 sites by set date	Approved Land Management Plan in place	Shortage of land for future development	Valuation and disposal of identified municipal sites	Disposal of Municipal sites	100 000.00	EDP: Development Planning
<b>KEY FOCUS AREA: OUTDOOR ADVERTISING</b>											
Spatial Rationale	Outdoor advertising	To Monitor compliance with the Advertising By-Law	Illegal signage	Enforce compliance with the outdoor advertising By Law by June 2015.	Number of days (Turnaround time) to approve applications	Outdoor advertising signage By-Law in Place	Out Door Advertising Contraventions	Use service provider	Management of Outdoor advertising	Operational	EDP: Development Planning
Spatial Rationale	By-Law Review	To review the Land Use By-Law	Outdated Land Use By Laws	Review of Outdoor Advertising by law by 30 June 2015	Reviewed Outdoor Advertising by law by date	2011 Outdoor Advertising by law	Outdated Outdoor Advertising By Law	Use internal resources	Outdoor Advertising By Law review	Operational	EDP: Development Planning

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>KEY FOCUS AREA : SMME SUPPORT &amp; AGRICULTURE</b>											
Local Economic Development	SMME Support – Agriculture infrastructure	To develop emerging red-meat farmers to Commercial livestock farmers	Need for water troughs construction in Cedarville camps	To construct eight water troughs in eight Cedarville camps by June 2015	Number of camps with water Number of water troughs constructed by set date	Eight feed lot camps in place	Under-developed emerging red meat farmers.	Appoint a service Provider	Cedarville emerging farmers Water troughs construction.	200, 000.00	EDP:LED
Local Economic Development	SMME Support – Agriculture infrastructure	To provide agriculture infrastructure – grain storage facilities	Need for grain storage facility	Construction of a grain storage facility by 30 June 2015	Constructed facility by date	Available maize producers	Shortage of maize storage facilities	Outsource	Construction of Matatiele grain storage facilities	1000 000 00	EDP:LED
Local Economic Development	SMME Support: crop production.	To support SMMEs in crop production	Need for massive food production	To support the planting of 100 hectares by 30 June 2015.	Number of hectares planted by set date	1 000 hectares planted by DRDAR and World Vision	Insufficient support to SMME s in crop production	Appoint a service provider	SMME Cropping programme	1 100 0000.00	EDP:LED
Local Economic Development	SMME Support-	To provide security for arable lands.	Need to fence 3 000 hectares of arable land.	To fence 40 hectares of arable land by June	Number of fenced hectares.	1 000 hectares fenced by DRDAR	2 000 hectares of arable land	Use local labour - EPWP	Fencing of arable land.	250 000 00	EDP:LED

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
				2015.							
Local Economic Development	Household food security	To support poverty relief	High % of rural poverty	To support 200 households to grow vegetables for food security by June 2015	Number of households planted with vegetables for food security	5000 household gardens ready for planting	5000 households with no food security	Household level planting	Household food security gardens	20 000.00	EDP:LED
Local Economic Development	SMME support on Agriculture and Forestry sectors	To support forestry enterprises with Environmental Impact assessments (EIAs) studies	Insufficient financial support towards forestry EIAs	To compile EIAs for afforestation programme by 30 June 2015	Completed EIA by date	Existing Afforestation programme in 8 wards	Need financial support for forestry enterprises	Appoint a service provider	Forestry Environmental impact assessments.	180 000.00	EDP:LED
Local Economic Development	LED SMME/Cooperative support	To support Cooperatives with training.	Low skills base	To train forty SMMEs by 30 June 2015	Number of cooperatives trained by date	Sixty Registered Cooperatives	200 enterprises need training	Capacity building to Cooperatives	Training of cooperatives	200 000 00	EDP-LED
Local Economic Development	LED SMME support	To develop an SMME sector plan	Need for a strategy to guide the SMME sector development	To compile SMME sector plan 30 June 2015	Completed plan by date	Existing LED strategy	Lack of entrepreneur development	Appoint a service Provider	SMME Sector plan	200 000.00	EDP:LED
Local Economic Development	SMME Support - Informal Sector	Infrastructure support for Informal Sector	Need for informal sector trading infrastructure	To construct hawkers stalls for informal traders by 30 June 2015	Completed hawkers stalls by date	Informal trading policy in place	Poor infrastructure supporting the informal sector	Appoint a service provide	Construction of Hawker Stalls	500 000. 00	EDP:LED



KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Local Economic Development	Destination Marketing	To market Matatiele as an destination of choice	Need to increase the number of tourists visiting Matatiele	To host the Matatiele Music Festival by 30 June 2015	Festival hosted by date.	Matatiele Music Festival hosted for three years	Lack of Investment attraction	Forge partnership with the private sector/Marketing	Matatiele Music Festival	1 500 000.00	EDP:LED
				To host Matatiele Fees by 30 June 2015	Fees hosted by date	Matatiele Fees hosted for more than five years	Lack of Investment attraction	Investment attraction /Marketing	Matatiele Fees	125 000.00	EDP:LED
				To host Tourism month celebration event by 30 June 2015	Tourism celebrations hosted by date	Tourism month celebrations hosted for two years	Lack of Investment retention in Matatiele	Investment attraction /Marketing	Tourism month celebration	100 000.00	EDP:LED
				To support Tourism product owners to showcase products at the Tourism Indaba by June 2015	Number of Tourism product owners marketed in the event	Tourism Indaba is hosted as an annual event	Lack of marketing opportunities for tourism product owners in Matatiele	Investment attraction/Marketing	Tourism product owners support	25 000.00	EDP:LED
Local Economic Development	Destination Marketing	To market Matatiele as an investment destination of choice	Marketing of Matatiele as investment of choice	Provide support to Mehlooding Heritage event by	Date of hosting Mehlooding Heritage event	Mehlooding Trust	Lack of support on tourism programmes	Investment attraction /Marketing	Mehlooding heritage event	125 000 00	EDP:LED

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
				30 June 2015							

### 5.2.5 INFRASTRUCTURE SERVICES

KPA	Priorities	Objectives	Demand for 2014/15	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
<b>PROJECT MANAGEMENT UNIT</b>											
Basic Service Delivery and Infrastructure	Roads	Ensure accessibility to all communities of Matatiele Local Municipality	35km	35km of access roads constructed by 30 June 2015	Virgin road upgraded to gravel road	30km	35km	Utilise Equitable share and MIG allocation	Paballong AR - Masopha AR - Nyanzela AR - Thotaneng AR - Nkululekweni A/R-	R10M	Infrastructure: PMU
Basic Service Delivery and Infrastructure	Roads	Ensure that gravel roads in all 03 towns of Matatiele Local Municipality are upgraded to tarred roads	16km	16km of surfaced roads constructed by 30 June 2015	Gravel roads upgraded to tar roads	8km	16km	Utilise MIG allocation	Maluti Internal Streets, Cedarville Internal Roads, Matatiele Internal Roads (CBD & Area C)	R22 million	Infrastructure: PMU
Basic Service Delivery and Infrastructure	Bridges	Ensure that communities are accessible	06 number	06 number of bridges constructed by 30 June 2015	Bridges constructed	4 bridges	06 number	Utilise MIG and equitable share allocations	Mahasheng Bridge Manzi bridge Mnqayi bridge Nyanzela bridge Rholweni bridge	R6MILLION	Infrastructure :PMU
Basic	Community	Ensure that	03 number	3 number of	Community	05 number	03 number	Utilise MIG	Bethel	R4,5million	Infrastructure

KPA	Priorities	Objectives	Demand for 2014/15	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Service Delivery and Infrastructure	Halls	new community halls are built  Ensure that damaged community halls are rebuilt		community halls constructed by 30 June 2015	facilities completed			and equitable share allocation	community Hall Lunda Community Hall Khaue Community Facility		:PMU
Basic Service Delivery and Infrastructure	Sportsfields	Ensure that sporting facilities are available in communities	05 number	05 number of sportsfield constructed by 30 June 2015	Sporting facilities completed	4number	05 number	Utilise MIG allocation	Nkau Sportsfield Epiphany Sportsfield Afsondering Sportsfield Majoro Sportsfield Mahangwe Sportsfield	R8,5 million	Infrastructure: PMU
Basic Service Delivery and Infrastructure	Lack of office space	Ensure that there is enough office space	01number	01number of offices constructed by 30 June 2015	Offices available	None	1 number	Utilise equitable share allocation	Council chambers	R20 million	Infrastructure: PMU
Basic Service Delivery and Infrastructure	Lack of office space	Ensure that there is enough office space and water provision in Maluti municipal offices	1number	1 number of parkhome and elevated 02 no of 5000l tanks constructed by 30 June 2015	Park home and elevated tanks	none	1 number	Utilise MIG allocation	Purchase park homes with elevated 02 no of 5000l tanks	300 000	Infrastructure: PMU

KPA	Priorities	Objectives	Demand for 2014/15	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Basic Service Delivery and Infrastructure	Development of light industrial sites	Promote LED	Light industrial sites	19 light industrial sites infrastructure designs completed by 30 June 2015	infrastructure designs completed	Land available	No infrastructure services	Utilise equitable share	Designs completed for Light Industrial sites	R500 000	Infrastructure :PMU
Basic Service Delivery and Infrastructure	Development of fresh produce market	Support SMME's	One fresh produce market	One fresh produce market constructed by 30 June 2015	one Fresh Produce Market constructed	No fresh produce market	One fresh produce market	Utilise MIG allocation	Construction of Fresh Produce Market	R2 million	Infrastructure: PMU
<b>OPERATIONS AND MAINTENANCE UNIT</b>											
Basic Service Delivery and Infrastructure	Maintenance of all stormwater drains and pipes	To ensure that all that communities are protected against flooding	300m of pipes	Install 300m of pipes by 30 June 2015	Metres of pipes installed	Ongoing	None	Use of own plant	Stormwater maintenance and upgrade	R1,7 million	Infrastructure : O&M
Basic Service Delivery and Infrastructure	Maintenance of all surfaced roads	To ensure that existing surfaced roads are maintained	15 000m2 of surfaced roads to be maintained	15 000m2 of surfaced roads maintained by 30 June 2015	Square meters of surfaced roads maintained	15 000m2	35 000 m2	In-house programmes with equitable share funding	Pothole and tar repairs	R1,6Million	Infrastructure : O&M
Basic Service Delivery and Infrastructure	Maintenance of all gravel roads	To ensure that existing gravel roads are maintained	50km of gravel roads	50km of gravel roads maintained by 30 June 2015	Number of kilometres maintained	50km	200km	Use of own plant and equitable share funding	Maloto AR, Bekesdal AR, Jabulani AR, Zitapile AR, Thaba Bosiu AR ,T69-Tshita AR	R3million	Infrastructure : O&M

KPA	Priorities	Objectives	Demand for 2014/15	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
ucture									AND Mahlabatheng AR		
Basic Service Delivery and Infrastructure	Kerbing and channelling	To ensure that existing roads and assets are maintained	3000metres of kerbing and channeling in Matatiele, Maluti and Cedarville	3000m of kerbing and channeling constructed by 30 June 2015	Meters of kerbing and channelling completed	3900m	16 100m	Use of inhouse staff and equitable share allocation	Road widening and kerbing	R1,5Million	Infrastructure : O&M
Basic Service Delivery and Infrastructure	Maintenance of existing community facilities	To ensure that existing community facilities are maintained	Five facilities	Five number of existing community facilities maintained by 30 June 2015	Number of community facilities maintained	Three community halls maintained	31	Use equitable share allocation	Khubetsoane Community Hall Sigoga Community Hall Gwadana Community Hall Mparane Community Hall Thabachicha Community Hall	R750,000	Infrastructure : O&M
Basic Service Delivery and Infrastructure	Access roads	Maintenance of existing gravel roads	3 units(grader, smooth roller and ride-on bomag)	3 units(grader, smooth roller and ride-on bomag) procured by 30 June 2015	Number of units procured	9 units	3 units	To procure additional plant	Procurement of Grader,smooth roller and ride on bomag	R3,400,000	Infrastructure : O&M
Basic Service	Swimming pool	To keep swimming	1 swimming pool to be	Routine maintenanc	Monthly	One	None	Use of	maintenance of Matatiele	R 400 000	Infrastructure :

