

# **INTERGRATED DEVELOPMENT PLAN (IDP) REVIEW 2011/2012**

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## ACRONYMS

A/A:	Administrative Area
ABET:	Adult Basic Education and Training
AG:	Auditor General
ART:	Antiretroviral treatment
ARV:	Antiretroviral
AsgiSA:	Accelerated and Shared Growth Initiative
BBBEE:	Broad-based Black economic empowerment
CASP:	Comprehensive Agricultural Support Programme
CBO:	Community-based organization
CIDB:	Construction Industries Development Board
CLARA:	Community Land Rights Act
CLO:	Community liaison officer
CTO:	Community Tourism Organisation
DEAET:	Department of Economic Affairs Environment and Tourism
DEAT:	Department of Environmental Affairs and Tourism
DLA:	Department of Land Affairs
DHLGTA:	Department of Housing, Local Government & Traditional Affairs
DM:	District Municipality
DoA:	Department of Agriculture
DoE:	Department of Education
DORA:	Division of Revenue Act
DoRT:	Department of Roads and Transport
DPLG:	Department of Provincial and Local Government
DME:	Department of Minerals and Energy
DPW:	Department of Public Works
DoSD:	Department of Social Development
DSRAC:	Department of Sports, Recreation, Arts & Culture
DTI:	Department of Trade and Industry
DTO:	District Tourism Organisation
DWAF:	Department of Water Affairs and Forestry
ECDC:	Eastern Cape Development Corporation
ECDoH:	Eastern Cape Department of Health
ECSECC:	Eastern Cape Socio Economic Consultative Council
ECTB:	Eastern Cape Tourism Board
ECPB:	Eastern Cape Parks Board
EIA:	Environmental Impact Assessment
EPWP:	Expanded Public Works Programme
ESTA:	Extension of Security of Tenure Act
EU:	European Union
GGP:	Gross Geographic Product
GDP:	Gross Domestic Product
GRAP:	General Regulations on Accounting Practice
HCW:	Health care worker
HDI:	Human Development Index
HR:	Human Resources
ICASA:	Information & Communications
ICT:	Information and Communication Technologies
IDP:	Integrated Development Plan
IDT:	Independent Development Trust
IGR:	Intergovernmental Relations
IMATU:	Trade Union
ISETT:	Information Systems, Electronics and Telecommunications Technologies
ISRDP:	Integrated and Sustainable Rural Development Programme

IWMP:	Integrated Waste Management Plan
JIPSA:	Joint Initiative on Skills Acquisition
KPI:	Key Performance Indicator
LED:	Local Economic Development
LM:	Local Municipality
LRAD:	Land Redistribution and Agricultural Development
LUPO:	Land-use planning ordinance
LTO:	Local Tourism Organisation
MAFISA:	Agriculture Micro credit Fund
M&E:	Monitoring & Evaluation
MFMA:	Municipal Finance & Management Act
MHS:	Municipal Health Services
MIG:	Municipal Infrastructure Grant
MoU:	Memorandum of Understanding
MTEF:	Medium Term Expenditure Framework
NAFCOC:	National African Federation of Chambers of Commerce
NEMA:	National Environmental Management Act
NHBRC:	National Home Builders Registration Council
NSDP:	National Spatial Development Perspective
OTP:	Office of the Premier
PDI:	Previously Disadvantaged Individual
PGDP:	Provincial Growth and Development Plan
PHC:	Primary Healthcare
PIMSS:	Planning and Implementation Management Support Service
PMS:	Performance Management System
PMTCT:	Prevention of Mother to Child Transmission
PPP:	Public-Private Partnership
RDP:	Reconstruction and Development Plan
RLCC:	
RSS:	Rapid Services Survey (conducted by Fort Hare for the Office of the Premier in 2006)
SACOB:	South African Chamber of Business
SAHRA:	South African Heritage Resources Agency
SALGA:	South African Local Government Association
SAMAF:	South African Micro credit Apex Fund
SANRA:	South African National Roads Agency
SAPS:	South African Police Services
SAWEN:	South African Women's Entrepreneurship Network
SCM:	Supply Chain Management
SDBIP:	Service Delivery and Budget Implementation Plan
SDF:	Spatial Development Framework
SEDA:	Small Enterprises Development Agency
SETA:	Sector Education and Training Authority
SLA:	Service Level Agreement
SMME:	Small, Medium & Micro Enterprises
SPU:	Special Programmes Unit
TEP:	Tourism Education Programme
TB:	Tuberculosis
THETA:	Tourism & Hospitality Education & Training Authority
UFH:	University of Fort Hare
UPE:	Universal Primary Education
VCT:	Voluntary Counselling & Testing
WSDP:	Water Sector Development Plan

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## **FOREWORD BY THE MAYOR, N.W NGOQO**

On 1 March 2011, the five year term of this current council will come to an end, with that will also end my stewardship of this council, for which I will forever be grateful to the ruling party. In essence, this council used the past nine months during this financial year to plan in partnership with the community that we serve. The remaining three months will be under the leadership of a new council, at least institutionally. The temptation is naturally too high for one to start enumerating all the achievements of the past five years, but this is not the place or time to do that.

The purpose of this however, is to present this review of the Integrated Development Plan, and as such our plans for the coming financial year. The IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, investment, development, management and implementation in the medium-term decision-making. While this is a political document, owing largely to the fact that its development is politically driven, the Senior Management and the Middle Management of the municipality is responsible for its implementation. To achieve this, our corporate performance objectives have to be aligned to and find expression in the performance agreements concluded between council and the Accounting Officer and between the Accounting Officer and his section 57 Managers.

The constitution of the Republic of South Africa is quite categorist in its prescription of the developmental roles of local government. To this effect; sections 152 and 153 of the constitution puts local government in charge of the development process in municipality, and notably in charge of planning for the municipal area. The constitutional mandate is to relate management, budgeting and planning functions to its objectives and gives a clear indication of the intended purposes of municipal integrated development planning:

- ◆ To ensure sustainable provision of services;
- ◆ To promote social and economic development;
- ◆ To promote a safe and healthy environment;
- ◆ To give priority to the basic needed of communities; and
- ◆ To encourage involvement of communities

I am quite happy that our planning and consultation processes have, over the last few years, evolved to become among the best in terms of actual consultation and the processes of inputs received. We have always held that ours in not merely compliance but a genuine belief in the need for development to be people centred and driven. Our communities deserve credit for their participation and show of a genuine interest in the affairs of their local municipality. The response we have been receiving during our IDP consultation processes have been very encouraging. We can only hope that the council that will come after this one will receive the same level of cooperation and support.

**CLLR NCEDO NGOQO  
MAYOR**

# CHAPTER ONE

## 1. EXECUTIVE SUMMARY – GARIEP LOCAL MUNICIPALITY

The Gariiep local municipality's Integrated Development Plan under review for 2011/2012 is structured as follows:

Chapter 1	Executive Summary
Chapter 2	Situational Analysis
Chapter 3	Development Objectives and Strategies
Chapter 4	Financial Plan
Chapter 5	Annual Operational Plan / Service Delivery Budget Implementation Plan
	Annexures
	Annexures

### 1.1 OVERVIEW BY THE MUNICIPAL MANAGER: MR. THEMBINKOSI MAWONGA

#### FOREWORD BY THE MUNICIPAL MANAGER , T. MAWONGA

I join His Worship; the Mayor in submitting a revised draft Integrated Development Plan for 2011/2012. This document will, as the mayor said, will form the basis of our planning within the municipality for the next 12 months. It will inform all operational plans to be developed within the municipality and will have to be integrated into our Performance Management System (PMS) so that all actions by the municipal administration are geared towards the same goals and objectives.

The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) defines integrated development planning as one of the core functions of a municipality in the context of its developmental orientation and mandate. It should be framed in such a way that it integrates all available resources; human, financial, political and other resources. Its other function is that of coordinating other plans.

To the extent possible, the inclusive, consultative approach that attended the development of the IDP means that it accommodates very diverse view points that came forward to present during the IDP community participation processes. The future budgets will therefore be based on a document that enjoys the support of many of our stakeholders

It is noteworthy that the IDP went through its development at the most opportune of moments; that is when a team comprising of the officials from the Department of Cooperative Governance and Traditional Affairs and their provincial counterparts; Department of Local Government and Traditional Affairs, visited our municipality for purposes of Local government Turn Around Strategy and the Municipal Capacity Assessment Tool, respectively. The wide range of stakeholders that attended and fully participated in these sessions gave us yet another opportunity to listen to the concerns and priorities of our communities.

As management, we appreciate the urgency with which concrete action need to be taken to give effect to some of the projects and programmes herein spelt out. We are quite alive to the point made by His Worship; the Mayor, that this document does not merely exist to fulfil a legal requirement, it represents the aspirations of the community, on whose behest, we occupy the



positions that we occupy. With resources permitting, we will not rest until all the objectives herein spelt out are fulfilled.

**THEMBINKOSI MAWONGA  
MUNICIPAL MANAGER**

## **1.2 IDP PROCESS**

### **Purpose of Integrated Development Planning**

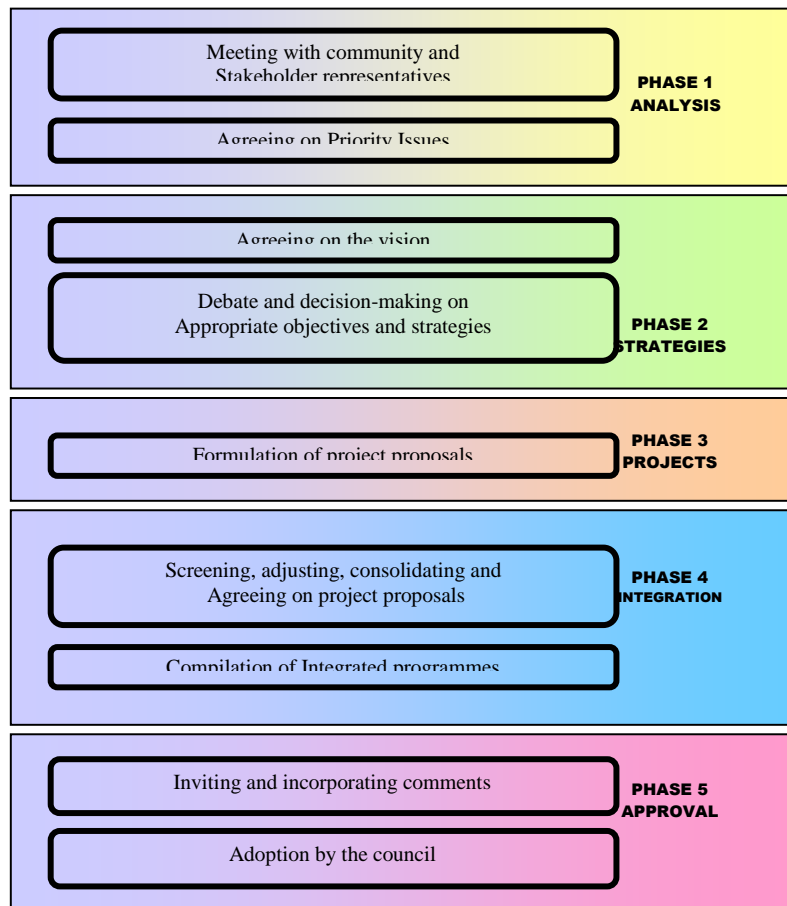
The IDP process is aimed at achieving faster and more effective service delivery and to provide a framework for economic and social development in Gariep Municipality. The integrated context strives to create a planning environment that allows for the integration and alignment of government's strategic objectives and delivery priorities and is geared towards eliminating the development legacy of the past.

The Department of Provincial and Local Government IDP Guidelines summarised the purpose of the Integrated Development Planning Process as follows:

- Eradicating the development legacy of the past
- Making the notion of developmental Local Government work
- Laying the foundation for community building
- Fostering co-operative governance

### **Development Concept**

The methodology followed in the IDP process is based on the Department of Provincial Local Government (DPLG) model or approach which is staged over 5 phases: Analysis, Strategies, Project Formulation, Integration and Approval as illustrated in Figure 1.1 overleaf.



**Figure 1.1: The Generic IDP Process**

While the guide packs propose a systematic process of IDP preparation based on typical systems theories, the reality of planning in the Gariep area is more similar to incremental planning and constant shaping of a concept, until consensus is reached. As such, the final approved IDP document is likely to change over subsequent years as external and internal factors impact and reshape strategic focus.

### **Legislative Framework**

The Constitution provides the primary overarching framework within which Local Government planning must be understood. The Constitution gives Local Government a mandate to:

- Provide democratic and accountable Government for all communities;
- Ensure the provision of services to communities in a sustainable manner;
- Promote social and economic development;
- Promote a safe and healthy environment; and
- Encourage the involvement of communities and community organisations in the matters of Local Government.

The under-mentioned Acts regulate the legal context within which all municipalities are expected to function:-

- Municipal Demarcation Act;
- Local Government: Municipal Structures Act;
- Local Government: Municipal System Act;

- Municipal Planning and Performance Management Regulations, (Regulation No. R796, 24 August 2001); and
- Municipal Finance Management Act.

## **Annual Review and Amendment of the Integrated Development Plan**

The review for 2011/2012 of the Gariep IDP is based on the following prescripts:-

A Municipal Council:

- Must review its Integrated Development Plan annually in accordance with an assessment of its performance measurements, and to the extent that changing circumstances so demand a review;
- May amend its Integrated Development Plan in accordance with a prescribed process (Local Government Municipal Systems Act, 2000, Section 34).

The Mayor of a municipality must co-ordinate the annual revision of the Integrated Development Plan in terms of Section 34 of the Municipal Systems Act, and determines how the Integrated Development Plan is to be taken into account or is to be revised for the purposes of preparing the annual budget. (MFMA) 53 (1) (b).

## **CHAPTER TWO**

### **2. EXTERNAL AND INTERNAL SITUATIONAL ANALYSIS – GARIEP AREA**

This section provides a strategic analysis of external and internal dimensions, which will have a direct impact on development in Gariep local municipality.

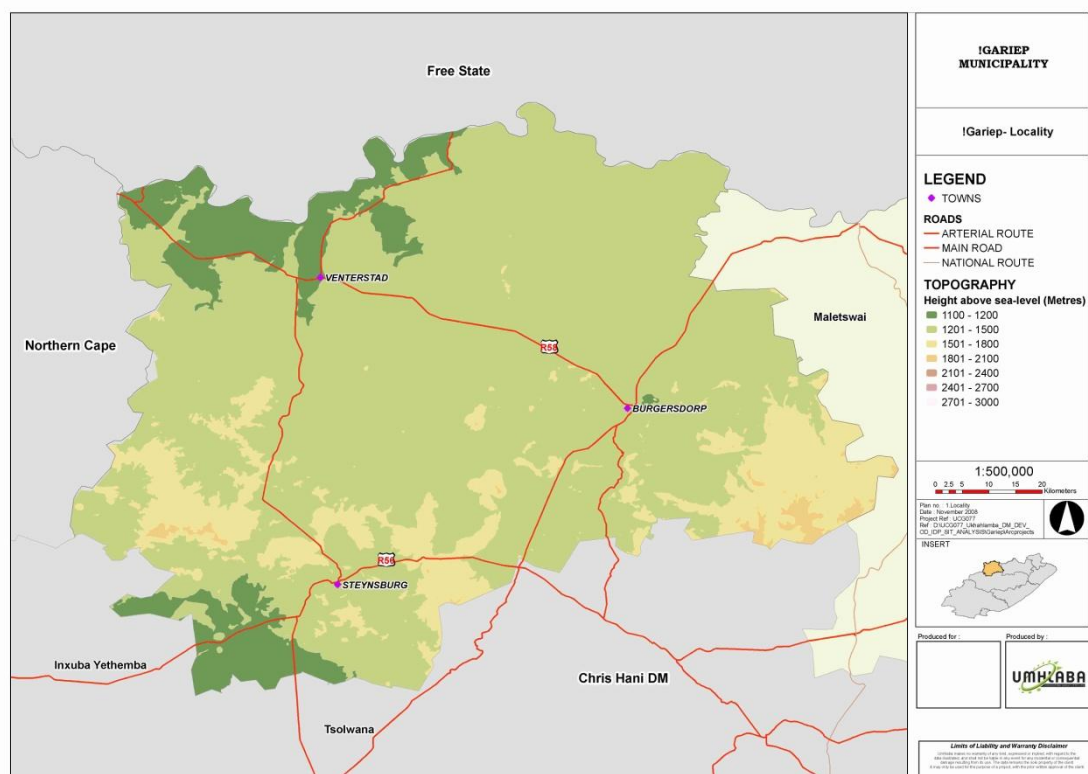
#### **2.1 THE STUDY AREA**

Gariep Local Municipality (EC144)

##### **2.1.1 GEOGRAPHIC DESCRIPTION**

The Gariep municipal area is located in the west of the Joe Gqabi District Municipality. Gariep Local Municipality is located south of the Orange River and Gariep Dam and shares boundaries with the following local municipalities: Inkwanca to the southeast, Tsolwana to the south, Inxuba Yethemba to the southwest and Maletswai to east. The Orange River separates Gariep from both the Northern Cape and the Free State Provinces. Gariep Local Municipality covers an area of 8,922.2km<sup>2</sup> and has three main towns namely Burgersdorp, Steynsburg and Venterstad.