KPA	Priorities	Objectives	Demand for 2014/15	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Delivery and Infrastructure	maintenance	pool in a healthy condition	maintained in Matatiele town	existence of swimming pool throughout the year	reports			inhouse staff	swimming pool		O&M
Basic Service Delivery and Infrastructure	Renovating of sportsfields	To do major renovations at the Maluti sportsfield	Playable Maluti sportsfield	One sportsfield maintained by 30 June 2015	Maintained Maluti sportsfield	1	Source the service provider for the renovations through procurement process	Appoint service providers	Renovation of Maluti sportsfield	R 100 000.0	Infrastructure : O&M
<b>ELECTRICITY UNIT</b>											
Basic Service Delivery and Infrastructure	Area lighting	Install 5 high mast lights in ward 20	5 high mast lights	5 high mast lights installed by 30 June 2015	Number of high mast lights by set date	No area lighting in low cost housing areas	Two low cost housing areas without area lighting	CRR	Area C and Dark City	R1,25 million	Infrastructure: Elect
Basic Service Delivery and Infrastr	Rural electrification	Provide electricity to the rural community of Matatiele in ward 23 & 24	Households electrification	610 households electricity connection connected by 30 June 2015	Number of households connected	30629 households currently have electricity (42%)	43032 households without access to electricity (58%)	Utilise INEP allocation	Completion of Ramafole and Mechachaneng electrification	R19,3 million	Infrastructure: Electricity Unit

KPA	Priorities	Objectives	Demand for 2014/15	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
structure											
Basic Service Delivery and Infrastructure	Adequate electricity in Matatiele town	Increase capacity of electricity in the town of Matatiele	10 MVA required	10 MVA to be installed by 30 June 2015	Substation completed	8 MVA available	4.0 MVA required	DBSA Loan	New substation in Matatiele town	R30 000 000.00	Infrastructure: Elect
Basic Service Delivery and Infrastructure	Upgrading of existing electricity infrastructure	Supply uninterrupted and sustainable energy	4,7km MV Cable in North end and Itsokolele	Replace 4,7 km MV cable by 30 June 2015	Replaced MV Cable	Exceeding estimated life	N/A	Appoint service provider	MV cables in Northend and Itsokolele	R1,000,000	Infrastructure: Electricity Unit
Basic Service Delivery and Infrastructure	Upgrading of existing electricity infrastructure	Supply uninterrupted and sustainable energy supply	2 mini substations in ward 19	Replace 2 mini substations by 30 June 2015	Replaced mini subs	Exceeding estimated life	N/A	Appoint service provider	Sirrah Hardware and North End Mini substations	R750,000	Infrastructure: Electricity Unit
Basic Service	Fencing of municipal	Protect municipal	150m Fencing of	150m Fencing of	Metres of fencing	Dilapidated fencing	Premises not safe	Appoint service	Fencing of electricity	R50,000	Infrastructure:

KPA	Priorities	Objectives	Demand for 2014/15	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
e Deliver y and Infrast ructur e	premises	assets	electricity workshop premises	electricity workshop premises by 30 June 2015	completed by set date			provider	workshop premises		Electricity Unit
Basic Servic e Deliver y and Infrast ructur e	Internal communicati on	To improve communicatio n within electricity unit	Communicat ion equipment	Procure 4 two way radios by 30 June 2015	Number of radios procured	1 Standby cellphone	Lack of communica tion equipment between staff	Use of CRR allocation	Procure 4 radios	R10,000	Infrastructure: Electricity Unit
Basic Servic e Deliver y and Infrast ructur e	Office space	To provide conducive office environment	1 Prefabricate d office	1 Prefabricate d office procured by 30 June 2015	1 Prefabricated offices delivered	none	No office space	Use of CRR allocation	Procure prefab offices	R12,000	Infrastructure: Electricity Unit
Basic Servic e Deliver y and Infrast ructur e	Upgrading of existing electricity infrastructure	Supply uninterrupted and sustainable energy	2 LV distribution system	2 LV distribution system replaced by 30 June 2015	Number of distribution systems replaced by set date	none	2 LV Distributio n system	Appoint service provider	LV distribution for Taylor and Williams Streets	R500,000	Infrastructure: Electricity Unit
<b>HUMAN SETTLEMENTS AND BUILDING CONTROL UNIT</b>											
Basic	Rural Housing	Ensure	Housing in	2000	Number of	898	31 521	Use of	<i>Magama 500 Mphotshongwe</i>	operational	Infrastructure



KPA	Priorities	Objectives	Demand for 2014/15	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Service Delivery		qualifying beneficiaries are captured	26 wards	prospective beneficiaries captured in ward 3,9,13,18 by 30 June 2015	beneficiaries captured by set date	beneficiaries in place	prospective beneficiaries	internal staff	<i>ni 500 Nyaniso 500 Mahareng 500</i>		Services:Human Settlements
Basic Service Delivery	Building Plan approvals	Ensure that turnaround time for building plan approvals is within 20days	Approval of building plans within 20 days	Approval of building plans within 20 days	Monthly reports	30 days	0	Use of developmental planning forum	N/A	operational	Infrastructure Services:Building Control
Basic Service Delivery	Prevent erection of illegal structures	Ensure that notices are served within 2 days after identification	Eradication of illegal structures	Issuing of notices within 2 days	Monthly Reports	5 days	0	Use of internal staff	N/A	operational	Infrastructure Services:Building Control

### 5.2.6 OFFICE OF THE MUNICIPAL MANAGER

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
COMMUNICATIONS, IGR AND PROTOCOL UNIT											
<b>Good Governance and public participation</b>	Enhanced internal and External Communications	To have an approved Municipal Communication Strategy	Access to Information	Reviewed Communication Strategy adopted by Council by 30 June 2015	Date of adoption	Communication strategy	None	Review Communication strategy, develop action plan and conduct workshop	Review of Communication strategy and Action Plan	R51000	Office of the Municipal Manager : Communication Unit
	Intergovernmental Relations (IGR) & Stakeholder engagement	To promote Coordinated planning of service delivery within the Municipal	Coordinated Planning	Conduct 4 IGR meetings by 30 <sup>th</sup> June 2015	Number of meetings	IGR ToR	None	Coordinate stakeholder engagements: IGR forum, Twinning and benchmarking	IGR forum meetings, Twinning Programmes and benchmarking visits	R120 000	Office of the Municipal Manager : Communication Unit
	Coordinated Municipal Events , and Branding	To ensure proper coordination of municipal events	Coordinated Municipal Events	Municipal calendar of events adopted by Council by 31 <sup>th</sup> July 2014	Date of adoption	ICF	No calendar of events	To develop calendar of events for the Municipality	2014/2015 Municipal calendar of events development	operational	Office of the Municipal Manager : Communication Unit
	Municipal Protocol	To ensure adherence to Municipal Protocol	Adherence to Municipal Protocol	Develop Protocol manual by 30 June 2015  Organise One protocol	Number of manuals developed  Number of workshops held	1 Workshop Training	Protocol Manuals	Develop protocol manuals and organise trainings for municipal employees and members	Develop protocol manuals and organise trainings for municipal employees and members of council	R 25 000	Office of the Municipal Manager : Communication Unit

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
				workshop by 30 June 2015				of council			
Good governance and public participation	Integration of Migrants to local Communities	To ensure a smooth integration of migrants with local communities	Embrace diversity and tolerance in communities	Establish Migration advisory committee with ToR by 30 June 2015	Date of establishment	migration desk MoU with UNDP	None	Develop an integration of migrants policy	Coordinate inter-cultural programmes.  Conduct community dialogues  Conduct policy workshops  Collect migrants data	R 225 000	Office of the Municipal Manager : Communication Unit
Good governance and public participation	Marketing of the municipality	To promote and market the Municipality as the destination of choice	Attract Tourist and investors	Marketing strategy adopted by council by 30 June 2015	Date of adoption of strategy	No Marketing Strategy in place	Marketing Strategy	Develop a marketing strategy	Development of the Marketing Strategy and action plan	R 285 000	Office of the Municipal Manager : Communication Unit
Good governance and public participation	Mayoral Outreaches	To promote engagements between communities and the Municipality	To eliminate community service delivery protests	To conduct 4 mayoral outreaches by 30 June 2015	Number of Mayoral outreaches conducted	4 Mayoral outreach conducted	None	Develop a community engagement plan	Mayoral Outreaches	R480 000	Office of the Municipal Manager : Communication Unit
IDP/M&E UNIT											
Good governance	IDP Development	IDP	Credible IDP	Annual reviews of the IDP by 31 May	Date adopted by	Credible and	None	IDP Phases	-IDP Review		Office of the Municipal

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
e & Public Participation	and Performance Management	Development	Document	2015	council	Adopted IDP				R1 000 000	Manager
Good governance & Public Participation	Compliance with Legislation	Signed performance plans and agreements for MM, general managers and middle managers	Performance plans and agreement for 2014/15	To have the plans and agreements for municipal manager 57 managers by 14 July 2014	Number of plans and agreements signed	Signed Performance Agreements and Plans for 13/14	Performance Agreements for 2013/14 are in place	Utilise IDP/ M&E unit	Development of 2014/15 Performance Agreements of Municipal Manager, GM's, Middle Managers	operational	Office of the Municipal Manager
Good governance & Public Participation		Timely submission of Quarterly Performance reports	Quarterly reports	Submission of 3 Quarterly Performance reports to council by 30 <sup>th</sup> June 2015	Number of reports adopted by council	-PMS Framework -PMS Policy -PMS Audit Charter	None	Timely Submission of quarterly reports to council	3 Quarterly Reports	R2500 000  (Total Budget for PMS)	Office of the Municipal Manager
Good governance & Public Participation	2 Performance Assessments	To coordinate 2 Performance assessment for All managers	Midyear and Annual Performance Assessment for all managers	Midyear and Annual assessments of managers by 30 June 2015	Number of assessment sessions held and date	Signed performance Agreements and Plans	None	Coordination of 2 Performance Assessments  For all managers	-Midyear an Annual Performance Assessments	operational	Office of the Municipal Manager
Good governance & Public Participation	To have midyear performance assessment	Timely submission of the Midyear Performance	Submission of Midterm Budget and Performance	Midyear Performance Assessment submitted to council by 25th	Adoption Date	adopted SDBIP	None	Adoption of Midyear Budget & Performance	Midyear Performance Assessment report	100 000	Office of the Municipal Manager

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
on	report adopted	Assessment	e Report	January each year				Assessment			
Good governance & Public Participation	To have the Annual report adopted	To have APR developed and submitted to AG	Annual Performance Report submitted to AG by 31 August each year	Timely submission of the Annual Performance Report submitted to AG by 31 August 2014	Date of submission of the APR	Adopted SDBIP	None	Compilation of the APR and submission of Annual Performance Report	Annual Performance Report	operational	Office of the Municipal Manager
Good governance & Public Participation		To have the Annual report developed and adopted by Council	To have Annual adopted by council by 31 March each year		Adoption of the report by set Date	Annual Report	None		Annual Report development and adoption	operational	Office of the Municipal Manager
Good governance & Public Participation	To ensure compliance with legislation in SDBIP development	Monitoring and Evaluation of PMS	Comprehensive and compliant SDBIP	Formulation of SDBIP by 30 June 2015	SDBIP approval by set Date	Approved SDBIP	None	Formulation of Municipal SDBIP	Development and approval of the Municipal SDBIP	operational	Office of the Municipal Manager
Good governance & Public Participation	To maximise public participation on development issues	Enhancement of Public Participation	Public Participation promoted in all wards	Public Participation promoted in all wards by 30 June 2015	Number of notices done	IDP Steering Committee and IDP Rep Forum	Poor participation of Communities in municipal programmes	Promotion of Stakeholder engagement	Advertisements on Media  Website Uploading  Noticeboards in All Municipal Wards	R50 000	Office of the Municipal Manager
MATATIELE RISK AND AUDIT SERVICES UNIT											