The Gariep Local Municipality has a fairly diverse vegetation and is home to three distinct vegetation types, one of which – Eastern Mixed Nama Karoo – is recognised as a nationally significant biome.



## 2.1.2 DEMOGRAPHIC ANALYSIS

### 2.1.2.1 POPULATION DENSITY

According to the revised population estimates based on the Community Survey 2007 (Statistics South Africa, 2007), the Gariep local municipality has a population of approximately 23,709 (compared to the 2001 Census estimate of 31,313) people residing in 8,208 households (compared to 8,229 households (Census 2001)). This population accounts for 7.69% of the total population residing in the Joe Gqabi district, making it the least populous local municipality in the district. (Refer to table below)

Between 1996 and 2001, **4,480** people immigrated to Gariep, primarily from the Northern Cape. This can probably be attributed to the better quality of services in Gariep

2007 Community Survey is used as the primary source of data however it is recognised that due to the smaller sample size used in the survey figures may be under/over stated.

Reflects the major towns in the Gariep Local Municipality as well as their Populations.

**Table : Population and Population Densities in the Gariep Local Municipality**

Town	Pop 2007	Area Km2	Pop Density
Burgersdorp	5418	27.2	199.2

Venterstad	563	81.4	6.9
Steynsburg	787	1.4	573.0

Source: Urban-Econ Database, 2009

*Total Population and Households Figures (2007 Community Survey)*

Name	Population	Population as % of District	Population as % of Province	No. of Households	Households as % of District	Households as % of Province
Gariep Municipality	23,709	7.69%	0.36%	8 208	0.91%	0.05%

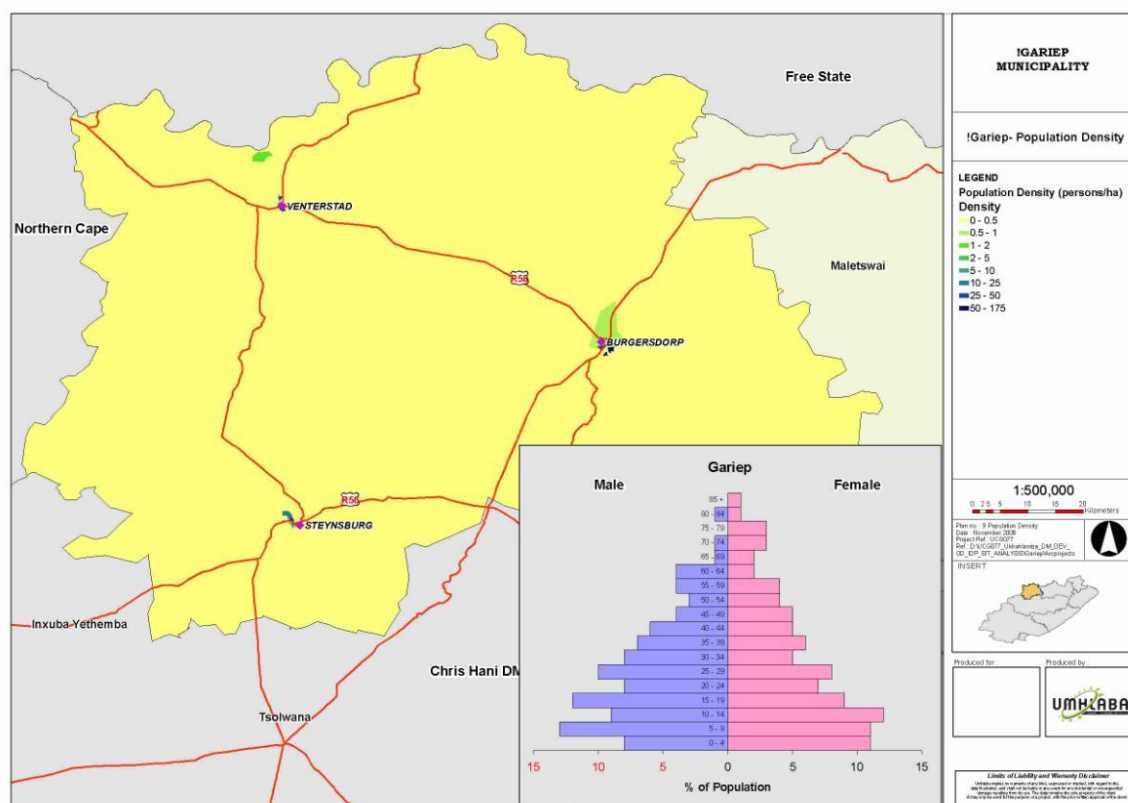
**Rural vs. Urban Population**

According to the 2001 Census 75.5% of households are urban in nature.

*Table indicating urban and rural household information (2001 Census)*

Name	No. of Rural households	% of total households	Rural hh as % of province	No. of Urban households	% of total households	Urban hh as % of province	Total No. of Households
Gariep Municipality	2017	24.5%	0.24%	6212	75.5%	0.94%	8229

The plan overleaf indicates the spatial representation of the population density and the chart indicates age and gender for the Gariep Municipality.



### 2.1.2.2 GENDER DISTRIBUTION

The overall male – female ratio is 47.1% male to 52.9% female. There are slightly more female than male headed households. This could be attributed to **outward migration** by males in search of work.

**Table : Household head**

Municipality	Male	Female
Gariep	4096	4106

Source: Statistics South Africa: Community Survey 2007

### 2.1.2.3 RACIAL DISTRIBUTION

The majority (66.04%) of the population are Black Africans.

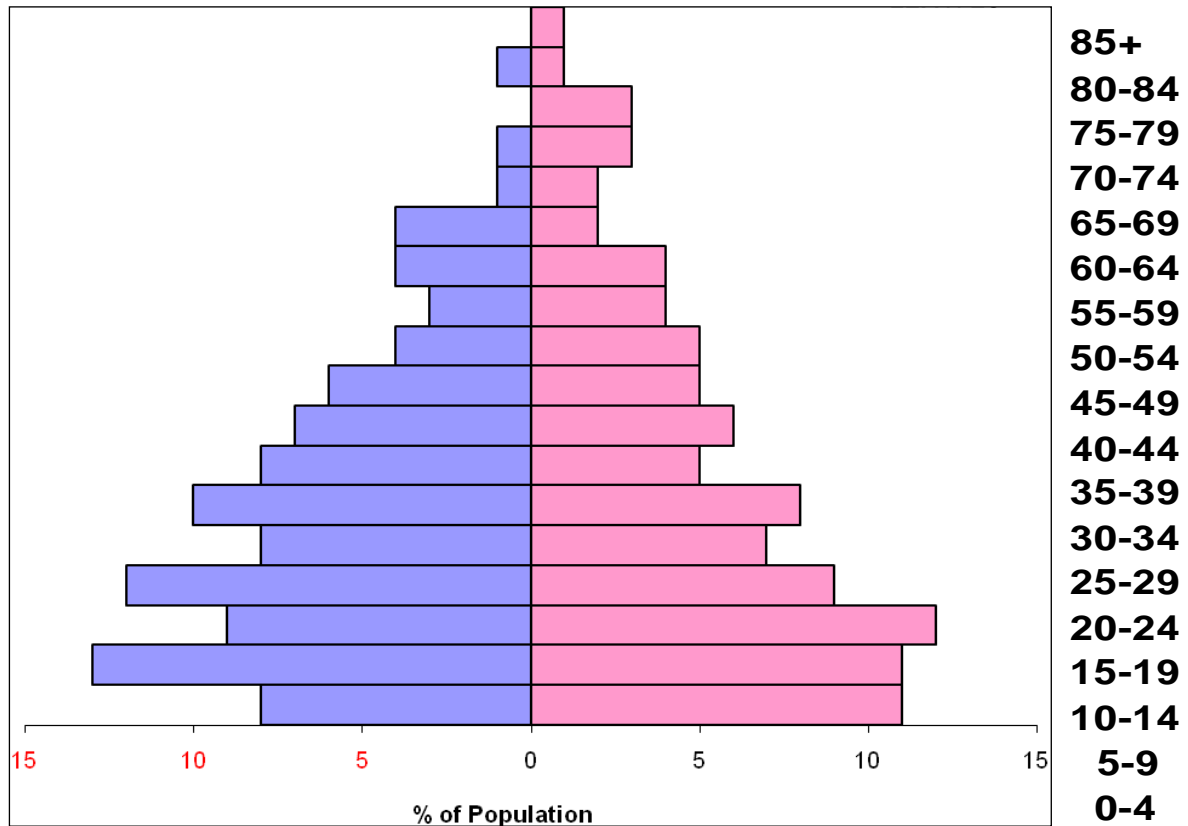
Black African	66.04%
Coloured	27.20%
Asian/ Indian	0%
White	6.76%

### 2.1.2.4 AGE DISTRIBUTION

Approximately 51.11% of the municipal population falls in the 20-65 age categories which can be seen as the economically active sector of the population, with 42.27% of the population below the age of 20. This suggests continuing population growth in the area with a need for educational facilities and a focus on education and skills training.

The age structure of the Gariep Municipality establishes the potential **size** of the economically active **labour force**. The large number of young people in Gariep is mirrored by the high dependency on **child support grants**.

Figure indicating Age and Gender Distribution – Gariep Municipality



### 2.1.2.5 DISABILITY

The status of disability has been obtained from 2001 data from the Municipal Demarcation Board’s website and is indicated in the table below:

Description	2001
No disability	28,424
Sight	664
Hearing	380
Communication	134
Physical	915
Intellectual	214
Emotional	240
Multiple	329

## 2.1.3 SOCIO-ECONOMIC ANALYSIS

### 2.1.3.1 UNEMPLOYMENT LEVELS

Data from the 2007 Community Survey indicates that the average unemployment rate of the Gariep Municipal area is 20%. (See Table below) This only includes people that are actively searching for work. The percentage of people who are unemployed but not looking for work is 47%, compared to 54% for the district and 48% for the province.

There are 3 874 people employed in Gariep (26.64% of the population), compared to 25% in the district and 29% in the province.

#### ***Employment – Gariep Municipality***

	<b>Number of People</b>	<b>% of Gariep</b>
Employed	3,874	26.64%
Unemployed	2,930	20.15%
Not economically active	6,812	46.85%
Unspecified	481	3.31%
Institutions	444	3.05%
<b>Total</b>	<b>14541</b>	<b>100%</b>

The urban areas and commercial farming district are the highest employers, where people have found employment in the agriculture, commercial and service sectors.

The plan overleaf is based on data from the 2001 Census, and indicates the percentage of the potential workforce (i.e. those aged 15 to 65) who is employed across the district. It is clear that in 2001 Gariep had the highest percentage of employment, but this picture has changed with the updated data from the Community Survey 2007.

The pie chart overleaf indicates the economic sectors for employment in Gariep Municipality, with agriculture accounting for 32% of the employment, followed by community services with 26%.





This has implications with regard to affordability of services and the sustainability of these services. Many people are dependent on social grants.

The Community Survey 2007 indicates that 60.76% of the Gariep population earn no income or between R1 and R1600 per month, compared to 74.51% of the population of the district and 81.46% of the province.

#### **Number of people earning less than R1600 per month – Gariep Municipality**

	<b>Gariep Population</b>	<b>% of Gariep</b>
No income	4,164	28.64%
R 1 - R 400	363	2.50%
R 401 - R 800	733	5.04%
R 801 - R 1 600	3,574	24.58%
<b>TOTAL</b>	<b>8.834</b>	<b>60.76%</b>

The dependency ratio indicates the ratio between those who are not economically active by virtue of their age (i.e. either younger than 19 or older than 65 and thus economically dependent) to those who are within the economically active age of 20 to 65.

In Gariep the dependency ratio is 96:100, which means that for every 100 economically active people, there are 96 people who are dependent.

#### **2.1.3.3 DEPENDENCY ON SOCIAL GRANTS**

There is a high level of dependency on social grants. 34.2% of the population is dependent on social grants which include but not limited to the following;

- ⇒ Old age pension
- ⇒ Disability grant
- ⇒ Child support grant
- ⇒ Care dependency grant

Child support grants, disability grants and old age pensions respectively constitute 44.9%, 31.5% and 20.1% of the allocated grants. Given the high poverty levels, the Gariep Municipality needs to facilitate a process to ensure that all potential beneficiaries of grants receive what they are entitled to.

<b>Gariep Local Municipality</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Not Applicable	7389	7588	14977
Old age pension	298	1330	1628
Disability grant	1223	1330	2553
Child support grant	1673	1971	3644
Care dependency grant	81	109	190
Foster care grant	34	38	72
Grant in aid			0
Social relief		16	16
Multiple social grants		11	11

Institutions	469	146	615
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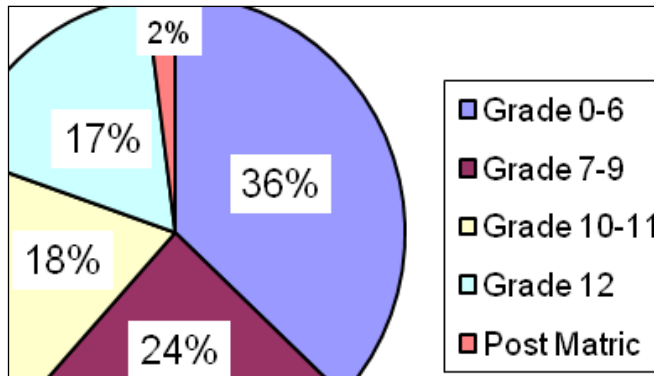
#### 2.1.3.4 EDUCATION

The table below is obtained from the Community Survey 2007 and indicates that 36% of the Gariep population has received education up to Grade 6. 15.78% have received no schooling and a small percentage has some form of tertiary education.

##### *Level of education – Gariep Municipality*

	Number of People	% of Gariep
Grade 0	51	0.37%
Grade 1/sub A (completed or in process)	147	1.07%
Grade 2/sub B	273	1.99%
Grade 3/standard 1	237	1.73%
Grade 4/standard 2	553	4.03%
Grade 5/standard 3	625	4.55%
Grade 6/standard 4	761	5.55%
Grade 7/standard 5	974	7.10%
Grade 8/standard 6/form 1	1,343	9.79%
Grade 9/standard 7/form 2	900	6.56%
Grade 10/standard 8/form 3/NTC I	1,446	10.54%
Grade 11/standard 9/form 4/NTC II	534	3.89%
Attained grade 12; out of class but not completed grade 12	982	7.16%
Grade 12/Std 10/NTC III (without university exemption)	661	4.82%
Grade 12/Std 10 (with university exemption)	83	0.60%
Certificate with less than grade 12	168	1.22%
Diploma with less than grade 12	273	1.99%
Certificate with grade 12	212	1.54%
Diploma with grade 12	359	2.62%
Bachelor's degree	162	1.18%
BTech	0	0.00%
Post graduate diploma	0	0.00%
Honour's degree	65	0.47%
Higher degree (masters/PhD)	37	0.27%
No schooling	2,166	15.78%
Unspecified	273	1.99%
Institutions	438	3.19%
<b>Total</b>	<b>13,723</b>	<b>100%</b>

**Figure indicating Highest Level of Education Achieved in Gariep LM**



There are 23 primary, 4 secondary and 4 combined schools in Gariep local municipality. There are no tertiary facilities in the municipality area.

## 2.1.4 HOUSING AND SETTLEMENT ANALYSIS

Housing function is vested with the Provincial Department of Housing. The Gariep Housing Sector Plan was adopted by Council in 2008 and identified objectives, strategies and areas of intervention. Gariep municipality has negotiated with DoH for the Plan to be reviewed. The Department indicated a willingness to assist during the 2011/12 financial year although confirmation is awaited in this regard.

There is a Housing Officer at Burgersdorp, and a Housing Clerk at Venterstad and Steynsburg respectively. The Housing Clerk post at Burgersdorp has recently become vacant. [This is a funded post and critical to fill.](#)

Housing Sector Plan will be reviewed 2011/12

### 2.1.4.1 SETTLEMENT PATTERNS

Gariep consists of the following towns:

- Burgersdorp, including Mzamomhle, Thembisa, Eureka and rural Hinterlands
- Venterstad, including Lycumville and Oviston
- Steynsburg, including Khayamnandi, Westdene and Greenfield

The physical area is characterised by a distinctive settlement and land use pattern, encompassing three urban settlements, with areas outside of the urban area consisting of commercial farms.

The prevalence of extensive farming in the district historically resulted in the formation of service centres, i.e. Venterstad, Steynsburg and Burgersdorp along the main transport routes. These urban centres offer services and retail facilities to the surrounding rural hinterland.

Urban settlement growth has resulted in the provision of low cost housing thereby creating a significant shortage of available middle income houses, especially in the towns. Likewise, there is also a need to improve the central business districts of these areas to stimulate economic growth in the retail and manufacturing sectors.

In all three of the town there are large portions of vacant land that is suitable for residential development. Ownership is vested in the municipality which will expedite land release for housing development. Land for future housing development has been identified near Greenfields in Steynsburg, Takalani in Venterstad and Eureka, Thembisa, Oviston and Burgersdorp Town

The SDF has proposed identified low, medium and high density development in all three towns.

#### 2.1.4.2 TENURE

All land within Gariep is owned by way of full title. No quitrent, leasehold or PTO's exist.

According to the Statistics South Africa Community Survey 2007, .....% of the Gariep population own their homes. This is lower than the District norm of .....% and the Provincial norm of .....%.

Description	2007
Owned, fully paid	3,411
Owned, not paid	525
Rented	2,338
Occupied rent free	1,907
Other	
	8,182

#### 2.1.4.3 HOUSING TYPES

The Community Survey 2007 provides data on the types of main dwelling for the Gariep Municipality. There are 6,819 households, or 83.02% of the population who live in a house or brick structure on a separate stand or yard.

##### *Type of main dwelling – Gariep Municipality*

	Households	% of Gariep
House or brick structure on a separate stand or yard	6819	83.08%
Traditional dwelling/hut/structure made of traditional materials	36	0.44%
Flat in block of flats	100	1.22%
Town/cluster/semi-detached house (simplex: duplex: triplex)	0	0.00%
House/flat/room in back yard	932	11.35%
Informal dwelling/shack	104	1.27%
in back yard		
Informal dwelling/shack NOT in back yard e.g. in an informal/squatter settlement	206	2.51%
Room/flatlet not in back yard but on a shared property	0	0.00%
Caravan or tent	0	0.00%
Private ship/boat	0	0.00%
Workers hostel (bed/room)	0	0.00%
Other	11	0.13%
<b>Total Households</b>	<b>8208</b>	<b>100.00%</b>

#### 2.1.4.4 HOUSING RECTIFICATION PROGRAMME

Gariap has not submitted any new housing applications mainly due to the fact that a housing rectification programme is underway in respect of the 1 000 units at Burgersdorp, 600 in Steynsburg and 500 in Venterstad. These housing development projects had in the past been characterised by weak project management which has resulted in poor workmanship, inferior structural quality, incomplete and unoccupied houses. The rectification projects will receive preference as the beneficiaries have been waiting since 2002.

Application has been made to address an additional 198 houses at Venterstad as a rectification project.

#### 2.1.4.4 HOUSING BACKLOGS

Approximately 4 570 beneficiaries appear on the housing waiting list in 2010/11 as listed in the table below. However the backlog will be reduced slightly upon completion of the construction of 360 low cost houses at Venterstad, 140 in Burgersdorp and, an addition 530 in Steynsburg, which is part of an ongoing project that will be rolled-over to 2011/12. This estimate includes middle income housing, people living in old dilapidated houses, train houses and other informal dwellings. It does, however, not take into consideration the estimated 10% increase every year.

Before any new low or middle cost houses can be considered the existing and bulk infrastructure will have to be expanded / upgraded as currently the provision of water is prone to disruptions and the sanitation treatment plants are operating at full capacity.

The demand for middle income housing has increased steadily over the years. The SDF identified suitable land for the development of middle class housing in all three of the towns. In Burgersdorp an Environmental Impact Assessment and rezoning was completed but the project was shelved due to the water and sanitation constraints mentioned above.

GEOGRAPHICAL AREA	HOUSING NEED 2010/11	UNDER CONSTRUCTION TO ADDRESS THE NEED	HOUSING NEED 2011/12
Burgersdorp	1500 Subsidized 600 Dilapidated Houses 255 Middle Income 20 train houses (Mzamomhle)	140 - - -	1 360 600 255 20
Steynsburg	1 100 Subsidized 400 Dilapidated Houses 110 Middle Income	530 (roll-over 2011/12) - -	570 400 110
Venterstad	500 Subsidized 65 Middle Income 20 train houses (Nozizwe)	360 - -	140 65 20

#### Housing Challenges

Backlog of approximately 4500

Rectification process of the low cost houses in the areas of Greenfields, Thembisa, Nozizwe and Oviston is underway. The National Home Builders Regulation Council in collaboration with the Department of Housing are monitoring the project Progress needs to be expedited.

- Full title is not registered and handed to the beneficiaries and this is a huge problem to raise collateral to extend or sell their properties. R300.00 conveyancer should get appointed by DoH
- Quality of houses that were constructed in 1996 until 2002 were compromised
- Budget for basic services such as storm water and roads were not made available although the municipality will continue to lobby for funding from DoH and MIG where possible.
- Lack of a breakdown of the houses to be rectified in 2011/12 in the SDBIP

- Retention of **AS BUILT Drawing** by the Consulting Engineers

### **Housing Intervention**

- Expedite and finalise the housing rectification programme
- Negotiate with JGDM to address the water and sanitation challenges in order to investigate options of forging a partnership with the private sector for the construction of middle income houses.
- The department of housing is doing very well to assist the municipality in terms of cession so that the progress on site is not hampered by cash flow constraints.
- The DoH not releasing between 5 -10% of the project cost to the municipality for administration costs. To be raised at MuniMEC for mitigation.
- Apart from the normal retention amount that is retained, consideration should be given to withhold an additional amount by DoH for release only when the Contractor has handed the **AS BUILT Drawings** to the municipality.
- Municipality must consider including a clause in the Appointment Agreement specifying that the Consulting Engineers must submit the **AS Built Drawings** to the municipality as soon as the last house has been built.

### **Land Reform**

Currently there are three parallel land reform policies being implemented by the South African National Government.

These are:

- Land restitution
- Land redistribution
- Land tenure reform

Land restitution is a legal process whereby people who can prove that they were dispossessed of their land after 1913 can regain their land or receive appropriate financial compensation for it.

Land redistribution aims to address the racial imbalances in the ownership of commercial agricultural land through the transfer of land between individuals.

Land tenure reform aims to address insecure tenure in the former homeland areas.

The current structure of land in the Gariep LM is as follows:

- Farms: 8786 km<sup>2</sup>
- Urban commonages: 61 km<sup>2</sup>
- Conservation: 71 km<sup>2</sup>

Average land price for farmland in Gariep is estimated **R 1270 per hectare**.

#### **Redistribution**

The national **PLAS target** for land reform is **30%** of commercial farmland transferred to previously disadvantaged individuals.

This target translates into the transferring of **2,635 km<sup>2</sup>** of commercial farming land in Gariep to previously disadvantaged individuals.

Currently only **327 km<sup>2</sup>** have been transferred which leaves a remaining target of **2,308 km<sup>2</sup>**.

This means that only **12.4%** of commercial farming land has been redistributed.

To achieve the 2014 PLAS target, the Gariep Local Municipality will have to transfer and average **527 km<sup>2</sup> a year** over the next 5 years.

The cost of this land transfer is estimated at **R 131.750 million** (R 2500 per hectare)

This figure however is **R 1,230** above the current average price of farmland in the area, so actual costs could be as low as **R 66.929 million**.

**Restitution**

- There have only been **4 claims settled** by the Regional Land Claims Commission in Gariep.

**LAND REFORM CHARACTERISTICS**

- Redistributed land in the municipality is approximately 3.7% (about 32772 hectares).
- The Regional Land Claims Commission has only settled about 4 restitution claims in the Gariep LM.

**2.1.6. LAND ISSUES IN GARIEP**

- The 30% PLAS target is 263500 hectares. In terms of financial costs, using R2500 as a cost per hectare, this translates into: 263500 hectares x R2500 = R6'587 500'00 in 5 years. Per annum, about 52700 hectares of land must be transferred at a cost of R131'750 000'00.
- Land is needed to accommodate about 5000 urban housing units.
- Additional land is needed for the extension of commonage.
- Land for off-farm land tenure for farm workers.
- No land needs survey has ever been done, therefore there are unquantified land needs.
- Little land reform has taken place in the municipality.
- Restitution claims not yet completed.
- No database of farm workers who need on-farm land tenure.

**LAND REFORM SITUATION IN THE GARIEP MUNICIPALITY**

LAND SITUATION	Gariep
Communal	0
Farms	8786
Redistributed	327
Percentage	3.7
Restitution Claims	4
State land	0
Urban Commonage	61
Forestry, conservation	77
TOTAL AREA	8929
30% PLAS Target	2635
30% Target per annum	527
Est. cost per annum (at R2500 per hectare	52700ha x R2500 =R131'750'000

**2.1.7. LAND REFORM TARGETS IN GARIEP MUNICIPALITY**

The Area Based Land Reform Planning in Gariep Local Municipality should take the following land needs into consideration:

**(a) Housing**

- The provision of residential sites for 5000 urban households. This translates to 195 hectares of land.
- The provision of land tenure security for farm workers' households, mostly off farm.

**(b) Agriculture**

- Speeding up the finalization of outstanding rural restitution claims.
- The proactive acquisition of 30% redistribution land target is approximately 263 500 hectares.

**2.2. KPA 1: SPATIAL DEVELOPMENT FRAMEKWORK**

Due to the prevailing soil and rain type, the municipality is not suitable for the large scale production of crops. Crop farming however can still occur in areas under irrigation from the Orange River. The land capacity and soil composition also makes the area very susceptible to degradation particularly if overgrazing also occurs



## 2.2.1 GARIEP SPATIAL DEVELOPMENT FRAMEWORK

The SDF is the principal instrument for forward planning and decision making on land development in the entire municipal area. The Gariep SDF was adopted by Council and will be reviewed in the 2011/2012 financial year to accommodate new developments and information.

### Areas of prioritised intervention

- SDF Review during 2011/2012 - Lobby for funding DLGTA

### Development Key issues, Strategies, Implications & Spatial Development Objectives

The following priority issues, spatial development implications and development objectives are identified in the SDF as crucial in unlocking the land development potential of the Gariep municipality:

No	Key Issues	Spatial Development Objectives	Strategies
1.	Basic Needs	<ul style="list-style-type: none"> <li>• Ensure availability of minimum acceptable level of infrastructure and services throughout the Municipal Area</li> <li>• Improved capacity in service delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Identify and prioritise areas greatest need</li> <li>• Systematically link services and services supply networks to optimize efficiency</li> <li>• Involvement of all relevant stakeholders</li> </ul>
2.	Spatial Fragmentation	<ul style="list-style-type: none"> <li>• To create an efficient and integrated settlement pattern in Gariep Municipal area</li> </ul>	<ul style="list-style-type: none"> <li>• Consolidation and Densification of Settlements</li> <li>• Promote the integration of sprawling settlements</li> <li>• Prioritise maintenance and upgrade of strategic link routes</li> </ul>
3.	Linkages and Access	<ul style="list-style-type: none"> <li>• Well structured network system allowing for ease of movement</li> <li>• Efficient and Effective links between pertinent nodes, products and services</li> </ul>	<ul style="list-style-type: none"> <li>• Identified nodes and products that require linkage</li> <li>• Identify and prioritize areas where there is greatest need for improved access</li> <li>• Consolidate and integrate spatial development</li> <li>• Prioritise maintenance and upgrade of strategic link route</li> </ul>
4.	Land Use Management	<ul style="list-style-type: none"> <li>• To Develop and Implement an appropriate Land Use Management System</li> <li>• Facilitate security of access to land for development</li> </ul>	<ul style="list-style-type: none"> <li>• Implement a programme to develop appropriate new Zoning Schemes for Urban areas, in line with the direction of new legislation</li> </ul>
5	Environmental Management	<ul style="list-style-type: none"> <li>• To adhere to sound environmental practises and to protect environmentally sensitive areas</li> </ul>	<ul style="list-style-type: none"> <li>• Implement the principles of Integrated Environment Management</li> </ul>

Gariep Spatial Development Framework, 2008

### Spatial Development Nodes & Corridors

The Gariep SDF identifies certain structuring elements, such as nodal points to guide future planning. The following classes of nodes and corridors, some of which are either existing or proposed, have been identified for the Gariep municipality, as specific areas or geographic localities where the municipality needs to prioritise its spending, resources and investment:

Node Type	Geographic Area or Description of Locality
-----------	--

1.	Central Business Districts (CBDs)	<ul style="list-style-type: none"> <li>• Burgersdorp</li> <li>• Steynsburg</li> <li>• Venterstad</li> </ul>
2.	Entertainment Node	<ul style="list-style-type: none"> <li>• Lake Gariep Dam/Resort</li> <li>• JL de Bruin Dam (Resort)</li> <li>• Tebese</li> </ul>
3.	Minor Mixed Land Use Nodes	<ul style="list-style-type: none"> <li>• Taxi rank Burgersdorp</li> <li>• Proposed: One Stop Centre</li> </ul>
4.	Mobility Routes	<ul style="list-style-type: none"> <li>• N6 East London to Bloemfontein</li> <li>• R58 Burgersdorp – Aliwal North</li> <li>• N1 Gauteng to Cape Town</li> </ul>

Gariep Spatial Development Framework, 2008

Nodes comprising of existing and proposed nodal points, are generally described as areas of mixed-use development, usually having a higher intensity of activities involving retail, office, industry and residential land uses. These are the places where most interaction takes place between people and organisations, enabling most efficient transactions and exchange of goods and services. Nodes are usually located on main transport routes to provide maximum access and typically act as catalysts for new growth and development. Corridors, as complimentary activity spines can provide the critical link between these areas of intense development and activity.

## 2.2.2 FOCUS AREAS FOR LAND USE MANAGEMENT

### Institutional

- Establish a sound system to ensure that spatial planning and land use management is undertaken in a qualitatively sound manner in the municipality.
- Given the applicable human resource constraints in this regard (both in the municipality and the District Municipality), it is possible that a “Shared Service” approach to this issue may be most fruitful as a way forward.
- Ensure that environmental issues are considered in the decision making process, as it relates to spatial planning and consideration of projects and developments
- Provide aesthetic and architectural guidelines for urban development in order to inform building control function.