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Good Governance and Public Participation	Governance Issues: Internal Audit	To strive for clean audit opinion	Clean administration	Four meetings with four reports, one AG's report by 30 June 2015	Number of meetings, and the number of reports	Unqualified Audit opinion	Matters of emphasis	OCA to sit four times.  Internal audit will develop reports on auditor general's action plan	Operation Clean Audit	operational	Office of the Municipal Manager
	Governance Issues: Internal Audit	Review of internal audit policies, Plans and strategies	Compliance with laws and regulations	Three policies approved.  One Plan approved by 31 July 2014.  One strategy approved by Council by 30 <sup>th</sup> June 2015	Number of policies, plan and strategy reviewed by set date	All the policies, plans and strategy	Late approval of internal audit strategy	All policies and Plan to be reviewed by end June 2015.	Review Policies, Plans and Strategy	1 200 000	Office of the Municipal manager
Good Governance and Public Participation	Governance Issues: Internal Audit	To strengthen internal controls	safeguard municipal assets	Four quarterly Internal Control tool submissions to ECLGTA.  48 annual spot checks	Number of reports done, number of spots checks done	Internal Control tool and Spot checks	none	Four quarterly Internal Control tool submitted to ECLGTA.  48 spot checks performed at different departments	Spot checks and monitoring internal control tool.	operational	Office of the Municipal manager

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
	Governance Issues: Risk Management	To have a fully functional Risk Committee	Functional Risk Committee	Twelve Risk meetings and reports by 30 June 2015	Number of meeting done and reports	Risk Management Policy	Insufficient risk reporting	To have monthly risk meetings and reports	Risk management committee meetings	operational	Office of the Municipal manager
	Governance Issues: Risk Management	To ensure compliance with National Treasury Risk Framework	Compliance with National Treasury risk framework	One risk register by 31 July 2014  One risk management plan and workshop 31 July 2014  and One risk management Policy by 30 June 2015	Date of adoptionn umber of plans and workshops held.	Policy.  Register and Annual risk workshop	Risk management plan and Project risk management plan	To review risk policy, register, strategy and plans  workshop to be conducted  One risk management Policy review and adoption	Development of an Annual risk register	R 250 000.00	Office of the Municipal manager
Good Governance and Public Participation	Governance Issues: Risk and Audit Services unit	To source internal audit and risk management software / system	credible risk reporting system	Procurement of Risk Reporting software by 30 <sup>th</sup> June 2015	Installation date of the software	No software	None	To benchmark with other users (three municipality's and other government agencies)	To source risk and audit software	R3 000 000.00	Office of the Municipal manager
SPECIAL PROGRAMMES UNIT											

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Good Governance and Public Participation	Youth development and protection of Children's rights	To Lobby and advocate for Development issues affecting youth and children	Intensification of awareness about the dangers of drug abuse	4 Awareness Campaigns by 30 <sup>th</sup> June 2015	Number of awareness campaigns held	Youth Development Strategy Youth Council in place	A high rate of youth using drugs and engage in criminal activities	To raise awareness about dangers of drug and substance abuse among young people	Awareness campaigns	operational	Office of the Municipal manager
			Sports, arts and cultural initiatives	engagement/dialogue  4 sport Activities  4 cultural activities by 30 June 2015	Number of activities held	Youth Development Strategy  Youth Council  Sport Council in place	Indifference/apathy of young people in societal issues.	youth participation in sport, arts and cultural activities	Youth Engagement	R 500 000	Office of the Municipal manager
			Increased levels of literacy within the Municipality	5 skills development programmes by June 2015	Number of programmes	*Youth Development Strategy  *Youth Council  *Good Working relationship with the DOE  *consistent good performance in matric	Low levels of literacy amongst young people	Empowerment of youth through education	Youth empowerment and Skills development	R 10 000.00 R 120 000.00 R 600 000.00 R 600 000.00 R150 000.00	Office of the Municipal manager



KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
						results					
Good Governance and Public Participation			Employment opportunities	4 Economic Engagement Activities by 30 <sup>th</sup> by June 2015	Number of engagements	Youth development strategy	High levels of unemployment	To lobby and engage and form partnerships with relevant stakeholders.	Economic Youth Development Indaba	operational	Office of the Municipal manager
Good Governance and Public Participation			Children's Policy	1 Children advisory Council  4 CAC meetings  4 awareness campaigns by 30 <sup>th</sup> June 2015	Date of establishes of council  Number of meetings and campaigns held	Children Strategy	Absence of Children Advisory Council	Establish and ensure the functioning of children structures	Establishment of Children Advisory Council	R 40 000.00	Office of the Municipal manager
Good Governance and Public Participation			Funded ECDCs	4 ECDCs assisted by 30 June 2015	Number of ECDC's assisted	Children Strategy	Absence of funded ECDC's disadvantaging underprivileged children.	Create platforms for children to learn and develop skills that will contribute positively in their development	ECDCs Support	R 100 000.00	Office of the Municipal manager
Good Governance and Public			Child Protection Policy and awareness	4 Campaigns and 1 Child Protection Policy by 30 June 2015	Number of campaigns held Date of	Children strategy	Absence of policy guiding the municipality on protection of	Identification and integration of partners	development of Child Policy	R 100 000.00	Office of the Municipal manager

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Participation			campaigns about Children's Rights		adoption of policy		children	involved in children's programmes			
good governance and public participation	Women empowerment and protection of Elder person's rights	To facilitate and coordinate women and elderly empowerment initiatives	Decreased number of women who suffer from diseases like diabetic, high blood pressure etc	4 awareness campaigns 4 distribution of educational material by 30 June 2015	Number of campaigns held and number of material distributed	Women empowerment strategy, women's forum,	High levels of ignorance and lack of access to information around health issues	To raise awareness about women specific issues	Women Issues	R20 000.00 R20 000.00	Office of the Municipal manager
Good Governance and Public Participation			Eradication or elimination of gender based violence	8 awareness campaigns on GBV and women's rights as human rights; 1 Gender mainstreaming work by 30 June 2015	Number of campaigns and workshops held	Women empowerment strategy, women's forum, good working relation with relevant stake holders	Lack of access to support system for vulnerable and abused women; people do not speak out about abuse	To raise awareness about women's rights as humans rights	Women empowerment	R40 000.00 R80 000.00	Office of the Municipal manager
Good Governance and Public Participation			High levels of employable, skilled and literate women.	1 women economic empowerment indaba by 30 June 2015		Women empowerment strategy, women's forum, good working relation with relevant stake holders	Implementation of policies by all stake holders	To empower women through economic initiatives	Women economic empowerment	R80 000.00	Office of the Municipal manager

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
good governance and public participation			accessibility to Service points, pay points in particular	Identify 4 institutions that have poor access and convene 4 meetings with individuals in charge by 30 June 2015	Number of institutions assisted	Older persons forum; older person's strategy; good working relation with relevant stakeholders	In accessibility to services point or not elderly friendly	To ensure conducive and accessible service points	Elderly accessible service points		Office of the Municipal manager
good governance and public participation	Women empowerment and protection of Elder person's rights	To facilitate and coordinate women and elderly empowerment initiatives	public old age home	8 campaigns; 4 Meetings; 2 meetings lobbying relevant stakeholders for the establishment of old age home By 30 June 2015	Number of meeting and campaigns held	Older persons forum; older person's strategy; good working relation with relevant stakeholders	Absence of old age home	Awareness on elderly needs	Advocacy for the establishment of Old age home	R40 000.0 R20 000.0 R20 000.0	Office of the Municipal manager
			Increased levels of physical activity	1 golden games' event by 30 June 2015	Number of events held	Older persons forum; older person's strategy; good working relation with relevant	Lack of coordination of elderly activities	Support elderly people with resources	Golden games	operational	Office of the Municipal manager

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Good Governance and Public Participation	HIV/AIDS Management	To coordinate HIV/AIDS Management initiatives	Reduction of the spread of HIV/AIDS in our communities.	4 Prevention, Education and Awareness activities. by 30 June 2015	Number of awareness campaigns held	LAC, HIV/AIDS Strategy, MANOP (Support group network structure), good working relations with Stakeholders	High prevalence of HIV/AIDS	To intensify and integrate awareness programmes of all stakeholders.	Prevention, Education and Awareness activities.	R100 000.00	Office of the Municipal manager
			Increased access to the healthcare and other services.	4 LAC Meetings by 30 June 2015	Number of meetings held	LAC; MANOP (Support group network structure).	Significant number of ARV Defaulters	Lobby and advocate for an increase and accessibility to ARV for all the infected in need.	LAC meetings	R 100 000.00	SPU and LAC
Good governance and public participation			Increased support to OVC	1 training 1 assessment Support to OVC by 30 June 2015	Number of trainings and assessments held  Number of OVC supported	HIV strategy	Children's forum	To engage Local structures	Care and support of OVC	R100 000	SPU and

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Good governance and public participation	<b>Rights of Disabled people</b>	To promote and protect the rights of disabled people	Eradication of stigma and discrimination	4 education and awareness programmes by 30 June 2015	Number of programmes conducted	Disability forum, Disability Policy	Stigma and discrimination	To use Commemoration of National and international days as tools to create awareness	4 education and awareness programmes	R50 000	SPU  SASSA, SOCDEV, MUNICIPALITY, DISABILITY FORUM, DOH, DOE

## CHAPTER 6: CAPITAL PROJECTS FOR 2014/15

WARD	PROJECT	BUDGETED
Administration	Office Equipment	R30 000
Administration	Mayoral Chain	R50 000
	<b>Total Council Admin</b>	<b>R80 000</b>
Administration	Computer	R84 000
Administration	Office furniture	R57 000
	<b>Total Municipal Manager</b>	<b>R141 000</b>
Administration	Electronic Documentation System	R250 000
Administration	Furniture and Equipment	R170 000
Administration	Computer	R108 000
Administration	Server room, virtualisation, upgrade of network cabling	R1 315 000
	<b>Total Corporate Services</b>	<b>R1843 000</b>
Administration	Office Furniture	R500 000
Administration	Municipal Fleet	R1 091 200
Administration	Upgrade of revenue system	R300 000
	<b>Total Budget and Treasury</b>	<b>R1 891 200</b>
Ward 19	Construction of public toilets	R800 000
All wards	Grass Cutters	R80 000
Administration	Furniture and Equipment	R1 563 000
Ward 01, 19, 20, 26	Cemetery Establishment	R800 000
All wards	Cemetery Management System	R200 000
All wards	Mobile Toilets	R100 000

Administration	Back-up Generator	R50 000
Ward 19	Construction of landfill Cells	R3 500 000
Administration	Renovation of Offices	R100 000
Administration	Automated Generator	R150 000
	<b>Total Community Services</b>	<b>R7 343 000</b>
Ward 19	Grain Storage	R400 000
Ward 19	Hawker Stalls	R500 000
Administration	Furniture Equipment	R15 000
	<b>Total EDP</b>	<b>R915 000</b>
Ward 01, 19, 20 and 26	Kerbing & Channelling	R1 500 000
Ward 01, 19, 20 and 26	Storm water pipe installation	R750 000
Administration	Furniture & Equipment	R62 000
All Wards	Bomag Roller	R300 000
Ward 01, 19, 20 and 26	Tar Drums	R500 000
Administration	Compartments lockers	R100 000
All Wards	Grader	R2 200 000
All Wards	Smooth Roller	R900 000
	<b>Total Operations &amp; Maintenance</b>	<b>R6 312 000</b>
Ward 19	Matatiele CBD Internal Streets	R3 000 000
Ward 01	Maluti Internal Roads	R500 000
Ward 20	Harry Gwala Internal Streets – Phase 2	R8 000 000
Ward 26	Cedarville Internal Streets – Phase 3	R4 220 440
Ward 25	Khauoe Community Facility	R1 250 000