### Conservation

- Generally promote the conservation of environmental assets.

### Infrastructure

- Link development approvals to provision of appropriate level of water services (water supply and sanitation/sewerage system) and waste management services.
- New development should not be permitted where services availability are limited.
- There is an urgent need for upgrading of existing infrastructure

### Tourism

- Promote eco (nature reserves and game farms) and cultural tourism opportunities.
- Promote tourism destinations as a foundation for tourism development and ensure that aesthetic guidelines are incorporated into land use management procedures in these areas.

### Agriculture

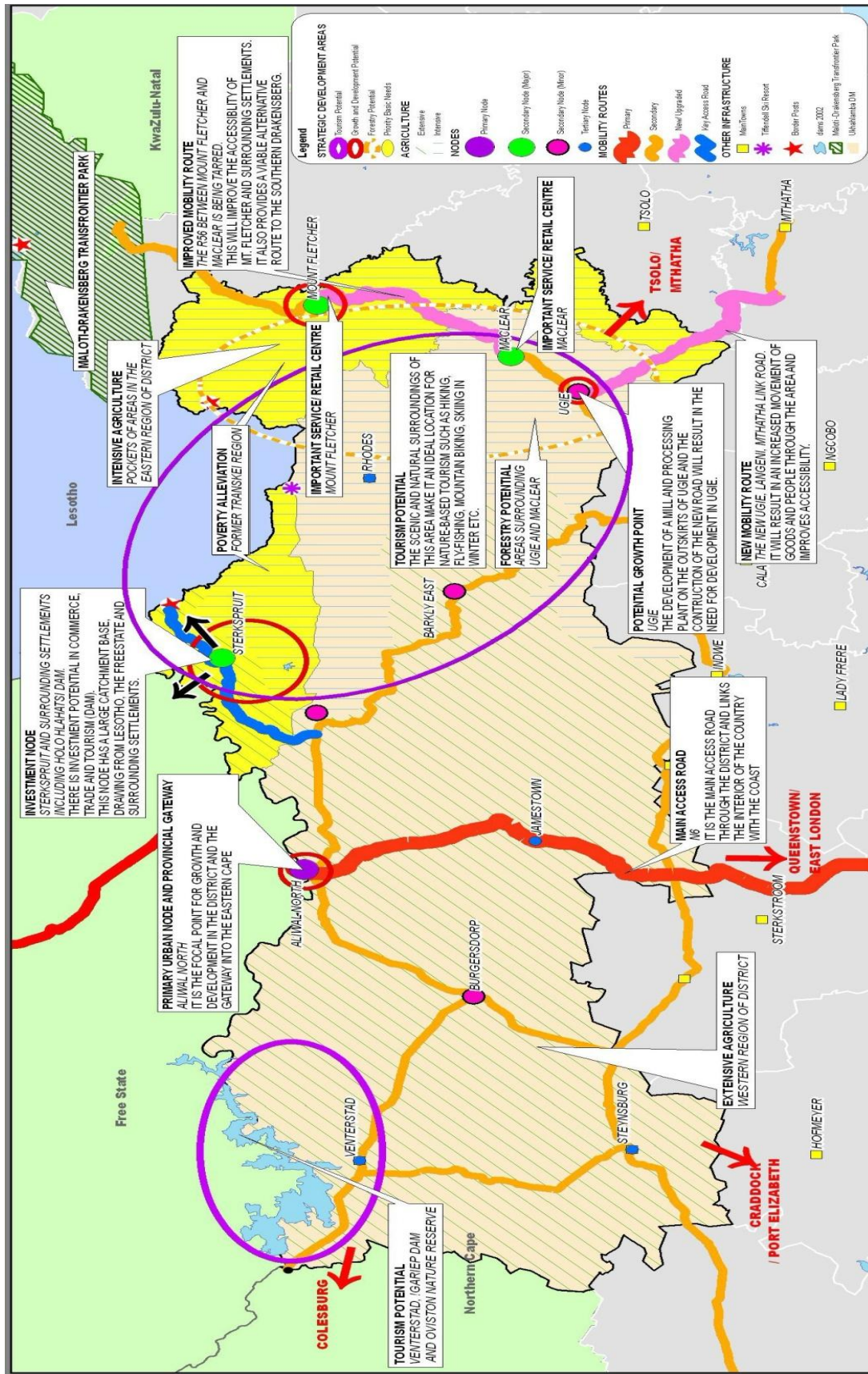
- Where feasible, explore opportunities and identify land suitable for expansion of community-based agriculture in the area.
- Agricultural activities should be focused on areas of high agricultural potential.

- Agricultural projects should preferably not be located in natural areas or other environmentally sensitive areas.

**Areas for prioritised intervention**

- Implementation of the Area Based Plan
- Development of Land Use Management Plan (LUMP)

## 2.2.3 JOE GQABI SPATIAL DEVELOPMENT



## 2.3 KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE

The majority of the population reside in the urban centres and live in formal houses with adequate access to basic services. However it is not know what the full extent of the need is in the surrounding farming areas.

Gariiep will continue to canvas for more funding through the MIG programme, the district municipality and donor organisations to address the areas like roads and solid waste services that have been prioritised.

When infrastructure investment is made, labour intensive employment methods will be used to maximise job creation and skills development as stipulated in the EPWP guidelines. The Expanded Public Works Programme intends to address service delivery backlogs, support the tourism sector and create job opportunities.

### 2.3.1 INFRASTRUCTURE /CAPITAL INVESTMENT

#### 2.3.1.1 WATER AND SANITATION

##### 2.3.1.1.1 WATER PROVISION

Joe Gqabi district municipality is the Water Services Authority (WSA), responsible for water and sanitation services and Water Services Development Plan (WSDP) has been adopted. A WSDP was developed in 2008 and subsequently updated and includes a comprehensive strategy to deal with water and sanitation backlogs together with bulk infrastructure development in the district as a whole

Gariiep local municipality has been appointed as the Water Services Provider (WSP). A Services Level Agreement for 2010/2011 has been signed. A JGDM council resolution was taken in 2010 to the effect that water and sanitation bulk services would be taken over by 1 July 2010 from the Local Municipalities. Thus far this has not taken place due to problems encountered on the ground and it is now scheduled to take place by mid-2011.

The Demarcation Assessment Report for 2005/6 based on the Census, has the following figures for water provision in the Gariiep Municipality. These figures indicate that Gariiep has 1.28% of the population with water services level below the RDP level.

Local Municipality	Total Population	WATER					
		Population			Percentage		
		No Water	Below RDP	Above RDP	No Water	Below RDP	Above RDP
Elundini	123,634	12,205	59,339	52,090	9.9%	48.0%	42.1%
Senqu	118,174	15,586	21,330	81,258	13.2%	18.0%	68.8%
Maletswai	42,846	355	277	42,214	0.8%	0.6%	98.5%
<b>Gariiep</b>	<b>23,709</b>	<b>0</b>	<b>0</b>	<b>23,709</b>	<b>0</b>	<b>0</b>	<b>100%</b>
TOTAL	308,363	28,676	81,257	198,431	9.3%	26.4%	64.3%

**Notes:**

1. Source: StatsSA Community Survey 2007
2. Source: JGDM GIS Department
3. Source; WSDP 2011

The Community Survey 2007 data indicates that 96.5% of the population of Gariep has water provision above RDP standards, with 2.2% having no water and 1.3% having below RDP standard provision. These figures are based on the following assumptions:

- People sourcing water from springs, rainwater tanks, streams, rivers, dams or water vendors are deemed to be unserved
- People with piped and borehole water within 200m are deemed to be served.

Subsequently all households in this Local Municipality have access to full RDP level service provision in terms of water supply.

### Water challenges

- Old infrastructure like reticulation pipes are old and need to be replaced;
- Insufficient budget for repairs and maintenance, especially emergency repairs.
- Lack of sufficient contingency plans to accommodate new bulk infrastructure with old connecting infrastructure.
- New housing development is placing an excessive demand on old and over utilized infrastructure.
- Burgersdorp has undergone severe drought over the past two years (2007/08 to 2009/10).
- The drought has led to a shortage of bulk supply in Burgersdorp. Water restrictions have to be imposed which impacts on the socio-economic development in the area.
- Legal compliance with borehole installations.
- Catchment management, including the illegal damming of local rivers and streams.
- Periodic droughts and the management thereof.

### 2.3.1.1.2 SANITATION PROVISION

Joe Gqabi District Municipality (JGDM) is the WSA, responsible for water and sanitation services. A WSDP was developed in 2008 and subsequently updated and includes a comprehensive strategy to deal with water and sanitation backlogs including bulk infrastructure development in the district as a whole. As with the water services, the Gariep LM was appointed as the WSP for sanitation services.

LM's	Total	SANITATION			
		Population		Percentage	
		Population	Served	Unserved	Served
Elundini	123,634	45,001	78,633	36.4%	63.6%
Senqu	118,174	65,034	53,140	55.0%	45.0%
Maletswai	42,846	29,908	12,938	69.8%	30.2%
<b>Gariep</b>	<b>23,709</b>	<b>23,709</b>	<b>0</b>	<b>100%</b>	<b>0%</b>
TOTAL	308,363	161,717	146,646	52.4%	47.6%

**Notes:**

1. Source: StatsSA Community Survey 2007
2. Source: JGDM GIS Department

There are currently no sanitation backlogs in the Gariep LM, however there are areas that are serviced by VIP toilets which represent an acceptable basic level of service. In time the aim is to get the VIP's replaced by water borne sanitation systems.

### Bucket eradication (special sanitation intervention)

In accordance with the national targets the Gariep Municipality has met the 2007 bucket eradication targets, although Steynsburg might still have problems in this regard.

## Waste Water Treatment Programme

The District has 3 waste water treatment works in Gariiep and are all permitted. The Staff is deployed by the District as this is a district function.

### Sanitation challenges

- Periodic droughts and related lack of water to flush the sanitation systems;
- Water losses related to poor maintenance of sanitation systems, especially at household level;
- Insufficient budget for repairs and maintenance, especially emergency repairs;
- Old infrastructure like sewer pipes are old and need to be replaced;
- Need to upgrade the sanitation infrastructure to growth in demand.

## 2.3.1.2 ROADS AND STORMWATER

The District Integrated Transport Plan was developed and adopted in 2008 and forms the basis for planning and resource allocation.

For purposes of this report Gariiep has divided roads into the following 4 categories and likewise will link these as core functions to the various responsible institutions:-

- national roads;
- provincial roads including tarred and gravel surfaces;
- access roads; and
- Municipal streets.

These categories are discussed briefly below.

### 2.3.1.2.1 National Roads

While not in Gariiep Municipality, the N6 has an impact on the municipal area. The other important national road is the N1.

Even though the N6 does not transverse the Gariiep area it remains an important transport route. The N1 is also an essential connector route.

### 2.3.1.2.2 Provincial Roads

A partnership has been formed with the Provincial Department of Roads and Transport to maintain the provincial road that cuts through the three towns. The Department provides the machinery and the Gariiep Municipality contributes the material (crusher dust and bitchamin) for patching.

The provincial trunk road that links Aliwal North to Burgersdorp is in a good to fair condition. The roads to Venterstad from both Steynsburg and Burgersdorp need urgent attention as a lot of potholes have developed since it was last surfaced more than twenty years ago. Patching of potholes have **not** kept pace with the state of deterioration of these roads. The R391 from Burgersdorp to the R56 is potentially dangerous especially in rainy conditions. In addition road markings need to be renewed and road signs replaced. Speculation is afoot that the upgrading of the R390 is imminent and the Department of Roads and Transport must confirm whether funding has been earmarked for this purpose during the MTEF period starting 2011/12.

Some routine maintenance is undertaken between Venterstad and Steynsburg by the Provincial Department of Roads and Transport and the grass on the sides of these roads have been cut from time to time during 2010/11. This road is also often used by transport from the N1 going to Port Elizabeth.

Two Road Rangers (with horses) have been appointed per town (6 in total) to deal with stray animals; monitor the condition of the fences along provincial roads and to identify areas that need bush clearing

and grass trimming. The road rangers are selected from the community and work in terms of an annual contract which is renewable on the recommendation of the designated Councillor.

The Department of Roads and Transport implements a driver of the year competition annually focusing on heavy duty transportation. This formed part of their 2010/11 programme to improve the quality and safety in this sector. It is anticipated that this programme will be continued in 2011/12.

### **Gravel Roads**

Most of provincially maintained gravel roads have been graded. However, a further 156km require grading at a cost of R63 million.

#### **2.3.1.2.3 Municipal Roads**

The Roads Unit consists of 9 General Workers, one driver and a supervisor. There is a dedicated work force dealing with storm water management and their activities are time line.

Gariiep Municipality is responsible for the construction and maintenance of internal municipal tarr streets, gravel and access roads within the urban edge of the three towns. Streets within townships in all the urban settlements are in a very poor condition, which leads to flooding in bad weather, impassable roads and poor access. Streets in the main part of towns have not been maintained for a number of years as the municipality has tried to address the disparity prevalent in previously disadvantaged areas. This has led to some streets deteriorating beyond reasonable repair and this issue is being addressed by Gariiep through their Comprehensive Infrastructure Plan.

The municipality places a high priority on the state of streets in the urban settlements as it is viewed as a drawing card for outside investment into the area. For purposes of this IDP, access roads are referred to as those transport mobility routes between towns and the outlying township areas. One of the reasons that roads are considered a priority is the need to create social cohesion and enable equitable access to services centres and the services it offers.

In the 2010/11 financial year Gariiep municipality's total MIG allocation was R8.2 million, in 2011/12 it increased to R9.9 million and the indicative figure for 2012/13 is R12.2 million.

In 2010/11 an amount of R3.3million was allocated for operation and maintenance of roads infrastructure. The Greenfield storm water and roads project is underway and 3.2 km of the existing gravel road has been upgraded to a paved surface. This project also includes the construction of storm water channels to address the problem of storm water management.

The main focus was directed at the roads in Khayamnandi, which have almost deteriorated beyond repair. Some of these roads were not built with sabunga and turns into a slippery mud mass when it rains. Forty two (42) kilometers have been graded and resurfaced with gravel and sabunga. Ten (10) km of gravel roads were graded at Nozizwe. In the Burgersdorp area about 7km of gravel roads were graded and patching carried out to the tar roads in town.

Gariiep Municipality has opted to upgrade roads by mean of paving. This method is more expensive in the short-term but much more cost effective in terms of maintenance over the long-term.

In addition the following road surfaces have been paved:-  
Mzamomhle (Burgersdorp) 10.4 km



Burgersdorp	3.7 km
Greenfields (Steynsburg)	3.5 km
Luciumville (Venterstad)	2.8 km

In total 142 KM of internal and access roads have to be maintained and upgraded. Despite the municipalities efforts to implement its maintenance programme the backlogs remain very high. It is estimated that at the end of June 2011 a total of 128 km will still have to be upgraded at a cost of R..... million.

The road between Burgersdorp and Mzamomhle is in a poor state of repair and the bridge requires extensive upgrading. It is estimated that R11m will be required to rehabilitate this road and a further R19m to upgrade the bridge.

#### **Areas for prioritized intervention**

- Significantly improved system of road maintenance of gravel roads
- Improved maintenance of key mobility corridors
- Source funding for improved road maintenance
- Road maintenance should address job creation
- Upgrading of causeway/bridges

## **PUBLIC TRANSPORT**

#### **Municipal Public transport facilities**

The Burgersdorp and Steynsburg taxi ranks are under utilised. In Burgersdorp the taxi operators have opted to utilise an area next to the Jubilee Hotel. Discussions are to be held with the Taxi Association operatives in the Gariiep area to try and resolve this predicament / impasse or to find an alternative use for these structures.

Venterstad has over the past 12 month started to depend on taxi services and the feasibility a taxi rank there, should be investigated. Cognisance should be taken that the community has not been raised this as a need but it is anticipated that it will become a priority in due course.

There is no public transport linking the three towns. The same situation applies to linkages to major transport routes.

#### **Airstrips**

The Lake Gariiep Development initiative is underwritten through a partnership between the Province of the Eastern Cape, Free State and Northern Cape. The Venterstad Landing Strip will contribute positively to this initiative especially with the transportation of tourists; The feasibility of upgrading the landing strip should be investigated and is included in the District Integrated Transport Plan. Gariiep municipality maintains the Burgersdorp landing strip which is functional and licensed, however the validity period lapsed on 28 February 2011 so it needs to be renewed (Aerodrome). Apart from value chain benefits it should be investigate how this service can generate revenue.

#### **Railway services**

In terms of rail, a section of one of the premier rail lines in the country (East London to Bloemfontein) crosses through the District. Two former branch lines have now been closed in totality, namely: The Molteno–Jamestown and Rosemead–Stormberg, through Steynsburg, branch lines have been closed. The remaining two branch lines Burgersdorp–Aliwal North–Barkley East (211 km) line and the

Sterkstroom–Ugie–Maclear (278 km) line namely Burgersdorp–Aliwal North–Barkley East (211 km) line and the Sterkstroom–Ugie–Maclear (278 km) line, still enjoy limited freight movement.

Only one out railway line in the district caters for public passenger services and it operates on a weekly basis between Johannesburg and the Western Cape. This service is accessible at Burgersdorp but has limited impact on public transport and the conveyance of goods to and from the area.

### Road worthy and licensing

Gariiep has a road worthy and licensing centre, but the location limits the expansion of these services. A business plan for the construction of a new testing centre has been submitted to the DoRT and this will be followed-up in 2011/12.

## 2.3.1.3 ELECTRICITY AND ENERGY

In 2009/10 Gariiep received an allocated of R10 million to upgrade the power station and networks in Burgersdorp. A further R8 million was received in 2010/11 from the Department of Energy to upgrade the internal network. This funding has contributed to the upgrading of the existing network and for the maintenance of energy infrastructure. Gariiep Municipality appointed Consulting Firm, Ballenden and Robb to develop an Electricity Master Plan at a cost of R2.7 million. Street lighting was also provided in Khayamandi at Donkerpoort during February 2011.

Based on the DORA 2011 allocations, Gariiep municipality will receive a further R1 million in 2011/12 to upgrade the electrification network and R3 million in 2012/13.

The municipality is responsible for electricity reticulation in all 3 of the Towns namely Burgersdorp and Thembisa; Steynsburg town, and Venterstad town and Oviston town. Eskom renders this service to Eureka, Mzamamhle, Greenfields, Khamnandi, Nozizwe, Lycuimville and the rural commercial farmlands. The commercial farming community as well as the urban areas enjoy a high level of access to electricity.

Electricity to the Gariiep area is mainly supplied from Eskom. The primary 132 kV power line passes through Burgersdorp. This power line is equipped for heavy industrial use, while smaller industries only require a 22 kV line. There is a smaller 60 kV line stretching from Burgersdorp towards Venterstad which is used by farmers. The specialized substation in Burgersdorp draws electricity from the distribution stations to electrify the railway line.

The Government's target is universal access to energy has by and large been met. In order to meet the target alternative energy supplies such as solar systems will have to be considered. The municipality is also seriously investigating options to invest in sustainable energy sources such as solar systems. All new low cost housing projects will be fitted with a solar water heating low-pressure geyser that uses natural sunlight to stimulate the Thermal siphon effect. This method makes no demand on the Grid and the electrical saving is calculated at 6.4 Kwh per day or approximately R102.00 per month.

The following table represents the energy source for lighting at Gariiep municipality:

Energy sources for lighting in Gariiep Municipality for 2001 – 2006										
	Electricity		Gas		Paraffin		Candles		Solar and other	
	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006
	%	%	%	%	%	%	%	%	%	%
Gariiep	74.8	89.2	0.3	1.4	11.0	9.4	13.7	-	0.3	0.0

## Electricity Challenges

- ESKOM has allocated a six hour turn-around time to attend to a problem on the network and 24 hours to attend to the bulk line.

Burgersdorp Rugby Hall	Ward 3	Installation of air conditioning facility Fitting of ceiling Fitting of curtains	R850,000
Burgersdorp Town Hall	Ward 3	To upgrade currently in the implementation phase 2011 to 2012 (MIG)	R3,5m
Thembisa Community Hall	Ward 3	Implementation of phase two which includes expansion and fitting of curtains and air conditioning	-
Eureka Community Hall	Ward 3	The hall is severely vandalized and needs repairs Replace curtains. Renovations underway	R420,000.
Mzamomhle Community Hall	Ward 4	Currently being Upgraded 2010/11	R300,000
Venterstad Town Hall	Ward 1	Replacement of a ceiling	-
Nozizwe Hall	Ward 1	Repairs and maintenance being carried out	R350,000 (Excluding maintenance)
Oviston Hall	Ward 1	Repairs and maintenance being carried out	R400,000 (Excluding maintenance)
Khayamnandi Community Hall	Ward 2	Repairs and maintenance being carried out	R350,000 (Excluding maintenance)
Steynsburg Town Hall	Ward 2	Repairs and maintenance being carried out	R400,000 (Excluding maintenance)

## 2.3.2. COMMUNITY SERVICES

### Solid Waste Management

Solid waste disposal services are rendered on a weekly basis to 79% of the urban households in Gariep. The municipality does not render services to 13.4% households in the rural areas where most of the backlogs exist. This is mostly commercial farms and the occupants dispose of their own waste. According to the Statistics South Africa Community Survey 2007, 5.5% of households in Gariep make use of a communal refuse dump.

The municipality relies on the District integrated Waste Management Plan to guide integrated waste management at the local level. During 2010/11 concerted efforts were considered to dispose of waste in a manner that does not adversely affect the environment. The Waste Management Policy shifted the focus away from a purely disposal function to the pursuit of waste avoidance, reduction, re-use and recycling are being pursued.

Gariep municipality is responsible for waste management which includes street sweeping collection, transportation and the disposal of solid waste. The landfill sites in Burgersdorp, Venterstad and Steynsburg are currently operating. There are forty four officials working in the Refuse Removal Section. Two tractors with trailers are in use in Burgersdorp (1 is needs to be repaired) and three edge cutters and one kudu mower. In Steynsburg there are three tractors with trailers and one kudu mower (currently not working). Venterstad has one small mower and one tractor in working order but not road worthy.

The Department of Environmental Affairs appointed Jeffares and Green Consulting Engineers to assess Gariep's waste facilities in 2010 and to make recommendations which are contained in the Gariep Readiness Report. The Report indicates that Gariep has five landfill sites and all of these were assessed and the findings are reflected below:-

**Old Burgersdorp and Old Oviston Landfill Sites**

The Old Burgersdorp landfill site and Old Oviston disposal site have both ceased to operate but still require rehabilitation works; Building rubble is disposed at Burgersdorp old disposal site therefore it must be fenced to prevent illegal dumping. The Oviston site is not fenced or gated. The closed waste disposal sites at Burgersdorp and Oviston must be rehabilitated in terms of a Closure Plan and it will have to be established whether these sites have a secondary end use.

**Operational Burgersdorp, Venterstad and Steynsburg Landfill Sites.**

Burgersdorp and Venterstad landfill sites are operational but do not comply with the minimum conditions prescribed by DWAF, both are not licensed nor registered and therefore technically illegal dumping sites. Burgersdorp site is fenced and access to the facility is not controlled. The fencing at Venterstad landfill site must be fixed as animals are gaining access onto the site. Gariep municipality's decided to rehabilitate these illegal dumping sites and investigate alternative new Landfill sites. The Gariep SDF has identified land for the establishment of new landfill sites at both Burgersdorp and Venterstad.

Gariep municipality applied and received approval for MIG funding to develop a new landfill site at Venterstad to cater for Venterstad and Oviston areas and a new landfill site at Burgersdorp. The project cost is estimated at approximately R 2.8 million and R 2.4 million respectively. Environmental Impact Assessment studies and risk assessment studies will be undertaken in 2011/12 for these projects. Requests for technical expertise and additional funding were extended to DBSA; DEAT; DEA and Danish, German and Japanese governments.

The remaining operational Steynsburg landfill site (GCB-classification) is registered with DEDAE and DWAF but is not licensed. It is also not fully managed in accordance with the DWAF Minimum Requirements, 1998.

To regularise the sites, preliminary costing pertaining to the permitting, construction, operation and closure of these waste existing disposal sites in accordance with the DWAF Minimum Requirements, 1998 are reflected below :-

Landfill Location	Regularise need	Amount	Recommendation
Old Burgersdorp	Closure Licence	R9,298,541.00	Rehabilitate
Old Oviston	Operating Licence	R2,128,636.00	Rehabilitate

Burgersdorp (In use)	Operating Licence	R2,486,536.00	Identify new site
Venterstad (In use)	Operating Licence	R1,424,656.00	Identify new site
Steynsburg (In use)	Operating Licence	R2,969,152.00	Also to serve Oviston

Gariiep municipality together with DEDEA have implemented a plan to create awareness around the dangers of dumping and have identified options (see below) for possible recycling projects. A cleaning campaign has begun in all schools within the Gariiep area. The Municipality will also request Joe Gqabi District Municipality and DEDEA to assist in the review and enforcement of appropriate by-laws to manage waste. Gariiep municipality will negotiate for funding in the 2011/12 financial year to fund the development of a Integrated Local Waste Management Plan.

A bottle recycling project is being implemented. Recycling of boxes can be profitable but requires sufficient storage space and an accessible market. The closest market outlet is in Bloemfontein therefore high mass or bulk will have to be accumulated to yield a sizable profit. One of the propositions being looked at is to merge Steynsburg and Burgersdorp recyclable paper groups with the view of collectively collecting sufficient waste to cut costs and attract markets.

The Joe Gqabi District Integrated Waste Management Plan also identifies the potential of a small scale composting project in Burgersdorp. This potential will be explored further when the Gariiep Waste Management Plan is developed.

The Municipality has the responsibility to ensure that all waste generated within the municipal area is collected, disposed of or recycled in accordance with the Municipal systems Act and that such collection disposal or recycling takes account of the Waste Management hierarchy in the following:

- Avoidance waster minimisation and waste reduction through our conscious educational programs and awareness campaigns emphasis is put on waste avoidance, through this seem impractical we also put emphasis on waster minimisation i.e. Teach our communities how to create less waste e.g. use tap water, instead of bottled water and ending with a useless bottle afterwards
- Re-use: Also through awareness campaigns emphasis is put on ways of re-using our waste e.g. utilise an empty ice-cream container as a tool box etc.
- Recycle: Initiatives are made to promote recycling, in Gariiep municipality. Plans are in e living, the pipeline to mediate between recyclers and the market.
- Disposal: Land-fill management and operation
- Waste is being classified e.g. green waste and rubble used as capping material and is temporarily stored for this purpose
- Green waste is stored for composting purposes. Our main objective to enhance sustainable development and the regulation of the provision of municipal service by a service provider

The municipality is trying to encourage waste separation to facilitate re-use and recycling

- Initiatives are made to establish and maintain waste management information system with records how waste is managed within the municipal area
- This information system entails:
  - Info to waste generators community in order to facilitate monitoring of performance by municipality assist municipality to achieve main objectives
- Landfills
- Monitoring of the landfills has been intensified
- Landfills are demarcated and spotters have been assigned by the municipality to control access and to record waste volumes at all three landfill sites. Initiative or in the

pipeline for recording of volumes of waste going into our landfills on a daily basis.  
Monitoring of class of waste going to the landfills

- Signage (No dump signs)
- Landfill/Dump site
- Signage at the landfills
- Ef – Composting areas
- Recycling area
- Name and portfolio of the operator
- Training of all the operators of our landfills

### **Waste Management Challenges**

- Disposal of waste is a significant challenge and this is leading to lack of compliance with legislation, water, air and aesthetic pollution which is not good for both economic and social development
- Enforcement of by laws is still our greatest challenges as they are not yet effected therefore severe punishments cannot be imposed to offenders.
- Cost effectiveness of current services is poor mainly due to a history of lack of investment in the service in terms of equipment, staff, and planning.
- Lack of sanitary landfill sites.

### **Waste Management Opportunities**

The management, collection, control and disposal of waste can be an economic activity with spin-offs for poverty alleviation and income generation, waste minimization and recycling, skill development, job creation and improved environmental management

### **Areas for prioritized intervention**

- Development of Waste management Plan
- Fencing of waste management site at Venterstad.
- Conduct EIA,s for the development of a new site at Venterstad.
- Rehabilitation of old disposal sites in Burgersdorp and Oviston–
- Intensification of educational programs.
- Signage to be erected in all three towns
- Funding secured in the 2011/12 financial year to draw-up waste by-laws.

## **2.3.2.2 MUNICIPAL HEALTH SERVICES**

In accordance with the Powers and Functions Municipal health services is a district function. Joe Gqabi District Municipality is therefore responsible for water quality monitoring; food control; waste management monitoring; health surveillance of premises; surveillance and prevention of communicable diseases, excluding immunizations; vector control; environmental pollution control; disposal of the dead; chemical safety but excludes port health, malaria control and the control of substances. The Management Forum between Gariep LM and JGDMD should be revived in order for all these to be closely monitored.

### 2.3.2.3 DISASTER MANAGEMENT

The Disaster Satellite Office is functional, but with limited staff. One volunteer has been trained in Fire Fighting Level 1 and First Aid Levels 1 & 2 by the District Disaster Management Unit.

Personnel and councillors of Gariiep have been trained in Disaster Risk Reduction. Joe Gqabi District Municipality provides fire fighting equipment and Gariiep Municipality makes use of up to 3 volunteers for this function. At present 3 junior fire fighters have been appointed. Two are based in Steynsburg and one in Burgersdorp and is currently on a 6 month Learnership program (fire and engineering). There is one fire fighting vehicle for the 3 towns with one fire tanker in each town. The District Municipality has purchased three mega fire fighting vehicle at a cost of R9.3m and have agreed that one will be placed in Burgerdorp to service the Gariiep area.

Shortage of ambulances remains a critical challenge in the area; there is only one ambulance per town responsible for both referrals and emergencies. An intervention for provision of additional ambulances has been sort from the office of the MEC and a response is awaited.

#### Areas for prioritized intervention

- Clarification of roles and responsibilities regarding fire fighting through signing of memorandum of understanding.
- Provision of support for farm fire fighting committees.
- Lobby for the provision of three additional ambulances.
- Reviewal of a Service Level Agreement 2011/12 between Gariiep Local Municipality and Joe Gqabi District.

### POUNDS

The Municipal pound in Burgersdorp does not meet the required standards as per the SPCA Regulations and the by-law, dealing with the impounding of stray animals, should be enforced. The municipality will train staff to carry out this function by capitalising on existing internal human capacity. A shelter will be used in Venterstad and Steynsburg to impound stray animals as a interim measure until they can be transported to the Burgersdorp pound.

#### Areas of prioritised intervention

##### Training to be done through LGSITA or DoA – Skills training

Upgrade the pound and implement by-law dealing with stray animals.

Identification of a suitable site to impound animals in Steynsburg and Venterstad.

### 2.3.2.4 TELECOMMUNICATIONS

Pivotal to the mandate of the Government is the universal access to reliable, cost effective and accessible ICT broad band infrastructure. **TV RECEPTION AND TELECOMMUNICATIONS**

According to the Statistics South Africa Community Survey 2007, 16.1% of the population has a private telephone. The proportion of land lines to cellular phone services has changed dramatically with the latter now being used by (47.3%) a large section of the population by household.

The mountainous nature of the area hampers the telecommunication network coverage in Venterstad and to a lesser degree in Steynsburg, and television reception is generally poor. In Venterstad the community can only access TV2. Gariiep has engaged SENTECH to reinforce the reception of SABC

signals and in the 2011/12 financial year, R150 000.00 has been dedicated for this purpose. The community of Venterstad have raised the need for an improved network service as a priority need.