Ward 04	Bethel Community Facility	R919 635
Ward 07	Manzi Access Road	R2 048 212
Ward 25	Sabasaba Access Road	R243 367
Ward 05	Mnqayi Access Road	R2 203 028
Ward 15	Paballong Access Road	R2 685 000
Ward 13	Masopha Access Road	R1 500 000
Ward 06	Mahangwe Sport Field	R1 700 000
Ward 09	Afsondering Sport Field	R1 700 000
Ward 12	Nkau Sport Field	R1 700 000
Ward 14	Nice Sport Field	R350 000
Ward 16	Majoro Sport Field	R1 700 000
Ward 22	Epiphany Field	R1 700 000
Ward 14	Mahasheng Bridge	R105 000
All wards	Council Chambers	R20 000 000
Ward 11	Diaho Great Place	R68 709
Ward 01	Maluti Internal Streets Phase 2	R1 418 679
Ward 03	Cross to St Johns	R490 000
Ward 23	Sekhotlong Access Road	R306 889
Ward 18	Fiva Access Road	R264 239
Ward 24	Zingcuka-Madlangani Access Road	R311 964
Ward 17	Nyanzela Access Road	R4 782 365
Ward 10	Lunda Access Road	R523 718
	Fresh Produce Market	R2 558 000



Ward 22	Rholweni Bridge	R1 200 000
Ward 10	Lunda Community Facility	R1 500 000
All wards	Development of light Industrial Sites	R500 000
All wards	Park Home & Furniture	R452 000
All wards	Finance Offices	R5 264 472
All wards	LED Offices	R274 480
	<b>Total Infrastructure</b>	<b>R75 440 192</b>
Ward 23 (Mechachaneng)	Rural Electrification	R19 300 000
Ward 20	Itsokolele Ring feed	R850 000
Ward 19	MV Cables - Replace	R1 000 000
Ward 19	Mini-subst – Replace	R750 000
Ward 19 & 20	Substation	R30 000 000
	High Mast Lights	R1 250 000
	New substation in Matatiele town	R30 000 000.00
Administration	Furniture and Equipment	R132 000
Administration	Fencing of the offices	R50 000
	<b>Total Electricity</b>	<b>R53 332 000</b>

2014-17 CAPITAL PROJECTS FOR PROJECT MANAGEMENT UNIT					
Details	Amount	2014/15 MIG	2015/16 MIG	2016/17 MIG	2017/2018
Maluti Internal Streets -Phase 3	18 000 000.00	200 000.00	6 000 000.00	4 500 000.00	
Maluti Internal Streets -Phase 2		1 418 679.00			
Cross to St Johns		230 000.00			
Rholweni Bridge	1 600 000.00	200 000.00	1 580 000.00		
Nyanzela Access Road/Saba-saba	11 065 807.29	4 782 365.29	622 923.75		
Mnqayi Access Road	3 873 027.94	2 203 027.94	380 000.00		
Manzi Access Road	3 928 212.00	2 048 212.00	380 000.00		
Sabasaba		1 493 367.00	0.00		
Sekhotlong		306 889.00			
Zingcuka-Madlangeni Access		311 964.00			
Matatiele internal Streets Phase 1	17 000 000.00	5 697 957.00			
Matatiele Internal Roads - Area C	17 337 755.44	6 750 000.00	10 587 755.44		
CDV Internal Roads Phase 2	16 899 859.25	4 220 440.00	731 646.05		
Paballong Access Road	4 500 000.00	2 685 000.00	315 000.00		
Masopha Access Road	2 932 500.00	1 500 000.00	125 000.00		
Mahangwa S/Field	2 500 000.00	1 700 000.00	200 000.00		
Afsondering S/Field	2 500 000.00	1 700 000.00	200 000.00		
Nkau S/Field	2 500 000.00	1 700 000.00	200 000.00		
Majero S/Field	2 500 000.00	1 700 000.00	200 000.00		
Epiphany S/Field	2 500 000.00	1 700 000.00	200 000.00		
Fresh Produce Market	5 300 000.00	2 558 000.00	2 000 000.00		
Upgrading of Cederville Internal Roads	19 000 000.00		946 837.38	15 500 000.00	
Upgrading of Matatiele Internal Roads	19 000 000.00		946 837.38	15 000 000.00	
Community Facility (15%)	7 524 600.00			6 772 140.00	752 460.00
EDP (5%)	2 508 200.00			2 257 380.00	250 820.00
Sijoka Access Road			5 000 000.00	4 944 480.00	
Langreng footbridge			900 000.00		
Manase Access Road (Ward 3)			6 000 000.00	1 000 000.00	
Mehloloaneng Access Road (ward 16)			6 000 000.00	1 000 000.00	
Madlangala to Maqwathini to Moreneng Access Road (Ward 11)			5 000 000.00		
	114 937 161.92	45 105 901.23	48 516 000.00	50 974 000.00	
Allocation		45 759 000.00	48 086 000.00	50 164 000.00	

## CHAPTER 7: SECTOR PROJECTS: 2014/2015

### 7.1 ALFRED NZO DISTRICT MUNICIPALITY

#### ALFRED NZO DISTRICT MUNICIPALITY: 2013/2014 ONGOING PROJECTS

##### PROJECTS ON TENDER

Project Name	Funding Source	Status
Matatiele Ward 5 Water Supply Project-Phase 1A	MIG	Service providers appointed for the projects
Matatiele Ward 7 Water Supply Project-Phase 1A	MIG	
Matatiele Ward 15 Water Supply Project	MIG	

Project name and Location	Funding Source	Total Budget over MTEF	Year [2013/2014]	2
Caba - Mdeni water supply	MIG	600 000.00	792 492.98	
Tholamela water supply	MIG	84 000 000.00	18 000 000.00	
Fobane Water Scheme	MIG	31 500 00.00	12 000 000.00	
Matatiele Ward 17 & 18 Water Supply - Fobane Phase 2	MIG	29 500 000.00	9 500 000.00	
Mvenyane water supply	MIG	7 029 273.73	4 529 237.73	
Maluti/Matatiele/Ramohlakoana	MIG	44 500 000.00	15 000 000.00	
Matatiele Ward 16 (Water)	MIG	40 500 000.00	0.00	
Matatiele Ward 15 (Water)	MIG	20 000 000.00	0.00	
Matatiele Ward 22 (Water)	MIG	19 450 000.00	1 650 000.00	
Matatiele Ward 5 (Water)	MIG	31 000 000.00	0.00	
Matatiele Ward 7 (Water)	MIG	31 000 000.00	0.00	
Matatiele RBIG Water project	Grant	45 000 000.00	20 000 000.00	

## WATER SERVICES AUTHORITY

Project name and Location	Funding Source	Total Budget over MTEF	Year [2013/2014]	2
Develop Road Asset Management System	NDoT/Grant	R5,200,000.00	R1,700,000.00	
District Integrated Transport Plan in the ANDM.	Equitable Share	R3,000,000.00	R1,000,000.00	
Electricity Sector Plan in the ANDM.	Equitable Share	R500,000.00	R500,000	
Review of Water Services Development Plan	Equitable Share	R5,000,000.00	R1,000,000.00	
Water, Sanitation, Housing Backlog Eradication Strategy	Equitable Share	R2,000,000.00	R1,000,000.00	
Review Sanitation Master Plan	Equitable Share	R1,000,000.00	R1,000,000.00	
Feasibilities for 1 Cluster wards in Matatiele (Wards 4 and 6)	Equitable Share	R400,000.00	R400,000.00	
Provide and improve peri-urban & urban.	Equitable Share	R36,000,000.00	R12,000,000.00	
RBIG dam feasibility studies for Kinira, Sirhoqobeni, Mkhemane & Ntabankulu bulk. Equitable Share		R8,000,000.00	R8,000,000.00	
Tariff modelling and Tariff policy for the ANDM Equitable Share		R 1 500 000.00		
Exploring for other revenue collection system.	Equitable Share	R 500 000.00		
Installation of pre-paid & credit meters and devices in urban areas of the ANDM.	Equitable Share	R 6500 000.00	R 2000 000.00	
Installation of automatic data logging system in all bulk meters and telemetry data logging at the WTW inlet and outlet meters.	Equitable Share	R 5 000 000.00	R 2000 000.00	
Water Inventory& Water loss Control	Equitable Share	R 4 000 000.00	R 1500 000.00	
Review of the WCDM Strategy document.	Equitable Share	R 2000 000.00	R 500 000.00	

Project name and Location	Funding Source	Total Budget over MTEF	Year [2013/2014]	2
Water Resources Monitoring	Equitable Share	R 5 000 000.00	R 1500 000.00	
Eradication of IAPs & restoration of ANDM Catchments.	Equitable Share	R 5 000 000.00	R 1 000 000.00	
Water Conservation Awareness Campaigns in the ANDM	Equitable Share	R 500 000.00	R 100 000.00	
Section 78 (1)	Equitable Share	R 2 000 000	R 1 200 000.00	
Advertisement of indigent policy for LMs	Equitable Share	R100,000.00	R100,000.00	
Indigent register Verification	Equitable Share	R 2 000 000.00	R 1500 000.00	
Translation of Indigent Policy to Indigenous Languages	Equitable Share	R300,000.00	R300,000.00	
Awareness campaign about indigent	Equitable Share	R200,000.00	R200,000.00	
Workshop and Training for Councillors, CDWs, Ward Committees and Traditional leaders	Equitable Share	R200,000.00		
Pauper Burials Policy	Equitable Share	R300,000.00	R300,000.00	
Water Use Policy	Equitable Share	R 500 000.00		
Integrated Infrastructure Development Plan-Vision 2030	Equitable Share	R5000 000.00	R2000 000.00	
Water services bylaws	Equitable Share	R250 000.00	R1000 000.00	
RBIG implementation : Matatiele	DWA	R 25 000 000.00		
Water Safety Plan	Equitable Share	R 1 900 000.00	R 500 000.00	
Nurseries	Equitable Share	R 2 500 000.00	R 500 000.00	
Land Rehabilitation	Equitable Share	R 15 000 000.00	R 3 000 000.00	
Waste Training and Awareness	Equitable Share	R 500 000.00	R 100 000.00	
Waste Buyback Centre	Equitable Share	R 2500 000.00	R 500 000.00	
Wilfred Baurer Nature Reserve Environmental Education and Training centre	Equitable Share	R 500 000.00	R 100 000.00	
Water Quality Monitoring	Equitable Share	R 7000 000.00	R 1 500 000.00	

Project name and Location	Funding Source	Total Budget over MTEF	Year [2013/2014]	2
Internal Laboratory Equipping	Equitable Share	R 15 000 000.00	R 3 000 000.00	

#### WATER SERVICES PROVISION

Project name and Location	Funding Source	Total Budget over MTEF	Year [2013/2014]	2
Bulk Water purchases	Equitable Share	62 805 000.00	11 000 000.00	
Maintenance of water and sanitation Infrastructure schemes -Matatiele	Equitable Share	74 191 420.00	13 855 000.00	
Refurbishment and Replacement of Water Infrastructure - Matatiele	Equitable Share	16 951 250.00	3 000 000.00	
Refurbishment and Replacement of Water Infrastructure - Cedarville	Equitable Share	4 600 000.00	2 500 000.00	
Refurbishment and Replacement of Water Infrastructure Mechanical & Electrical Installations – All Local Municipalities	Equitable Share	4 000 000.00		
Maintenance of Waste Water TW All	Equitable Share	2 500 000.00		
Refurbishment and Replacement of Water Infrastructure - Belfort Water Scheme-Matatiele	Equitable Share& Grant	75 633 600.00	13 200 000.00	
Maintenance of WTW all four	Equitable Share	590 000.00		
Maintenance of water schemes-rural operators all four	Equitable Share	4 800 000.00		
Disaster rural housing		1 000 000.00	950 000.00	
Municipal Water Infrastructure Grant (MWIG)	Grant			

## EXPANDED PUBLIC WORKS PROGRAMME

Project name and Location	Funding Source	Total Budget over MTEF	Year 2 [2013/2014]
Matatiele Maintenance	EPWP GRANT	1 420 800.00	1 320 187.12
ANDM EPWP interns	EPWP GRANT	236 400.00	219 659.51
Matatiele Water Treatment Works	EPWP GRANT	364 800.00	338 966.96
ANDM Home Based Care Givers (all Local Municipalities)	EPWP GRANT	540 600.00	502 317.82

## LED Implementation – Development Agency

Project description/programme	Source of Fund	Budget	Year 2 (2013/14)
Grain Production	Equitable Share	R70 000 000.00	R 10 000 000
Livestock & Poultry Production	Equitable Share	R60 000 000.00	R 10 000 000
SMME Development	Equitable Share	R35 000 000.00	R 5 000 000
Tourism Development	Equitable Share	R25 000 000.00	R 5 000 000
Fruit , Vegetable & Flower Production	Equitable Share	R60 000 000.00	R 10 000 000
Wood cluster	Equitable Share	R3 600 000.00	R 600 000
Seda Alfred Nzo Agro- Manufacturing	Equitable Share	R1 800 000.00	R 500 000.00
<b>TOTAL</b>		<b>R255,400,000.00</b>	<b>R41,100,000.00</b>

## SPATIAL PLANNING AND ENVIRONMENTAL MANAGEMENT

### Development Planning

Project description/programme	Source of Fund	Budget	Year 2 (2013/2014)
Guidelines on Small Town Restructuring and Revitalization	Equitable Share	450,000.00	
'Beach to Berg' Corridor Development Plan	Equitable Share	700,000.00	350,000.00
Nodal Development Frameworks	Equitable Share	2,000,000.00	1,200,000.00
District Land Uses Schemes Amalgamation	Equitable Share	500,000.00	500,000.00
Land Audit (Capacity Support to LMs)	Equitable Share	2,400,000.00	1,200,000.00
IDP Review and Strategic Planning Session	Equitable Share	6,000,000.00	1,300,000.00
Spatial Planning (Capacity Support to LMs on SDF Reviews)	Equitable Share	4,000,000.00	3,000,000.00
District Land Claims Task Team	Equitable Share	250,000.00	100 000.00
Establishment and facilitation			

District Planning Forum Establishment	Equitable Share	150,000.00	
<b>TOTAL</b>		<b>16,350,000.00</b>	<b>5,250,000.00</b>

#### Geographic Information's Systems (GIS)

Project description/programme	Source of Fund	Budget	Year 2 (2013/2014)
GIS Shared Service Implementation	Equitable Share	R500 000	R500 000
GIS Strategy Development	Equitable Share	R200 000	R200 000
GIS Data Maintenance	Equitable Share	R300 000	R300 000
GIS Infrastructure Upgrade	Equitable Share	R200 000	R200 000
<b>TOTAL</b>		<b>R1,200,000.00</b>	<b>R1,200,000.00</b>



**ALFRED NZO DISTRICT MUNICIPALITY**

**BASIC SERVICE DELIVERY**

**I INFRASTRUCTURE DEVELOPMENT AND MUNICIPAL SERVICES**

**Project Management Unit (PMU)**

Project name and Location	Funding Source	Total Budget over MTEF	Year 1 [2012/2013]	Year 2 [2013/2014]	Year 3 [2014/2015]	Year 4 [2015/2016]	Year 5 (2016/2017)
Matatiele Ward 5 Construction of VIP Toilets	RHIP	8 000 000.00	0.00		2 000 000.00	4 000 000.00	
Matatiele Ward 13 Construction of VIP Toilets	RHIP	8 000 000.00	0.00		4 000 000.00	2 000 000.00	
Cederville Sewer Phase 2	MIG	19 826 204.00	0.00		0.00	0.00	
Caba - Mdeni water supply	MIG	600 000.00	600 000.00	5 000 000.00	500 000.00	0.00	0.00
Tholamela Sub-regional Water Supply	MIG	84 000 000.00	11 500 000.00	23 097 301.76	15 000 000.00	15 000 000.00	16 500 000.00
Tholang Water Supply	MIG	5 353 426.14			0.00	0.00	
Fobane Water Scheme Phase 1	MIG	65 338 406.86	12 500 000.00	11 588 673.06	15 000 000.0	5 500 000.00	0.00
Matatiele Ward 17 & 18 Water Supply - Fobane Phase 2	MIG	150 000 000.00	0.00	15 000 000.00	5 500 000.00	5 000 000.00	0.00
Matatiele WTW Refurbishment	EQS	5 000 000 00	0.00	5 000 000 00	3 000 000.00		
Mvenyane water supply	MIG	7 029 273.73	2 500 000.00	4 773 100.18	0.00	0.00	0.00
Maluti/Matatiele/Ramohlakoana Water Supply	MIG	44 500 000.00	8 000 000.00	13 646 516.00	9 000 000.00	6 500 000.00	0.00
Maluti/Ramohlakoana Sewer	MIG	32 669 579.00	0.00	3 381 467.97	10 000 000.00		
Matatiele Ward 5 (Water)	MIG	83 088 262.00	0.00		15 000 000.00		
Matatiele Ward 7 (Water)	MIG	71 125 540.00	0.00		15 000 000.00		
Matatiele Ward 15 (Water)	MIG	88 205 293.60	0.00		10 000 000.00		
Matatiele Ward 16 (Water)	MIG	19 450 000.00	1 500 000.00	1 650 000.00	8 000 000.00	3 300 000.00	10 000 000.00
Matatiele RBIG Water project	RBIG	45 000 000.00	0.00	20 000 000.00	25 000 000.00	0.00	0.00
Bedford Bulk Pipes	MIG	8 000 000 00	0.00	8 000 000 00	5 000 000.00		

## Water Services Authority (WSA)

Develop Road Asset Management System	NDoT/Grant	R5,200,000.00	R1,600,000.00	R1,795,000.00	R2,000,000.00		
District Integrated Transport Plan in the ANDM.	Equitable Share	R3,000,000.00	R1,000,000.00	R500 000 00	R500 000.00		
Review of Water Services Development Plan	Equitable Share	R5,000,000.00	R1,000,000.00	R1,000,000.00	R500, 000.00	R1,000,000.00	R1,000,000.00
Review Sanitation Master Plan	MISA	R1,000,000.00	Nil	R500,000.00	0.00	0.00	0.00
Feasibilities for 1 Cluster wards in Matatiele	Equitable Share	R400,000.00	Nil	R400,000.00	0.00	0.00	0.00
RBIG dam feasibility studies for Kinira, Sirhoqobeni, Mkhemane &	RBIG	R8,000,000.00	Nil	R8,000,000.00	0.00	0.00	0.00
Tariff modelling and Tariff policy for the ANDM	Equitable Share	R 1 500 000.00	R1000,000.00	R1 000 000 00	-		
Exploring for other revenue collection system.	Equitable Share	R 500 000.00		R500 0000 00	R400 000.00		
Installation of pre-paid & credit meters and devices in urban	Equitable Share	R 6 500 000.00	R1 500 000.00	R 1 000 000.00	R 1, 000 000.00	R 1000 000.00	R 1000 000.00
Installation of automatic data logging system in all bulk meters and telemetry data logging at the WTW inlet	Equitable Share	R 5 000 000.00	R1000 000.00	R 500 000.00	R 1,000 000.00	R 500 000.00	R 500 000.00
Water Inventory & Water loss Control	Equitable Share	R 4 000 000.00	R 500 000.00	R 500 000.00	R 1,000 000.00	R 500 000.00	R 500 000.00
Review of the WCDM Strategy document.	Equitable Share	R 2000 000.00	R1000 000.00	R 1 000 000.00	R 500 000.00		
Water Resources Monitoring	Equitable Share	R 5 000 000.00	R2000000	R 2 7000 000.00	R 1,000 000.00	R 500 000.00	R 500 000.00
Water Conservation Awareness Campaigns in the ANDM	Equitable Share	R 500 000.00	R200 000.00	R 100 000.00	R 100 000.00	R 100 000.00	
Section 78 (3)	Equitable Share	R 2 000 000	R 800 000.00	R 500 000.00	R500 000.00		
Advertisement of indigent policy for LMs	Equitable Share	R100,000.00		R100,000.00	R250 000.00		
Indigent register Verification	Equitable Share	R 2 000 000.00		R 1 500 000.00	R2,000 000.00		R 500 000.00
Awareness campaign about indigent	Equitable Share	R200,000.00		R100,000.00	R250 000.00		
Workshop and Training for Councillors,CDWs,Ward Committees and Traditional leaders	Equitable Share	R200,000.00		R100 000 .00			
Water Use Policy	Equitable Share	R 500 000.00	R 500 000.00				
Integrated Infrastructure Development Plan-Vision 2030	Equitable Share	R5000 000.00	0	R2000 000.00	-	R1000 000.00	R1000 000.00
Water services bylaws	Equitable Share	R250 000.00	0	R1000 000.00	-	R500 000.00	R500 000.00
RBIG implementation : Matatiele & Umzimvubu	DWA	R 25 000 000.00	R 25 000 000.00		R25, 000 000.00		
Water Safety Plan	Equitable Share	R 1 900 000.00	R 350 000.00	R 700 000.00	R 350 000.00	R 350 000.00	R 350 000.00
RPMS	Equitable Share	R750 000.00	R150 000.00	R100 000 00	R100 000.00	R150 000.00	R150 000.00
Ground Water Management Protocol training	Equitable Share	R 1000 000.00	R 200 000.00		R200 000 00		200 000 00
Water Borne Disease Emergency Response Plan	Equitable Share	R 2 000 000.00	R 500 000.00	R500,000.00	R 500 000		R 500 000.00
Water Quality Monitoring	Equitable Share	R1 000 000 00		R1 000 000 00	R1,000 000.00		
Environmental Management Awareness	Equitable Share	R 2 500 000.00	R 500 000.00	R500,000.00	R 200 000.00		R 500 000.00
Coastal Management Plan	Equitable Share	R500 00 00		R500 00 00	R350 000.00		