An amount of R207 000.00 has been ring fenced to purchase Two Way Radios to enhance the response of the technical staff to address emergencies.

### **2.3.2.5 HEALTH**

The Primary Health Care function was performed by Gariiep municipality, on an agency basis, through the formalisation of a Service Level Agreement during the 2010/11 financial year of the Department of Health.

The Primary Health Care function included immunisation, communicable and endemic disease prevention, maternity care, screening of children, Integrated Management of Childhood Illness (IMCI) and child healthcare, health promotion, family planning and oral health care services

Should the awaited Provincialisation continue as planned the 17 personnel members (in filled posts) attached to this function will be transferred to the Department of Health before the end of March 2011. This process will hopefully bring about equity regarding the occupational specific dispensation; address scarce skills, rural allowance for nursing staff and end the salary disparity between staff employed by the Department of Health and those attached to the Municipality.

There is a hospital in Burgersdorp and one in Steynsburg. The process for accreditation of the Burgersdorp hospital as an ARV Centre has been completed and there is a fully functional wellness clinic. To counter the lack of a Hospital in Venterstad, the Venterstad Clinic was declared a Centre of Excellence with the understanding that it would remain operative to render 24 Hour care services. The attributed functionality of a Centre of Excellence is not fully realised therefore a maternity obstetric Unit has been operationalised since December 2010 as a on-call service.

In addition six clinics and two mobile clinics (stationed in Steynsburg and the other in Burgersdorp) service the Gariiep area.

The community have also raised the need for the satellite clinic at Thembisa (presently housed in and operating from a hall), to be upgraded to a fully fledged clinic. Broad Reach made a commitment to erect a fully fledged clinic, that complies with the standards prescribed by the National Department of Health and this needs to be pursued.

The Department of Health have appointed service providers to dispose of medical waste and the programme is being managed will.

#### ***Health challenges***

- High number of staff vacancies – retention and scarce skills (Systemic problem)
- Poor emergency services

### **2.3.2.6.1 HIV & AIDS**

Statistics show that the HIV and AIDS lead to increased deaths among the 0 to 4 and 25 to 34 year old age categories. The majority of HIV/AIDS infections occur between the ages of 18 and 25. HIV/AIDS therefore has the strongest impact on the young and economically active population. The HIV/AIDS prevalence rate in the District is estimated at 29.9%. There are currently 277 people on ARV treatment at the Burgersdorp hospital.



The mandate for municipalities to play a pro-active a role in HIV& AIDS mitigation is contained within the developmental agenda for local government. Gariep Local Municipality has assigned and official to coordinate HIV& AIDS related programs within its jurisdiction.

NGO's are currently implementing HIV related programmes, however their focus is centered around treatment, care and support, with prevention and awareness receiving less attention. Gariep Local Aids Council has been established and is functioning well. There are three Hospices operating in the Gariep area and are mainly supported by the Department of Social Development:-

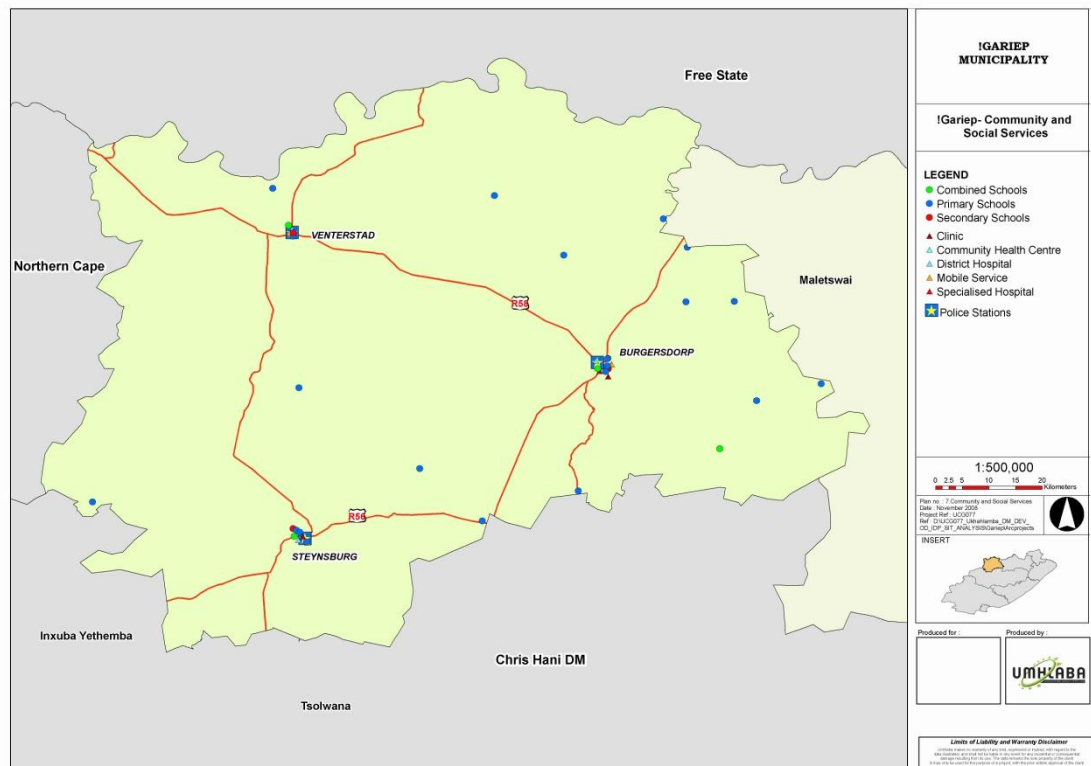
- Nazareth Haven Hospice (Steynsburg)
- Caring Hands HCBC (Venterstad)
- Ilitha Iethemba HCBC (Burgersdorp)

Since September 2008, Burgersdorp Hospital has been accredited as an ART site and is rendering a comprehensive service to people infected and affected by HIV in the Gariep area. The hospital has been working in partnership with Broad Reach in ensuring that the site is running smoothly. The local clinics are serving as down-referral sites so that patients can take delivery of their medication closer to home. Broad Reach has played a significant part in ensuring that the clinics were geared for the down referral undertaking.

It will be important to intensify seeking accreditation of the Steynsburg hospital as an ART site in 2011/12.

### 2.3.3 COMMUNITY FACILITIES

Community facilities including schools and clinics are spatially represented on the plan below:



### 2.3.3.1 SPORT AND RECREATION FACILITIES

The Municipality has fairly well maintained sports facilities in all areas, a significant investment has been made, and however the following sports facilities need upgrading:

Ward	Sports facilities	In need of upgrading	Action
Ward 3	Thembisa sports field	Yes	Lobby funding from DSRAC and other potential sources
Ward 1	Venterstad sport field, ph 2	Phase 2 completed	Utilisation and maintenance plan.
Ward 1 to 3	Swimming pool	Yes	Lobby funding from DSRAC and other potential sources
Ward 3	Burgersdorp Golf Course	Yes	Facilitate public private partnership
Ward 2	Steynsburg sport field	Yes	Lobby funding from DSRAC and other potential sources
Ward 1	Oviston tennis court and swimming pool.	Business plan submitted to DSRAC	Follow up on submitted business plan with DSRAC
Ward 1	Sport field facility in Nozizwe	Planning	Business Plan submitted to National Lottery
Ward 2	Steynsburg indoor sport centre	New	Develop a utilization plan
Ward 3	Danie Craven (Burgersdorp)	Yes	Lobbied funding from Nat. lottery to upgrade the Stadium.

### 2.3.3.2 COMMUNITY HALLS

Council has passed a Policy to deal with Booking Conditions for Halls and Sport Facilities. The purpose of the Policy is to make the social facilities accessible to the community and at the same time to bring in revenue that can contribute to the maintenance these assets.

Respective communities have access to a Community Hall within its Ward, however, some need to be upgraded to the extent reflected below:-

LOCATION	WARD	NEED IDENTIFIED	COST ESTIMATE
Burgersfort Rugby Hall	Ward 3	Installation of air conditioning facility Fitting of ceiling Fitting of curtains	R850,000
Burgersfort Town Hall	Ward 3	To upgrade currently in the implementation phase 2011 to 2012 (MIG)	R3,5m
Thembisa Community Hall	Ward 3	Implementation of phase two which includes expansion and fitting of curtains and air conditioning	-
Eureka Community Hall	Ward 3	The hall is severely vandalized and needs repairs Replace curtains. Renovations underway	R420,0000.
Mzamomhle Community Hall	Ward 4	Currently being Upgraded 2010/11	R300,000
Venterstad Town Hall	Ward 1	Replacement of a ceiling	-

Nozizwe Hall	Ward 1	Repairs and maintenance being carried out	R350,000 (Excluding maintenance)
Oviston Hall	Ward 1	Repairs and maintenance being carried out	R400,000 (Excluding maintenance)
Khayamandi Community Hall	Ward 2	Repairs and maintenance being carried out	R350,000 (Excluding maintenance)
Steynsburg Town Hall	Ward 2	Repairs and maintenance being carried out	R400,000 (Excluding maintenance)

### 2.3.3.3 LIBRARIES

Library services are a provincial competency that is performed on an agency basis by Gariiep local municipality. There are six libraries in Gariiep; one is located in Venterstad, two in Steynsburg and 3 in Burgersdorp. The two libraries in Steynsburg and two in Burgersdorp have both been equipped with ramps to allow for easy access to people with special needs. These libraries are managed by the Gariiep Local Municipality in terms of a Service Level Agreement entered into with the DSRAC.

There is currently one librarian placed in Burgersdorp and all other libraries have assistant librarians which handicaps the expected outcome. DSRAC has also seconded one librarian to Venterstad and one to Burgersdorp through their Grant Funding.

The Mzamomhle Library was renovated in 2009/2010 and Eureka Library done in 2010/2011. Renovations for Steynsburg Public Library are currently underway with its completion date being March 2011. Four libraries (Burgersdorp Town Library, Mzamomhle, Eureka and Martin Luther King Library) have internet access service for the community at no cost and installation to the two (Venterstad and Steynsburg Public Library) are underway.

Ward	Libraries	In need of upgrading	Action
Ward 3	3 x Burgersdorp	Yes	Commitment to upgrade the town library 2011/2012 DSRAC and DPW. Mzamomhle and Eureka libraries have been completed
Ward 2	2 x Steynsburg	Yes	Both have been upgraded by DSRAC and DPW
Ward 1	1 x Venterstad	Yes	Commitment to upgrade in 2011/2012 DSRAC and DPW.

#### Areas for prioritized intervention: Community facilities

- Facilitate connectivity for the implementation of an electronic system
- Lobby for 100% funding of library services by DSRAC including personnel
- Training and development of staff.
- Renovations for Venterstad and Steynsburg Public Libraries
- Formalise the SLAs for 2011/12 financial year.

#### 2.7.2.4 COMMUNITY SERVICES DEPARTMENT

The Community Services Department has 203 posts, of which 91 (44.8 %) are filled. These statistics do not include the Health Services which is in the process of being placed under the Provincial Dept of Health.

### 2.4 KPA 3: LOCAL ECONOMIC DEVELOPMENT (ECONOMIC GROWTH AND DEVELOPMENT ANALYSIS)

In compliance with the National LED Framework, the Gariep LED Plan seeks to:

- Provide direction to the LED unit
- Emphasize the role of the entire municipality in terms of LED
- Set LED targets that are aligned to national and provincial priorities
- Coordinate efforts of private and public sector stakeholders in LED
- Inform the municipalities IDP (as the LED Plan is a sector plan of the IDP)

The Gariep Local Municipality, in conjunction with Joe Gqabi District Municipality, appointed a project team to develop a Local Economic Development (LED) Plan for the Gariep Municipality. The local LED Plan was compiled in 2009 and incorporated the strategic direction contained in the District LED Strategy, GDS Agreement and Gariep IDP.

#### 2.4.1 GARIEP LOCAL ECONOMIC OVERVIEW

The following presents an overview of the current trends in the local economy and uses econometric techniques to analyse trends within the various economic sectors within the Gariep Municipality.

The outcomes of this assessment will be used to conduct an economic potential assessment which will provide the foundation for the identification of local economic development programmes and projects.

The economic profile provides a detailed analysis of the Gariep Local Municipalities economy in its current state. As part of this profile a detailed assessment of each of the economic sectors is conducted. 2007 Community Survey is used as the primary source of data however it is recognised that due to the smaller sample size used in the survey figures may be under/over stated.

The GGP of Gariep was R 309.468 million in 2007 and the municipality's GGP contribution to the Joe Gqabi District Municipality and to the Eastern Cape as a whole was 14.9% and 0.3 % respectively. The Gariep Municipality GGP contribution to the District economy has in fact been declining since 1996 when Gariep's contribution was 18.6% of the Districts GGP. (A declined of 3.7%).

The average annual economic growth rate between 1996 and 2007 was 1.1% per annum. The average growth rate for the JGDM and the Eastern Cape over this period was 3.1%. Although Gariep LM had a lower economic growth rate than any of its neighbouring local municipalities it must be remembered that this economic growth was occurring off a very low base, which resulted in several significant fluctuations in its performance.

#### **Consequences for LED:**

The economic growth rate and the Gariep LM GGP contribution to the District economy, provide baseline information from which to assess the success of economic initiatives in the Gariep LM. Past economic data is also a key information requirement for businesses wishing to invest in an area.

Clearly investment remains the cornerstone of development and Gariep municipality intends to create an environment that will attract economic growth. However, it must be acknowledged that the municipality cannot overcome poverty or attract new investment on its own and it will take concerted efforts of all spheres and business to exploit areas with economic growth potential. The overarching strategy has been structured to map the development path that will enable other important role-players greater access to invest and support development in the Gariep municipal area as a whole.

Internal capacity should be strengthened to enable the municipality to support and coordinate investment initiatives and lobby for funding.

## 2.4.2 ECONOMIC FORUMS

- 3 The LED Forum is operational and functioning well. In addition there are two other LED related forums operating namely the Tourism and the Agricultural Forum..The Tourism Forum is functioning very well but the Agricultural Forum needs to be revitalised in the 2011/12.

## 2.4.3 SECTORAL OVERVIEW: CONTRIBUTION TO GGP

The transport sector has a fairly large contribution to GGP and has grown by an average 7.1% since 1996.

The mining and utilities sectors are both low share, low growth sectors and have not contributed significantly to the local economy. These sectors are by far the smallest employer in Gariep.

The main contributors to Gariep's GGP are the government and community services sector and the manufacturing sector. It is evident that the government services (31.2%) and the agriculture (27.5%) sectors are the largest employers but have the slowest growth. The largest contributor to the GGP was government services (27.9%) therefore it is a very important sector in the economy even though it has exhibited a declining contribution to GGP although this is not uncommon with the JGDM economy exhibiting the same trend. This reflects that the economy is skewed towards the government services sector despite a steady decline in the contribution of this sector, with the 2007 contribution down 4.4% from 1996.

The transport and communications sector is clearly a growth sector with the third highest growth rate (7.1 %) and third largest contribution (21.6 %). The transport & communication and finance & business sectors are relatively the same size in terms of the number of people that they employ.

The construction sector has the highest growth rate.

### **What this means for LED:**

Priority sectors are Transport and communication; government services and agriculture therefore Gariep LM should direct its economic development initiatives towards these sectors.

The following sectors have all grown since 1996 and also viewed as major GGP contributors:

- o Manufacturing (14.7%)
- o Construction (5.5%)

Although the Agricultural sector only contributes 13.8% to the total GGP of Gariep, it remains the single largest private sector employer in the area, employing 27.6% of the workforce. The low contribution to GGP can also be attributed to the fact that this sector offers low paying jobs. Also agriculture is a primary industry and hence characterised by low commodity prices and low value addition. It is further highly susceptible to unanticipated commodity price fluctuations, which means that this sector can vary considerably from year to year.