Climate Change Adaptation Strategy	Equitable Share	R200 000.00		R200 000.00	R500 000.00		
Integrated Waste Management Plan WMP	Equitable Share	R 1300 000.00	R 500 000.00	R500 000.00	R 350 000.00		R 100 000.00
Community Based Natural Resource Management	Equitable Share	-	-	-	R 500 000.00	-	-
Electricity					12, 000 000.00		
Tools and Equipment	Equitable Share	14 382 000.00	500 000.00	2 000 000.00	1,000 000.00	3 795 000.00	4 743 750.00
Intervention Projects (Drought Relief)	Equitable Share		3 000 000 .00	2 000 000.00	2,000 000.00	0.00	0.00
Drilling of boreholes	Equitable Share	2 200 000.00	0.00	1 000 000.00	1,000 000.00	0.00	0.00
Belfort Bulk Pipelines	Equitable Share	17 000 000.00	9 000 000.00	8 000 000.00	8,000 000.00	0.00	0.00
Matatiele WTW Refurbishment & Water Augmentation	Equitable Share			8 000 000.00	3,000 000.00	0.00	0.00
Bulk Water purchases	Equitable Share	62 805 000.00	5 000 000.00	3 500 000.00	3,500 000.00	15 180 000.00	18 975 000.00
Maintenance of water and sanitation Infrastructure schemes – Matatiele	Equitable Share	74 191 420.00	2 500 000.00	12 645 000.00	-	19 681 450.00	24 195 563.00
Refurbishment and Replacement of Water Infrastructure –	Equitable Share	16 951 250.00	2 500 000.00	2 000 000.00	2,000 000.00	3 630 000.00	3 993 000.00
Refurbishment and Replacement of Water Infrastructure –	Equitable Share	4 600 000.00	600 000.00	1 500 000.00	-	0.00	0.00
Maintenance of Waste Water TW All	Equitable Share	2 500 000.00	2 500 000.00		-		
Refurbishment and Replacement of Water Infrastructure –	Equitable Share & Grant	75 633 600.00	9 000 000.00	13 200 000.00	-	18 216 000.00	20 037 600.00
Building Maintenance and Alterations	Equitable Share	18 743 500.00	2 500 000.00	3 500 000.00	R500 000.00	4 235 000.00	4 658 500.00
Plant Maintenance	Equitable Share	1 200 000.00	1 200 000.00		-		
Reticulation	Equitable Share	36 630 600.00	3 000 000.00	6 600 000.00	R15,000 000.00	7 986 000.00	8 784 600.00
Vehicles Leasing	Equitable Share	28 083 460.00	4 600 000.00	4 600 000.00	5,500 000.00	6 122 600.00	6 734 860.00
Motor Vehicles Maintenance	Equitable Share	22 534 500.00	1 650 000.00	4 500 000.00	-	5 445 000.00	5 989 500.00
Disaster rural housing		1 000 000.00	1 000 000.00	950 000.00	0.00	0.00	0.00
Municipal Water Infrastructure Grant (MWIG) Matatiele	Grant	15 218 000.00	0.00	15 218 000.00	54 650 000.00	91 190 000.00	0
Municipal Water Infrastructure Grant (MWIG) –	Grant		0.00				0
Municipal Water Infrastructure Grant (MWIG) –	Grant		0.00				0
Municipal Water Infrastructure Grant (MWIG) –	Grant		0.00				0
MT Frere Cleaning at Mt Frere Town	EPWP GRANT		979 200.00			0.00	0.00
Mt Ayliff Cleaning at Mt Frere Town	EPWP GRANT		753 600.00			0.00	0.00
Ntabankulu Cleaning at Ntabankulu Town	EPWP GRANT	R 5 000.00	307 200.00	R 5 000.00	R 10 323 000.00	0.00	0.00

Mbizana Cleaning at Mbizana Town	EPWP GRANT	775 500.00			0.00	
Matatiele Maintenance	EPWP GRANT	1 420 800.00			0.00	0.00
Nkantolo maintenance at Ward 10 Mbizana LM	EPWP GRANT	66 000.00			0.00	0.00
Mfundisweni Maintenance at ward 18 Ntabankulu LM	EPWP GRANT	162 000.00			0.00	0.00
ANDM EPWP interns	EPWP GRANT	236 400.00			0.00	0.00
Umzimvubu Water Treatment Works	EPWP GRANT	518 400.00			0.00	0.00
Ntabankulu Water Treatment Works	EPWP GRANT	96 000.00			0.00	0.00
Matatiele Water Treatment Works	EPWP GRANT	364 800.00			0.00	0.00
Ntabankulu internal road surfacing	EPWP GRANT	6 000 000.00				
Mt Frere internal road surfacing	EPWP GRANT					
Mt Ayliff internal road surfacing	EPWP GRANT					
Maluti internal road surfacing	EPWP GRANT					
Mbizana internal road surfacing	EPWP GRANT				0	0.00
ANDM Home Based Care Givers (all Local)	EPWP GRANT	540 600.00			0	0.00

## COMMUNITY DEVELOPMENT SERVICES

### Disaster Management

Project name and Location	Funding Source	Total Budget over MTEF	Year 1 [2012/2013]	Year 2 [2013/2014]	Year 3 [2014/2015]	Year 4 (2015/2016)	Year 5 (2016/2017)
Satellite Centre establishment – Mbizana	Equitable share	R 10 000 000	R 2000000.00	R 2M	R 2M	R 2M	R2m
Disaster Management Volunteer Programme	Equitable Share	R 1,600,000.00	R 500,000.00	R 350,000.00	R 400,000.00	R 200,000.00	R 200,000.00
Disaster Management Policy Framework	Equitable Share	R 1,000,000.00	R 600,000.00	R 400,000.00	R 60,000.00	R 100,000.00	R 100,000.00
Disaster Management Plan	Equitable Share	R 1,100,000.00	R 200,000.00	R 150,000.00	R 60,000.00	R 250,000.00	R 300,000.00
Disaster Management Capacity Building	Equitable Share	R 850,000.00	R 350,000.00	R 300,000.00	R 130,000.00	R 1,00,000.00	R 100,000.00
Disaster Management Public Education & Community Awareness Programme	Equitable Share	R 600,000.00	R 200,000.00	R 200,000.00	R 50,000.00	R 100,000.00	R 100,000.00
Response , Recovery and Rehabilitation Programme	Equitable Share	R 13 000 000	R 2, 450, 000.00	R 2, 000, 000.00	R 943 719.00	R 2, 000, 000.00	R2, 000, 000.00

Procurement of Disaster Management vehicles	Capital Budget	R 4,000 000,00	R 2, 250, 000.00		R 450 000,00		
Procurement of protective equipment & clothing	Equitable Share	R 400 000	R50,000.00	R50,000.00	R 50,000.00	50,000.00	50,000.00
Strengthening of Disaster Management	Equitable Share	R 450,000.00	R 100,000.00		R 100,000.00	R 100,000.00	R100,000.00

## Fire and Rescue

Project name and Location	Funding Source	Total Budget over MTEF	Year 1 [2012/2013]	Year 2 [2013/2014]	Year 3 [2014/2015]	Year 4 (2015/2016)	Year 5 (2016/2017)
Training center establishment – Mount Frere	Equitable Share	R 2 000,000,00	R 500 000,00	R 300 000,00	R 165 000,00	R 150 000,00	R500,000.00
Facilitate the recruitment and support to key Fire & Rescue Service objective	Equitable Share	R 2 500,000.00	R 1 620,000.00	R 1 320,000.00	R 1, 020,000.00	R 500,000.00	R500,000.00
Fire and Rescue Services Policies and By-Law Enforcement	Equitable Share	R 1,300,000.00	R430,000.00	R 330,000.00	R 100,000.00	R 200,000.00	R100,000.00
Procurement of Fire and Rescue Services equipment	Equitable Share	R6,880,000.00	R 1 150 000,00	1 650, 000,00	R 200 000,00	R 1 000 000,00	R 1, 500,000.00
Control center equipment	Equitable Share	R 5,000,00	100,000.000	R100,000.00	R145,000.00	1,000.00	1,000.00
Procurement of Fire and Rescue Services vehicles(2 X Staff Training Transporters, 4 X Fire Safety vehicles)	Equitable Share	R4,950, 000.00	R 3, 360, 000.00	R 3 360,000.00	R 2,500,000.00	R 100,000.00	R 150, 000.00
Development of Community Emergency Response Teams (C.E.R.T)	Equitable Share	R 1, 200,000.00	R 300, 000.00	R200,000.00	R200,000.00	R50,000.00	R 150 000.00
Fire and Rescue Internal Capacity Building	Equitable Share	R 1 050,000.00	R 450,000.00	R350,000.00	R 70,000.00	R 150,000.00	R 150 000.00
Procurement of protective clothing & uniform	Equitable Share	R 400 000	R1 000,000.00	R1 000,000.00	R650,000.00	50,000.00	50,000.00

## Thusong Centre

Project name and Location	Funding Source	Total Budget over MTEF	Year 1 [2012/2013]	Year 2 [2013/2014]	Year 3 [2014/2015]	Year 4 (2015/2016)	Year 5 (2016/2017)
Construction of 2 Thusong Centers established and functioning by 2014	MIG	R 9 800 000	-	R5, 000, 000.00	-	-	-
Establishment of Thusong Centre Unit	Equitable share	R 1 800 000	R 400, 000. 00	R200,000.00	-	-	R 400 000
Improvement of government access to information and coordination of services	Equitable share	R3 000 000	R 200, 000. 00	-	R 50 000	R 650 000	R 700 000

## 7.2 SECTOR DEPARTMENTS

### 7.2.1 World Vision: Umzimvubu ADP

Log frame Description		Total in US\$		
Enter Log frame Description	Sector Name		Total in Rands	Wards
<b>IMPROVED VEGETABLE AND POULTRY PRODUCTION AT COMMUNITY AND HOUSEHOLD LEVEL</b>				
<b>COMMUNAL GARDENS, SUPPORT GROUPS, CHAT TEAMS, SCHOOLS GARDENS AND HOUSEHOLDS SUPPORTED WITH AGRICULTURAL INPUTS</b>				
Carry out nutritional assessment with 6 local Clinics and DOH with focus also on young mothers and all primary care givers ( facilitated by the CBOs)	Health	1 500	12 750	Ward 16; 15; 17; 12; 13; 14; 10
300 needy households supported with inputs (seed packs) ( Ward 16; 15; 17; 12; 13; 14; 10) 200 supported by CBOs and remainder by the WV and RDAR	Agriculture	3 000	25 500	Ward 16; 15; 17; 12; 13;
Support 5 Agric projects with essential materials and inputs	Agriculture	11 000	93 500	Ward 16; 15; 17; 12; 13; 14; 10
Facilitate support of 10 school gardens for school feeding with LIMA and RDAR	Food Security	4 000	34 000	Ward 16; 15; 17; 12; 13; 14; 10
Hold quarterly food security partners meeting government and local partners such as the CBOs to monitor progress towards indicators	Food Security	1 500	12 750	
Monitor village and school vegetable production, consumption and use with the village lead farmers and the village forums	Agriculture	500	4 250	Ward 16; 15; 17; 12; 13; 14; 10



Continue to profile all households and projects on food security development programme and plan support accordingly	Food Security	2 500	21 250	Ward 16; 15; 17; 12; 13; 14; 10
Best garden competition per ward	Agriculture	2 500	21 250	Ward 16; 15; 17; 12; 13; 14; 10
<b>FARMERS TRAINED ON REARING HEALTHY BROILERS AND SMALL STOCK FOR HOUSEHOLD CONSUMPTION AND SALE.</b>				
Support 50 households on poultry production to supplement nutrition ( Rhode Island red breed)	Agriculture	6 000	51 000	Ward 16; 15; 17; 12; 13; 14; 10
Support small stock development forum with a support of 10 breeding rams through village	Agriculture	10 000	85 000	Ward 16; 15; 17; 12; 13; 14; 10
Support livestock production forum for increased production ( dipping, vaccination and deworming with RDAR)	Agriculture	5 000	42 500	Ward 16; 15; 17; 12; 13; 14; 10
<b>INCREASED HOUSEHOLD INCOME LEVEL</b>				
<b>STRENGTHEN SMALL AND MICRO LEVEL BUSINESSES IN THE COMMUNITY TO IMPROVE INCOME GENERATION</b>				
Facilitate formal registration of 10 unregistered income generating interventions and youth groups	Economic Development	1 100	9 350	Ward 16; 15; 17; 12; 13; 14; 10
Support 5 income generating interventions with material and equipment ( working with the local Municipality Economic Development)	Economic Development	9 000	76 500	Ward 16; 15; 17; 12; 13; 14; 10
Support 2 large scale field production of maize with Municipality and RDAR for increased production	Agriculture	24 031	204 261	Ward 16; 15
Hold quarterly economic development partners meetings	Economic Development	1 500	12 750	Ward 16; 15; 17; 12; 13; 14; 10

Support 10 households on economic development interventions	Economic Development	4 000	34 000	Ward 16; 15; 17; 12; 13; 14; 10
Support producing economic development interventions to establish market with RDAR	Economic Development	3 000	25 500	Ward 16; 15; 17; 12; 13; 14; 10
Broiler abattoir training	Agriculture	4 500	38 250	Ward15
Piggery production training	Agriculture	4 000	34 000	Ward 17
Work with the economic development groups and stakeholders to develop a monitoring framework	Agriculture	-	-	Ward 16; 15; 17; 12; 13; 14; 10
<b>IMPROVED ACCESS TO CLEAN WATER AND PROPER SANITATION FACILITIES</b>				
<b>HOUSEHOLDS SUPPORTED WITH PORTABLE WATER TANKS</b>				
Support 32 vulnerable households with portable water tanks ( terminally ill, child headed and granny headed)	Water and Sanitation	7 000	59 500	Ward 16; 15; 17; 12; 13; 14; 10
<b>COMMUNITY DISASTER PREPAREDNESS PLAN DEVELOPED</b>				
Revise Community Disaster Management document with the municipality ( CDPP)	Disaster mitigation	2 000	17 000	
Organize 1 environmental awareness campaigns with Environmental Affairs Department (EAD)	Disaster mitigation	2 500	21 250	Ward 16; 15; 17; 12; 13; 14; 10
Allocate Funds for NEPRF	Disaster mitigation	8 706	74 001	
Support villages disaster mitigation teams in the villages	Disaster mitigation	1 500	12 750	Ward 16; 15; 17; 12; 13; 14; 10

Allocate funds for local farmers to harvest grass for livestock during annual snow season with RDAR ) late march	Disaster mitigation	5 000	42 500	Ward 16; 15; 17; 12; 13; 14; 10
<b>MEANINGFUL AND WORKING PARTNERSHIPS AND COLLABORATIONS IMPROVED</b>				
Sought for the establishment of development forum in the ADP area	Advocacy	1 500	12 750	Ward 16; 15; 17; 12; 13; 14; 10
Carry out programme transition / redesign	Advocacy	5 000	42 500	
Produce & send DIPs for the ADP in the next year	Advocacy	-	-	
Coordinate regular bi monthly ADP committee meetings	Advocacy	2 070	17 595	Ward 16; 15; 17; 12; 13; 14; 10
Coordinate quarterly forum community meetings	Advocacy	2 000	17 000	Ward 16; 15; 17; 12; 13; 14; 10
Conduct bi- monthly meetings with government departments for partnerships (DOA, DOE, DOH, DOSD. LIMA, SAVE ACT, SEDA, DTI and DEDEA)	Advocacy	1 000	8 500	Ward 16; 15; 17; 12; 13; 14; 10
Carry out community engagement to ward committees, volunteers and community based	Advocacy	3 000	25 500	Ward 16; 15; 17; 12; 13; 14; 10
Support two schools with toilets		58 118	494 000	Ward 15; 17
Total		-	1 683 207	

**7.2.2 DEPARTMENT OF PUBLIC WORKS:**  
**2014/15 ROADS INFRASTRUCTURE PROGRAMME**

PROJECT	BUDGET	STATUS
DR08015 Re-gravelling	R 4,500,000.00	Awarded (April 2014)
DR08017 Re-gravelling	R 7,000,000.00	Awarded (April 2014)
DR08013 Re-gravelling	R 6,000,000.00	Awarded (April 2014)
DR080503 Repair of Causeway	R 2,000,000.00	Awarded (April 2014)
DR08069 Re-gravelling	R7,000,000.00	Awarded (April 2014)
DR08646 Re-gravelling	R5,000,000.00	Awarded (April 2014)
RRM: In-House Matatiele	R2 890 000.00	Tender Stage: Contractor to be on site in October 2014
Flood Damage: DR08070	R4 388 209.00	Contractor on site in June 2014

Flood Damage:D639	R12 390 929.00	To be re-advertised Contractor to be on site August 2014
Flood Damage: D611	R5 250 000.00	Awarded to be completed in August 2014
Flood Damage: D620	R2 100 000.00	Awarded to be completed in August 2014
Flood Damage: D649	R8 050 000.00	Tender Stage: Contractor on site in June 2014
Flood Damage: DR08073	R2 450 000.00	Tender Stage: Contractor on site in June 2014
Flood Damage: DR08015	R14 000 000.00	Tender Stage: Contractor on site in June 2014
Flood Damage: DR08017	R9 632 549.00	Tender Stage: Contractor on site in June 2014
Flood Damage: DR08071	R2 800 000.00	Tender Stage: Contractor on site in June 2014
Flood Damage: DR08077	R3 282 672.00	Tender Stage: Contractor on site in June 2014

### 7.2.3 DEPARTMENT OF HUMAN SETTLEMENTS

Name Of Project	Ward	Progress To Date
Mafube 300	08	<b>53</b> Foundation, <b>49</b> Roofs, <b>49</b> Wall Plates, <b>20</b> Completions (Handover), <b>10</b> Finishes

Queens mercy 300	12	<b>27</b> Foundation
Thaba-Chicha 500	14	The contractor was on the 31 <sup>st</sup> March 2014 forward a name of the best candidate for the appointment of Community Liaison Officer.
Thaba-Chicha MPCC		Site hand over to the appointed contractor will be on the 3 <sup>rd</sup> April 2014.
Mvenyane 500	21	The Community Liaison Officer was appointed and is currently working with the contractor to identify beneficiaries. No construction has taken place yet.
Maritseng 1500	01	The contractor was on the 27 <sup>th</sup> March 2014 forward a name of the best candidate for the appointment of Community Liaison Officer. No construction has taken place yet and beneficiary identification process is complete.
Mehloloaneng 989	16	The contractor is on site finalizing beneficiary administration within the last village in the ward and is also preparing for land surveying and Geotechnical study
Cedarville 201-(Rectification)	26	Awaiting appointment of the contractor by the Department
Pote 40	07	There are 38 approvals at the moment
Destitute People Housing 200.	01	The project is still on progress though there are currently no activities in it.
Tsitsong Disaster Relief 200	04 & 25	Application for housing subsidy is on progress at Khauoe in ward 25; it is expected to be complete before the end of April 2014.
Masakala 500	20	<b>223</b> Foundations, <b>59</b> Roofs, <b>174</b> Wall Plates

<b>Emergency Housing</b>	All	<p>The Department of Rural Development has managed to erect 71 temporary houses for people who were affected by snow disaster and other incidents.</p> <p>There are also 104 people who have recently affected by windstorm and are left without accommodation. Application for emergency housing assistance is to be signed and forward to the Department of Human settlements for consideration.</p>
<b>Jabare Family House</b>	20	Handed to the family on the 8 <sup>th</sup> April 2014
<b>Housing Needs Register</b>	All	The Department has on the 28 <sup>th</sup> March 2014, presented final report on Housing Needs Register Survey conducted in the Municipality.
<b>Magama 500</b>	03	Projects have been Introduced to the communities
<b>Mahareng 500</b>	13	
<b>Cibini 5000</b>	05	
<b>Mphotshongweni 500</b>	09	Nil
<b>Nyaniso 500</b>	18	Nil

**7.2.4 DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN REFORM: CROPPING PROJECTS FOR 2014**

Maluti A	Fiva	15,0	R 111 786,73
Maluti A	Ludidi	15,0	R 111 786,73
Maluti A	Sidakeni	20,0	R 151 489,86
Maluti A	Bubesi	15,0	R 111 786,73
Maluti A	Mgubho	10,0	R 75 744,93
Maluti A	Caba	20,0	R 151 489,86
Maluti A	Bethel	10,0	R 85 744,93
Maluti A	Lukholweni	10,0	R 85 744,93
Maluti A	Magxeni	10,0	R 85 744,93
Maluti A	Nyaniso	15,0	R 111 786,73
Maluti B	Mahobe	30,0	R 223 485,79
Maluti B	Paballong	30,0	R 223 485,79
Maluti B	Tabachicha	20,0	R 151 489,86
Maluti B	Ntataise	10,0	R 75 744,93
Maluit A	New Stance	10,0	R 85 744,93
Maluit A	Bambanani	20,0	R 171 489,86




Maluit A	Masupa/likamoreng	20,0	R 171 489,86
Maluit A	Iketsetseng	20,0	R 151 489,86
Maluit A	Black Diamond	30,0	R 223 485,79
Maluti B	Letlotlo's farm	10,0	R 75 744,93
Maluti A	Glenghorri	20,0	R 151 489,86
Maluti A	Hanover	20,0	R 151 489,86
Maluti A	Nkanyamba	20,0	R 151 489,86
Maluti A	Cedarville	10,0	R 75 744,93
Maluti A	Lehata	10,0	R 85 744,93
Maluti A	Lukhanyo R Co-op.	10,0	R 85 744,93
Maluti A	Lenns	10,0	R 75 744,93
Maluti A	Fussion farm	20,0	R 151 489,86
Maluti A	Noqobo	10,0	R 75 744,93
Maluti B	Semonkong	15,0	R 111 786,73
Maluti B	Qobosheaneng	20,0	R 151 489,86
Maluti B	Lhaseng	20,0	R 151 489,86
Maluti B	Mahlake	20,0	R 151 489,86

Maluti B	Mahobe	15,0	R 111 786,73
Maluti B	Fobane	20,0	R 151 489,86
Maluti B	Matolong	10,0	R 85 744,93
Maluti B	Lekhalong	10,0	R 75 744,93
Maluti A	Nakin farm	20,0	R 151 489,86
Maluti A	Mphupu's farm	10,0	R 75 744,93
Maluti A	St Paul	10,0	R 75 744,93
Maluti A	Donald Drift	15,0	R 111 786,73
Maluti B	Fatima	10,0	R 75 744,93
Maluti A	Parkies Farm	10,0	R 75 744,93
Maluti A	Supa Lucha	5,0	R 44 790,80
Maluti A	Mbizweni	10,0	R 75 744,93
Maluti B	Moeaneng	10,0	R 75 744,93
Maluti A	Achie	10,0	R 75 744,93
		710,0	R 5 470 746,71

## 7.2.5 ESKOM

### 2014/15 ELECTRIFICATION PROGRAMME

14 /15 Electrification Plan			
Local Municipality	Project Name	H/H	Costs
Matatiele	Bakoena 02 SP	Pre Engineering	R 150,000
	Bakoena 09 SP 14/15	300	R 5,400,000
	Bakoena 09 SP Link line	Infrastructure	R 3,700,000
	Khoapha Extension (Nobhaca)	Pre Engineering	R 150,000
	Khorong Koali Park Ext.	Pre Engineering	R 180,000
	Magadla # 3 14/15	124	R 2,232,000
	Moshesh 02 SP	152	R 2,736,000
	Nkau (Ward 12)	150	R 2,700,000
	Nkosana, KwaMbombo, Tsenula 14/15	400	R 7,200,000
	Semonkong 14/15	680	R 12,240,000
	Bakoena 02 SP		R 150,000
	Bakoena 09 SP 14/15	300	R 5,400,000
	Total Matatiele		1,806

4

### 7.2.6 DEPARTMENT OF EDUCATION 2014/2015 PROPOSED PROJECTS

*: The following is a priority list of schools with mud-structures that have to be eradicated.*

<b>PROJECTS</b>
Mathandela JSS, Nkasela JSS, Bamanzi JSS, Mt Zion JSS, Ngcwengana JSS, Thabachicha JSS, Madlangeni JSS, Thusang SPS, Khaiphuskhoapa JSS, Mbizweni JSS, Tshepang JSS, Nkaulweni JSS, Mehloolwaneng JSS, Esilindini JSS, Rethabile SPS, Tlawu JSS, Makhaola JSS, Phakade JSS, Hohobeng JPS, Mngeni JSS, Semonkong JSS, Msi JSS, Magxeni JSS, Likamoreng JSS, Lufefeni JSS, Mothibisi JSS, Magema SPS, Bethesda JSS, Hotolo JSS, Mosehle SPS, Mateleng SPS, Zimpofu JSS, Emazizini SPS, Nkupilweni JSS, Moliko SPS, Thembelitsha JSS, Ncanywa SPS, Mkhuhlane kop, Mdeni JSS, Bubesi JSS, Magema JSS, Moalusi JSS, Tholang SSS, Magadla JSS, Likhethlane JSS, Lihasing JSS
<b>CURRENT SCHOOL BUILDING PROJECTS</b>
<b>PROJECTS</b>
Lenkoe JSS, Paballong JSS, Lepheana JSS, Mpofini JSS, Mvenyane Hostel
<b>PREFABRICATED STRUCTURES</b>
<b>PROJECTS</b>
Cedarville Public, Fobane JSS, Kutloanong JSS, Mabxeni JSS, Mechaeling JS, Moalosi PS, Khashule JSS, Magadla JSS, Moriting JSS, Maluti JSS, Naledi JSS, Sketlane JSS, Queens' Meco JSS, Nkalweni JSS, Mvenyane JSS, Ntabeni JSS, Polokong JSS
<b>DISASTER SCHOOLS</b>
<b>PROJECTS</b>
Thaba-chicha J.S.S, Ntabeni J.S.S, KhanyaNaledi J.S.S, Tsoelike J.S.S, Mechachaneng J.S.S, Sijoka J.S.S, Mparane J.S.S, Makhaola J.S.S., CaiphusKhoapha J.S.S, Mavundleni J.S.S, Tsitsong S.P.S, Springside J.S.S