Agriculture is an important economic sector in the region given that it is labour intensive and provides low skilled employment. *Despite this the sector has shown the sharpest decline in employment of all the sectors since 1996 (4.5%).* In effect this means that the Agricultural sector has shed 782 jobs over the last 11 years.

Possible reasons for this decline could be:

- Increased mechanisation of farming meaning that fewer permanent workers are required
- Farmers being unable to compete with the higher, non-seasonal wages offered by employers in towns.

The latter point is supported by the fact that two sectors, namely manufacturing and construction, which are primarily centred in towns, have shown employment growth since 1996. The manufacturing sector has in fact shown a 4.4% increase in employment since 1996, suggesting that a large number of unemployed agricultural workers have been absorbed into the manufacturing sector.

In the Gariiep Local Municipality, the GGP growth rate has increased from 2004 till 2007; this growth is calculated off a low base. The area has a small economic base so any changes in the economic activity of the area have a large impact on GGP growth figures. The economy is skewed towards non-productive sectors of the economy, mainly government and community services. Many people in Gariiep rely on subsistence farming and informal trading for their livelihood.

The secondary and tertiary industries in the region are under developed. These findings suggest the need to encourage the establishment of manufacturing enterprises and stimulate private sector investment. It is evident that agriculture and government services are the largest employers in the economy.

### 2.4.3.1 SECTOR PROFILE: TOURISM

During 2007 13,322 tourists visited the Joe Gqabi District Municipality; however most of these tourists visited the more established tourist attractions in Senqu and Maletswai. An estimated 1.8 million vehicles travelled along the N1 annually between 2000 and 2002. This figure serves as an indicator of potential tourists that could visit Gariiep annually.

There are +/- 22 accommodation establishments in Gariiep, mainly situated in Burgersdorp. Key tourist activities in Gariiep include the Gariiep Dam, Oviston Nature Reserve, Anglo Boer War history and fossils and San rock paintings.

The most significant tourist attraction in the Municipality is the Gariiep Dam. In addition to the Gariiep Lake and Dam there is also the Oviston Nature Reserve which has a wide variety of flora and fauna.

Game hunting for both meat and sport is also a significant draw card. Another unique attraction in the Gariiep LM is white water rafting in the existing irrigation canals. Although there are a large number of historical monuments throughout the Municipality, they are poorly maintained.

#### **What this means for LED:**

A lack of information around how many tourists visit Gariiep inhibits the tourism sectors development.

There are limited tourist opportunities in the Gariiep LM, with these opportunities being centred on specific geographic areas particularly the Gariiep Dam and the town of Burgersdorp. The Gariiep Local Municipality also has to compete with the other more established provinces in respect of tourists visiting the Gariiep Dam.

### 2.4.3.2 SECTOR PROFILE: AGRICULTURE

The agricultural sector is the largest private sector employer in Gariiep, employing 28% of the labour force. The agricultural sectors' GGP in 2007 was R 42,651,559. This contribution amounted to 13.8% of Gariiep's total GGP in 2007. The agricultural sectors GGP growth rate has fluctuated erratically. This is due to the fact that agricultural output varies based on external conditions.

### **Agricultural trends**

There are an estimated 250 commercial farmers and +/- 100 emerging farmers in the Gariep LM. Emerging farmer's plots are usually less than 20 hectares, with many emerging farmers using municipal commonages to graze their cattle. The main types of farming in Gariep are sheep (for wool and meat), cattle (both dairy and stock, but mainly stock) and maize. There is also limited ostrich farming (primarily for meat) in the south-eastern part of Gariep, near Jamestown. Game farming in Gariep is still undeveloped, with only a few farmers exclusively rearing game for meat and hunting purposes.

The primary source of income for farmers is animal husbandry (61.3%) which includes all forms of livestock farming, including poultry and game farming. The other major contributor, which accounts for 27.5% of income, is animal products which include milk, wool, mohair and hides/skins.

### **Benefits for LED:**

The Gariep IDP recognised agriculture as a key growth sector, particularly in the area of agro-processing. Other key growth areas are game farming, agro-logistics, and speciality products.

## **2.4.3.3 SECTOR PROFILE: SMME**

Small, Medium and Micro enterprises (SMME) are business that in almost all cases is owner managed and controlled. SMMEs are internationally recognised as a key driver of economic development due to their labour intensive nature, low capital requirements and use of local resources.

Problems facing SMMEs in Gariep

Access to finance is identified as one of the biggest problems facing SMME in Gariep. In addition several businesses have been unsuccessful in obtaining funding from the LM.

Skills training and expertise is also a major constraint to SMME development particularly marketing and business plan development.

Accessing information around tenders, meetings and site visits are also conducted far from SMME suppliers and due to a lack of funds or transport, frequently cannot get to these locations. There is also a widely held perception that the Gariep LM uses suppliers from outside of Gariep for government contracts even when there are local suppliers.

## **2.4.3.4 GARIEP LOCAL MUNICIPALITY ROLE: SMME SUPPORT**

Although National legislation prevents the Gariep LM from providing credit or investing in SMMEs, the Municipality can still facilitate access to finance by:

- Improve access to information about existing financial support, institutions and initiatives in the Gariep area.
- Lobby with financial institutions to improve lending conditions to SMMEs Facilitate the establishment of a SPV for SMME finance.
- Educate local SMMEs about what the Municipalities role in SMME is. Another means of assisting SMMEs is through a local public procurement.
- Monitor the implementation of this procurement policy to ensure that the stated objectives in terms of procurement from SMMEs are met.
- Provide basic infrastructure such as electricity, sewerage, street-lights, water, market facilities, land and premises for SMME development.
- These facilities could be provided directly to SMMEs or support institutions at affordable subsidized rates.
- Facilitate access to training through:
  - Enhancing awareness of available training programmes offered in Gariep
  - Encourage entrepreneurship training at schools
  - Fund various training programmes and initiatives

Concerted efforts are being made to operationalise the Business Resource Centre which is part of the Thusong Services Centre to provide support to Small Businesses.

#### **2.4.3.5 SECTOR PROFILE: TRANSPORT & COMMUNICATIONS**

The transport and communication sector employs just over 5% of the labour force in the Gariep area, which amounts to 224 people. GGP in 2007 for the transport sector was R 66,935,921 which makes it the largest private sector contributor to the Gariep economy, accounted for 21.6% of total municipal GGP in 2007. Although the Transport and Communication sector is important in terms of GGP contribution, employment growth in the sector has been very poor with a negative employment growth of **-3.2%** recorded between 1996 and 2007.

##### **Economic linkages**

The Transport and Communications sector is an important 'connecting' sector between the primary sectors and the tertiary sectors.

A good Information and Communication Technology (ICT) network also enables businesses to access markets and information.

##### **Transport Trends**

The large geographic size of Gariep makes it necessary for residents to regularly utilise the transport industry, particularly minibus taxis. Most individuals however still walk to work or school. There are two taxi associations that cater for the population of Gariep; one in Burgersdorp and another in Steynsburg. Between these two associations there are 57 members and 25 vehicles operators. The majority (54%) of the various taxi associations' members are affiliated to the Burgersdorp Taxi Association. Based on the number of permits issued, only 40% of taxis in the Gariep LM are operating legally. This can be attributed to the slow rate of processing by the Operating License Board. There are a further two long distance taxis that travel to Cape Town via Venterstad and Steynsburg. There are between 6 and 7 commercial truck companies that transport livestock and other agricultural produce from farms to major markets in Port Elizabeth and Bloemfontein.

##### **Communication Trends**

There are no privately run postal services in Gariep and the South African Post Office has offices in all three towns. There is no wireless network in Gariep, the residents do however have access to the Internet although connection speeds are slow.

##### **LED CHALLENGES:**

The expansion of the transport sector is hindered by the poor quality of roads in Gariep. The taxi industry also lacks adequate shelters and amenities in major towns particularly Burgersdorp and Steynsburg.

#### **2.4.3.6 SECTOR PROFILE: CONSTRUCTION**

GGP for the Construction sector was R 17,161,457 which amounted to 5.5% of Gariep's total GGP in 2007. The construction sector has the highest average annual growth rate (8.9%) between 1996 and 2007 of all the economic sectors. This growth occurs off a very low base. The sharp rise in 2006/07 can be attributed to the construction of the indoor sports centre in Steynsburg. In 2007 260 people were directly employed in construction, only 6% of total employment. Employment in the construction sector has fluctuated erratically. This is due to the fact that construction projects in the Gariep Local Municipality do not occur on a regular basis.

##### **Availability of resources**

The main natural resources required in Construction are cement, sand, bricks, crushed stone and aggregate. These resources are available in very limited quantities in Burgersdorp and normally stocked mainly for home maintenance purposes. For larger construction projects (i.e. RDP house construction) materials have to be sourced from outside Gariep.

##### **Construction Trends**

The Gariep LM has a comparative advantage in the Construction sector. The Construction sector has a derived productivity which means that it depends on the amount of development taking place. For example, the proposed Lake Gariep residential estate will require the necessary infrastructure, stimulating the Construction sector. The Construction sector in Gariep focuses primarily on the



construction and rectification of RDP houses and other projects linked to installing services in RDP settlements (i.e. the construction of storm water drains, roads etc.).

There is very limited private sector construction in Gariep, with most private construction contracts dealing with the building of single residential units.

Road construction and maintenance is another important component of the construction sector.

#### **LED challenges**

These challenges are primarily linked to emerging contractors lacking the skills necessary to benefit from government projects such as road upgrades.

A number of emerging contractors also lack the necessary capital to manage their own contracts.

### **2.4.3.7. SECTOR PROFILE: MANUFACTURING**

Manufacturing is the second largest private sector employer in Gariep, employing 557 people or 13% of the labour force. Employment in the manufacturing sector has shown moderate but consistent growth, with employment growth between 1996 and 2007 averaging in excess of 2%. GGP in 2007 for the Manufacturing sector was R 45,423,614. This contribution amounted to 14.6% of Gariep's total GGP in 2007. This has grown since 1996 when manufacturing only accounted for 11.7% of Gariep' GGP. The sectors GGP growth has averaged 3.0% over the last 12 years.

#### **Manufacturing trends**

Although manufacturing is the second largest sector in terms of employment, most manufacturing operations are small in nature, employing no more than 10 people. Most manufacturing enterprises are located in the town of Burgersdorp as it is the primary economic centre of the Municipality. There are a number of small SMME's in the manufacturing sector, producing a limited number of products to sell to local consumers. Specific enterprises in this sector include, furniture manufacturing and cheese production

#### **Options for LED:**

As one of the larger sectors in terms of employment, the Gariep LM should focus on providing emerging manufactures with support, particularly through local procurement.

### **2.4.3.8 SECTOR PROFILE: TRADE**

The trade sector is the fourth largest employer in the Gariep local municipality, employing 390 people or 9% of the labour force in Gariep. Employment growth since 1996 however has been poor, with average growth only being 1.6%. GGP in 2007 for the trade sector was R 24,470,085. This figure has dropped by 22% since 1996 when GPP contribution by the Trade sector was R 35,348,066. The trade sectors contribution to the total GGP of Gariep only amounts to 8.8%. This figure is significantly less than the 1996 figure when trade accounted for 12.7% of GGP. In addition between 1996 and 2007 the average GGP growth rate of the trade sector was **-2%**.

#### **Trade trends**

The trade sector is a derived demand because it is dependent on the amount of income the consumer has at his/her disposal to engage in a trading transaction. There are no major shopping centres in Gariep with most daily retail purchases being done at small local shops. These local shops are primarily owner managed and dominated by general dealers, liquor stores and minimarkets. Although Burgersdorp has a number of chain stores (i.e. Fashion Express, Foodzone, Lewis and Pep) they mostly cater for the lower income market. There are no major chain stores in either Steynsburg or Venterstad, and residents are forced to travel to Burgersdorp to purchase other nonessential goods. Residents requiring specialised products or doing their monthly shopping have to travel to major centres primarily Bloemfontein, Queenstown and Aliwal North. This results in income leakage out of the Gariep to the above towns on a monthly basis. The majority of trade in Gariep is thus dominated by the informal sector which accounts for 47.5% of total trade sector employment.

#### **Consequences for LED:**

The establishment of additional national chain stores is unlikely to occur due to Gariep's small population. Increased buying power as a result of job creation will lead to an expansion in the trade sector.

### 2.4.3.9 SECTOR PROFILE: GOVERNMENT & COMMUNITY SERVICES

The government and community services sector is the single largest employer in Gariep, employing 31% of the labour force in 2007. The government services sub-sector however is the larger employer, employing 840 people. The community services sub-sector therefore only accounts for 32.9% of the total employment of the sector. Although the government and community services sector is the largest employer, employment growth over the 1996 to 2007 period was 0%. This has resulted in 115 jobs in this sector being lost since 1996

#### Government and Community Services Trends

The government sector in Gariep contributes directly to the economy through job opportunities in municipal government as well as indirectly through specific government programmes (i.e. EPWP). Various government departments are permanently stationed in the Gariep area. DEDEA and DSD are conducting a number of LED related projects in Gariep including furniture and upholstery, a fishery, a sewing initiative and a bakery in Steynsburg

#### LED POTENTIAL:

The government services sector, as the single largest consumer, should focus on broadening its supplier base through increased local procurement. Government initiatives should focus on low skilled, labour intensive projects such as road maintenance.

### 2.4.4. COMPARATIVE ADVANTAGE

**Table 6.1: Location Quotient**

Sector	2001	2007
Agriculture	3.94	3.87
Transport & communication	1.68	1.83
Construction	1.05	1.31
Manufacturing	0.72	0.94

*Source: Urban-Econ EC Calculations Based on Quantec (2009)*

A product that has a more competitive function in a specific regional economy than in the aggregate economy (provincial or national), constitutes a comparative advantage. This is thus an indicator of whether or not a specific economy produces a product or renders a service more efficiently than elsewhere in the aggregate economy. The comparative advantage that a specific sector has in the economy may be measured through the calculation of a location quotient (LQ).

The location quotient compares the relative contribution of a sector in the local economy, with the contribution of the sector to the regional economy. A location quotient, as a tool, does not take into consideration external factors, such as government policies, investment incentives and proximity to markets etc., which can influence the comparative advantages of an area.

**The location quotient can be interpreted as follows:**

A LQ greater than 5 is very high and suggests a high level of local dependence on this sector. If the location quotient is greater than 1.25, than that sector is serving the needs that extend beyond the boundaries of the local area. This sector is therefore likely to be 'exporting' goods and services. If the location quotient is between 0.75 and 1.25, the community is self-sufficient in this sector. If the location quotient is less than 0.75, local needs are not being met by the sector and the municipality is importing goods and services in that sector.

**What this means for LED:**

- Gariep possesses a strong comparative advantage in terms of agriculture (3.87). Agriculture has a high LQ as this sector is a significant employer in Gariep, it also exports agricultural goods to other towns outside the Municipality.
- Gariep also enjoys a relative comparative advantage in the transport and communication sector; (1.83) and construction sector (1.31).
- The LQ for both the construction and transport and communication sectors has increased significantly since 2001.

**Leading-Lagging Analysis**

Sector	LQ 2007	Prov. SRG	Local SRG	Carvalho Classification	Industry Targeting Classification
Agriculture	3.87	Lagging	Lagging	Challenging	Prospects limited by external trends and declining competitiveness
Transportation/Communication	1.83	Leading	Lagging	Yielding	High priority retention Target
Construction	1.31	Leading	Leading	Accelerating	Current Strength
Manufacturing	0.94	Lagging	Leading	Transitional	Prospects limited by external trends
Government Services	0.82	Lagging	Lagging	Marginal	Prospects limited overall

Source: Urban-Econ EC Calculations Based on Quantec (2009)

**Provincial/Local Sector Relative Growth (SRG)** indicates if a selected sector's growth at the local level was higher/lower than the provincial growth overall.

The **Carvalho Classification** is a system of evaluating an economy's performance, verbally, based on three indicators namely: employment specialization (location quotient), and the industrial effect and regional/local effect from shift share analysis.