### 7.2.7 DEPARTMENT OF SOCIAL DEVELOPMENT



Matatiele Area Office–Maluti Place of Safety – Maluti PO Box 250 –4740 – REPUBLIC OF SOUTH AFRICA

Tel: +27 (0) 39 256 0329- Email address:George.maphoi@ [socdev.ecprov.gov.za](mailto:socdev.ecprov.gov.za)

Ref: IDP Projects 2014/15

Enquiries: Mr G.L Maphoyi

#### ALFRED NZO FOR IGR PROJECTS 2013/2014

#### DEVELOPMENTAL SOCIAL WELFARE SERVICES

#### MATATIELE AREA OFFICE

#### DEVELOPMENTAL SOCIAL WELFARE SERVICES

### 2.2- SUBSTANCE ABUSE AND REHABILITATION PROGRAMME

Ward no.	Project Description / Programme	Source of Funding	Budget	2013/2014	Beneficiaries	2014/2015
7	Makhoba TADA Group	Social Development	R120, 000.00	R120, 000 .00	5	R100 000.00
	Siyakhula Disabled	Social Development	NIL	NIL		R125, 328.00

### 2.3- CARE AND SUPPORT SERVICES TO OLDER PERSONS

Ward no.	Project Description / Programme	Source of Funding	Budget	2013/2014	Beneficiaries	2014/2015
10	1. Magadla Old Age Project	Social Development	R 62 400,00		14	R62 400,00
3	2.Phaphamani Senior citizens Club Old Age Project	Social Development	R 48,000.00		18	R48 000,00
15	3.Paballong Old Age Multi-Project	Social Development	R60 000,00		10	R60 000,00
5	4.Thuthukani Sizwe Project for the Aged	Social Development	R96 000,00		18	R96 000,00
20	5.Makabongwe Luncheon Club	Social Development		R 48 000,00	13	R 48 000,00
10	6.Phapama-Lunda	Social Development	R 84 000,00	R 84 000,00	23	R 84 000,00
1	7.Ntataise old age	Social Development	R96 000,00	R96 000,00	18	R96 000,00
12	8.Zakhele old age	Social Development	R84 000,00	R84 000,00	23	R84 000,00
26	9.Sinenjongo luncheon club	Social Development	R25 800,00	R52 800,00	37	R52 800,00

### 2.4 –CRIME PREVENTION AND SUPPORT

Ward no.	Project Description / Programme	Source of Funding	Budget	2013/2014	Beneficiaries	2014/2015
1	Skills Development	Social Development	00	00	NIL	NIL

### 2.6 CHILD CARE AND PROTECTION SERVICES

Ward no.	Project Description / Programme	Source of Funding	Budget	2013/2014	Beneficiaries	2015/2016

23	1.Bethesda Preschool	Social Development	R105 600,00	R105 600,00	32	R92 640
6	2.Boiteko Preschool	Social Development	R145 200,00	R145 200,00	44	R127 380
12	3.Dikonyana Preschool	Social Development	R132 000,00	R132 000,00	40	R115 800
18	4.Elukhanyisweni Preschool	Social Development	R118 800,00	R118 800,00	36	R104 220
12	5.Ikaheng Preschool	Social Development	R118 800,00	R118 800,00	36	R104 220
7	6.Khanya- Mzongwana	Social Development	R132 000,00	R132 000,00	40	R115 800
18	7.Khethokuhle Preschool	Social Development	R115 500,00	R115 500,00	35	To follow
11	8.Khothalang Preschool	Social Development	R132 000,00	R132 000,00	40	R115 800
6	9.Khulani- Zwelitsha	Social Development	R125 400,00	R125 400,00	38	R110 010
7	10.Khuphukani Preschool	Social Development	R99 000,00	R99 000,00	30	To follow
11	11.Lesedi Preschool	Social Development	R115 500,00	R115 500,00	35	R101 325
11	12.Mabua Preschool	Social Development	R99 000,00	R99 000,00	30	R86 850
1	13.Maluti Preschool	Social Development	R198 000,00	R198 000,00	60	R173 700
17	14.Mango Preschool	Social Development	R181 500,00	R181 500,00	60	R129 225
21	15.Masekela Day Care centre	Social Development	R112 200,00	R112 200,00	34	R98 430
3	16.Mechealing Preschool	Social Development	R145 200,00	R145 200,00	44	R127 380
5	17.Msenti Preschool	Social Development	R82 500,00	R82 500,00	25	R64 655
21	18.Mvenyane day care centre	Social Development	R138 600,00	R138 600,00	42	R121 590
13	19.Mparane Pre-school	Social Development	R99 000,00	R99 000,00	30	R86 850
21	20.Mzomhle Preschool	Social Development	R145 200,00	R145 200,00	44	R127 380
10	21.Noluntu Preschool	Social Development	R82 500,00	R82 500,00	25	R72 375
18	22.Noluntu- Silozi Preschool	Social Development	R82 500,00	R82 500,00	25	R60 795
	23. Our Little People	Social Development	R99 000,00	R99 000,00	30	R86 550
6	24.Phamotse- Kuetliso	Social Development	R85 800,00	R85 800,00	26	R75 270
9	25.Phumelela ECDC	Social Development	R99 000,00	R99 000,00	30	R86 850
10	26.Sijoka Preschool	Social Development	R82 500,00	R82 500,00	25	R63 690
19	27.St Nicholas ECDC	Social Development	R 82 500,00	R 82 500,00	25	R72 375
21	28.Tanduxolo Preschool	Social Development	R92 400,00	R92 400,00	28	R81 060
4	29.Tswelo-Pele Preschool	Social Development	R99 000,00	R99 000,00	30	R86 850
10	30. Sibonelo Pre –school	Social Development	NIL	R86 850.00	30	R101 325

25	31. Reahola pre -school	Social Development	NIL	R86 850.00	30	R101 325
05	32. Mnceba Luvuyo pre –school	Social Development	NIL	R101 325.00	35	R101 325
08	33. Enkululekweni pre –school	Social Development	NIL	R101 325.00	35	R101 325
08	34. Latelang pre –school	Social Development	NIL	R101 325.00	35	R101 325
01	35. Super Kiids pre –school	Social Development	NIL	R86 000.00	30	R101 325
	36. Vukuzakhe Pre –School	Social Development	NIL	NIL	35	R101 325
						To follow
	36. Dikamoreng Pre school	Social Development	NIL	NIL	35	R101 325

## NON-GOVERMENTAL ORGANISATION

### 2.6 CHILD CARE AND PROTECTION SERVICES

Ward no.	Project Description / Programme	Source of Funding	Budget	2013/2014	Beneficiaries	2015/2016
19	1.Siyakhula Boys Shelter	Social Development	R547,200.00	R547,200.00	14	To follow
19	2.Child Welfare S.A	Social Development	R 239,000.00	R 239,000.00	4	To follow
19	3.Cross –roads children’s Home	Social Development	R1,224.000.00	R1,224.000.00	60	To follow

### 2.7 VICTIM EMPOWERMENT PROGRAMME

Ward no.	Project Description / Programme	Source of Funding	Budget	2013/2014	Beneficiaries	2015/2016
	<b>MATATIELE</b>					
1	1.Maluti Victim Support Centre	Social Development	R150,000.00	R150 ,000.00	20	R275 000.00
18	2.kwaMashu Victim Support Centre	Social Development	R150,000.00	R150,000.00	06	R275 000.00
	3.Thusanang White Door Centre of	Social Development	R200 000.00	R200 000.00	05	R250 000.00



	Hope					
17	4.Masakhuxolo White Door Centre	Social Development	R200 000.00	R200 000.00	05	R250 000.00
1	5. Maluti white Door Centre	Social Development	R200 000.00	R200 000.00	05	R250 000.00

## 2.8 HIV/AIDS

Ward no.	Project Description / Programme	Source of Funding	Budget	2013/2014	Beneficiaries	2015/2016
21	1.Sinosizo Mvenyane HCBC	Social Development	R 169 302,00	R169 302,00	10	NIL
16	2.Senzokuhle	Social Development	R169 302,00	R169 302,00	10	NIL
6	3.Manguzela	Social Development	R169 302,00	R169 302,00	10	NIL
21	4.Mvenyane	Social Development	R169 302,00	R169 302,00	10	NIL
1	5.Someleze	Social Development	R169 302,00	R169 302,00	10	R600 000.00
13	6.Mamhau Conditional grant	Social Development	R299 804,00	R299 804,00	18	NIL

## 2.10 CARE AND SUPPORT TO FAMILIES

Ward no.	Project Description / Programme	Source of Funding	Budget	2013/2014	Beneficiaries	2015/2016
1	1.Maluti Family Resource Centre	Social Development	R165,000.00	R165,000.00	60	R90 000.00
4	2.Maluti Family Preservation	Social Development	R 100,000.00	R 100,000.00	30	R90 000.00

## COMMUNITY DEVELOPMENT AND RESEARCH

### 3.2 YOUTH DEVELOPMENT

Ward no.	Project Description / Programme	Source of Funding	Budget	2013/2014	Beneficiaries	2015/2016
26	1.Laphumikhwezi Cerdarville Youth Co-operative	Social Development	R390 990,00	R390 990,00	8	NIL
5	2.Mt Elephant Youth Project	Social Development	R348 510,00	R348 510,00	9	NIL

### 3.3 SUSTAINABLE LIVELIHOODS: WOMEN COOPERATIVES

Ward no.	Project Description / Programme	Source of Funding	Budget	2013/2014	Beneficiaries	2015/2016
	<b>MATATIELE</b>					
3	1.Pheelang Development Organization	Social Development	R500,000,00	R500,000.00	12	NIL
11	2.Bokamoso Community Development Project	Social Development	R444 963,15	R444 963,15	6	NIL
2	3.Boitiko Cleaning Services Co - operative	Social Development	R500 000,00	R500 000,00	9	NIL
5	Mt Elephant Youth Project	Social Development	R345 510.00	R345 510.00	9	NIL
6	Sindezama Agricultural Primary Cooperative LTD	Social Development	NIL	NIL	6	NIL
6	Phaphamani youth Project	Social Development	NIL	NIL	5	NIL

2	Masakhane	Social Development	NIL	NIL	6	NIL
21	Sithechu Youth Project	Social Development	NIL	NIL	7	NIL
08	Masimanyane Discuur Project	Social Development	NIL	NIL	10	NIL
13	Mphatlalatsane	Social Development	R375 000.00	R375 000.00	8	NIL
02	Ikaheng Protea Project	Social Development	-	-	-	To follow
15	Lesedi Bana ba lebenya	Social Development	-	-	-	To follow
03	Someleze HCBC	Social Development	-	-	-	To follow
10	Nyamezela Makhaya HCBC	Social Development	-	-	-	To follow

## ***ANNEXURES***

- ***Annexure A: ORGANOGRAM***
- ***Annexure B: DRAFT SDBIP 2014/2015***