The **Industry Targeting Classification system** is similar to the Carvalho model in that it is based on a combination of the LQ, PSRG and LSRG values and is expressed verbally not numerically.

**What this means for LED:**

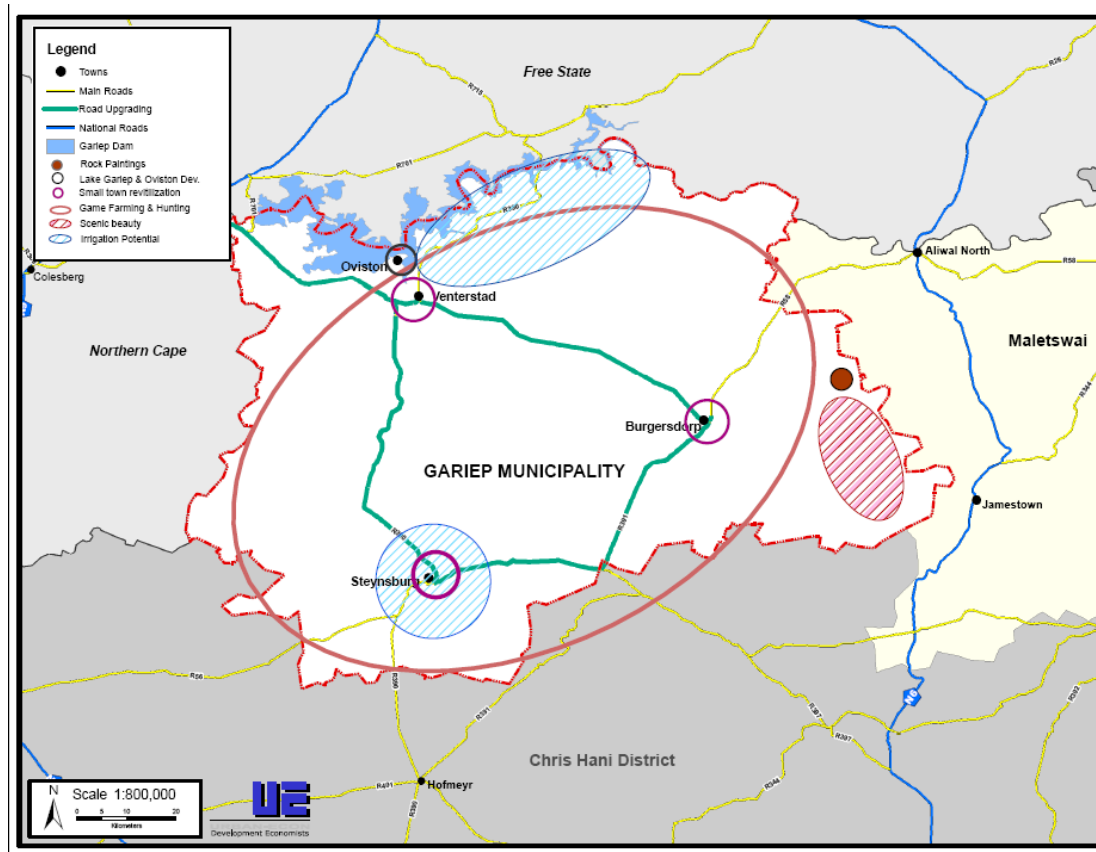
Table ..... shows that the manufacturing and construction sectors grew faster than the provincial average.

Although the government sector is a larger employer in Gariep, its economic prospects are limited overall.

The transport sector is a high priority sector that the Municipality should focus on.

VARIABLE	FINDINGS
<b>GDP in 2007</b>	GDP was R 309.468 million <ul style="list-style-type: none"> <li>• GDP per capita was R 9,042</li> <li>• Contribution to Joe Gqabi Districts GDP was 14.9%</li> </ul>
<b>GDP Growth Rate</b>	Average economic growth rate between 1996 and 2007 was 1.1% per annum. <ul style="list-style-type: none"> <li>• This is lower than the Eastern Cape and District growth rate of 3.1% over the same period.</li> </ul>
<b>Sector Contribution to GDP</b>	Largest contributor to GDP (27.9%) is Government sector. This is a negative characteristic as it is non-productive sector. <ul style="list-style-type: none"> <li>• Transport and communication sector is the second highest, contributing 21.6%.</li> <li>• Agriculture contributes only 13.8%.</li> </ul>
<b>Sector Contribution to Employment</b>	Government services sector largest contributor in terms of employment (31.2%) <ul style="list-style-type: none"> <li>• Largest private sector employer is the agricultural sector.</li> </ul>
<b>Relative Importance of Sectors</b>	In terms of Employment: Government and Community Services. <ul style="list-style-type: none"> <li>• In terms of Growth: Construction</li> <li>• The transport and communication sector has a large contribution to GDP and a high growth rate. However it does not employ a large number of people.</li> </ul>
<b>Leading and Lagging analysis</b>	The construction sector is a current strength for the Gariep economy <ul style="list-style-type: none"> <li>• The transport and communication sector is a high priority retention target for the Gariep economy</li> </ul>
<b>Trade sector</b>	The average growth rate between 1996 and 2007 for the trade sector was -2%. <ul style="list-style-type: none"> <li>• The GDP contribution of the trade sector to the total economy has declined by 3.8% since 1996.</li> <li>• This sector however contributes R 24.4 million to the economy</li> </ul>
<b>Agricultural Sector</b>	Gariep is well suited for stock farming, with limited opportunity for crop farming in areas under irrigation from the Gariep Dam. <ul style="list-style-type: none"> <li>• Average farm size is between 2000 and 2600 hectares</li> <li>Emerging farmers face a number of challenges i.e. lack of skills, financial limitations</li> <li>• There is potential for an expansion of the hunting industry in Gariep</li> </ul>
<b>Government Services Sector</b>	Largest employer and contributor to the local economy. <ul style="list-style-type: none"> <li>• Plays a key role in job creation and poverty alleviation through its various projects.</li> <li>• Only one national department located in the Gariep LM (i.e. Labour)</li> </ul>

**Figure 1: Identified Opportunities**



## 2.4.5 DEVELOPMENT POTENTIAL

The following recurring themes are built into the Gariiep LED Plan development process:

- The need for interventionist policies that are targeted at sectors such as tourism, agriculture and agro-processing.
- How local economic development should focus on identifying and exploiting the areas competitive advantage
- The focus on Small, Medium and Microenterprises (SMMEs) as vehicles for growth and job creation.
- Infrastructure development

The analysis shows that the economic development potential are as follows:-

### 2.4.5.1 DEVELOPMENT POTENTIAL: GARIEP

- Infrastructure
  - The roads in Gariiep can be upgraded and maintained by community initiatives or by SMMEs.
  - Small town revitalisation can be conducted in the towns of Burgersdorp, Steynsburg and Venterstad.
- Tourism
  - Potential exists to develop a marina in the Oviston linked to the proposed residential country estate
  - Historical heritage such as Anglo-Boer War History, Afrikaans Culture and Language historic Burgersdorp and rock art can be developed and enhanced.
  - Additional tourism development can occur around the J.L. De Bruin Dam.
  - Organising and supporting LTOs and CTOs with funding
  - Strengthening the marketing and branding of Gariiep Tourism.

- Website bringing all products together
- Visitor centre at Lake Gariep

### 2.4.5.2 DEVELOPMENT POTENTIAL: BURGERSDORP

- Infrastructure
- Potential exists to improve water infrastructure in Eureka particularly storm water drainage.
- Development in Tembisa however should focus on the construction of social infrastructure such as clinics and police stations.
- The bridge leading to Mzanomhle can be upgraded and repaired.
- The R391 leading into Burgersdorp has the potential to create a number of jobs by repairing and upgrading it.
- The informal taxi rank at the intersection of the R391 and Kloof Street should be formalised through the construction of shelters and amenities.

### 2.4.5.3 DEVELOPMENT POTENTIAL: AGRICULTURE

Agriculture should concentrate on stock, pig, chicken and game farming  
 Stock farming's expansion however is limited by the carrying capacity of land  
 There is also potential to expand ostrich farming in Gariep  
 Game farming activities can be expanded throughout Gariep, particularly outside Steynsburg and around the eastern part of the Gariep Dam  
 Niche crops such as nuts, pomegranates and olives can be grown using irrigation  
 There is also potential for the marketing and branding of Karoo Lamb produced in Gariep

### 2.4.5.4 DEVELOPMENT POTENTIAL: SMME and TOURISM

- There is potential to develop a SMME resource centre in Burgersdorp to provide resources to SMMEs and other emerging business
- Alternatively an extension service from the Aliwal North SEDA Office could be established.
- As part of this SMME support, business sites could be established in Tembisa.
- There is potential to use vacant land in Burgersdorp for the development of office space for local SMMEs.
- Formal hawker stands
- Training and skills development through the establishment of a FET College in Steynsburg
- Make existing government projects sustainable
- Other
- Expand existing garden projects in Eureka.
- Cleaning programmes in Mzanomhle and later Burgersdorp as a whole.

### 2.4.6 DEVELOPMENT POTENTIAL: STRATEGIC OBJECTIVES

The Sector Assessment and Comparative Analysis clearly shows that the development potential in the Gariep area, lies in the agriculture, tourism sectors and government programmes.

Tourism should focus on key areas such as the Gariep Dam and historical sites like Burgersdorp. Agricultural potential lies in expanding the hunting industry as well as using water accessed from the Orange River for irrigation.

The development focus is on SMME support, infrastructure maintenance along priority routes, the development of a tourist route and agricultural sector development and the expansion of government led poverty alleviation projects into viable businesses.

To deal with gaps identified in the economic analysis and to maximise the potential raised in the comparative advantage through the location quotient the following six strategic LED objectives were identified:

**1. Grow the economy by increasing the average economic growth rate to 1.5% between 2010 and 2014, and by 3% year-on-year from 2014 onwards.**

**2. Increase the Gariep Municipality's capital expenditure budget for key LED infrastructure; particularly roads, electricity and water; by 5% annually. This capital expenditure should be targeted specifically at road infrastructure along key mobility routes.**

**3. Reduce the unemployment rate by 10% by 2014, through the creation of new and expanded job opportunities.** (A reduction of 10% translates into the creation of approximately 293 permanent jobs by 2014, i.e. the creation of roughly 75 permanent jobs per annum. )

**4. By 2010 provide funding for the establishment of an SMME help desk within the Gariep Municipality, to be operational by 2011.**

**5. Increase the number of positions filled in the Community and Technical Services Department at the Gariep LM by 6% annually between 2009 and 2014.**

**6. Ensure that by 2014 at least 10% of total procurement expenditure is spent on local suppliers.**

Given the economic potential of the Gariep Local Municipality, in addition to the objectives described above, 6 key pillars have been identified, which if implemented in an integrated fashion, should stimulate economic growth development in the region.

In order for the objectives to be realised, it is essential that an environment conducive to growth be created. This involves activities that both tackle present constraints to development and initiatives to boost economic activity. The Gariep LED Plan recommends that these actions be undertaken through the following strategic pillars:

- **SMME Development and Support**
- **Infrastructure Prioritization**
- **Institutional Development**
- **Agriculture and Agro-processing Sector Development**
- **Tourism Sector Development**
- **Strategic Partnerships**

These strategic pillars and programmes are based on the opportunities identified in the in the economic potential profile above. Through these strategic pillars the Gariep LED Plan aims to concentrate municipal resources so as to exploit local economic development opportunities and to mitigate potential threats.

Stakeholders agreed that the **feasibility study into agro-processing** in Gariep as well as the finalisation of the **Lake !Gariep initiative** where the highest priority projects. It was felt that through these projects the Gariep Local Municipality could best capitalise on the opportunities identified by the

Gariiep LED Plan, while at the same time promoting economic growth and job creation. Stakeholders also felt that the Lake !Gariiep Initiative could have positive synergies with other identified projects particularly the **development of a tourism route and attractions, partnership with existing tourism routes and road and street maintenance and upgrading.**

Positive synergies include:

- Linking the Lake !Gariiep Initiative to the development of an integrated tourism strategy around the Gariiep Dam that focuses on supporting small and emerging tourist providers
- Using local procurement in the road maintenance and upgrading process to assist in the development of SMME's

In order to successfully implement the projects presented in this section, implementation guidelines and plans must be provided. This is the focus of the next Section of the strategy.

presents the projects that have been prioritised by stakeholders in Gariiep. It is important to note that the projects are listed in order of preference and not in order of priority.

The following were prioritized projects:

PROJECT	PILLAR
Feasibility study for agro-processing (i.e. abattoir, tannery, wool washing and spinning)	Agriculture and Agro-processing
Lake !Gariiep Initiative	Strategic Partners
Grading of accommodation establishments	Tourism Sector Development
Tourism training and awareness	Institutional Development
Develop tourism route and attractions	Tourism Sector Development
Fish farming in Venterstad	Agriculture and Agro-processing
Road and street maintenance and upgrading	Infrastructure Prioritization
Skills Retention Strategy	Institutional Development
Establish and Support LED forum	SMME Development and Support
Satellite FET College in Steynsburg	SMME Development and Support

For the purposes of the IDP the proposed implementation arrangements for the Gariiep LED Plan has been limited to the following short-term actions:

1. LED projects will, where possible, be implemented by the Gariiep LED Unit
4. A dedicated LED budget should be established to fund either projects or to appoint service providers to implement exiting projects
6. A LED Forum should be established to both monitor LED progress in the municipality and to serve as a means of information sharing between LED stakeholders
7. Assist the Ukhahlamba Development Agency with the implementation of catalytic projects located in the Gariiep Local Municipality

The main recommendations of the implementation plan are as follows

FOCUS AREA	RECOMMENDATIONS OF THE IMPLEMENTATION PLAN
Roles and responsibilities	<b>Local Municipality</b> 1. Carry projects through to the local municipalities Integrated Development Plan



	<p>2. Create an enabling environment conducive to investment</p> <p>3. Allocate resources to Local Economic Development</p> <p>4. Coordinate, manage and facilitate LED planning</p> <p>5. Monitor and evaluate the LED Plan</p> <p>• <b>District Municipality</b></p> <p>5. Develop LED capacity within local municipalities</p> <p>6. Build partnerships and relationships with stakeholders</p> <p>7. Establish LED institutions</p> <p>8. Identify available resources</p>
Current organisational structure and reporting relationships	<p>Comprises a LED Coordinator</p> <p>• There are two existing forums supporting LED in Gariep namely Agriculture and Tourism</p>
Recommended internal implementation mechanism	<p>Two recommended internal implementation mechanisms for the LED Unit:</p> <p>1. Strengthening of internal LED Unit for implementation</p> <p>2. Outsourcing projects for implementation</p> <p>• Strengthening of the LED Unit entails hiring 3 additional staff members (LED Coordinator, SMME Facilitator, LED Administrative Assistant) at a cost of between <b>R 368 915.36</b> and <b>R 412 783.16</b></p> <p>• LED Unit should be strengthened to assist in monitoring the progress of LED</p>
Recommended external implementation mechanism	<p>Primary external implementation mechanism will be the JG District Development Agency</p> <p>• Development Agency's role will be to conduct catalytic projects with the assistance of the Gariep Local Municipality</p>
Relationship challenges and solutions	<p>• <b>Challenges</b></p> <p>1. Lack of coordination</p> <p>2. Lack of capacity</p> <p>3. Administrative interference</p> <p>4. No communication policy</p> <p>• <b>Solutions</b></p> <p>1. Coordination and integration</p> <p>2. Training and development</p> <p>3. Roles and responsibilities of councillors</p> <p>4. Communication plan</p>
Support agencies	<p>The following support agencies were identified to assist the Gariep LED Unit:</p> <p>1. IDC</p> <p>2. ECDC</p> <p>3. DBSA</p> <p>4. SEDA</p> <p>5. IDT</p> <p>6. Khula Enterprise Finance</p>

Follow the outcome of the funding application to the IDC for the **Gariep Residential Eco and Country anchor project** submitted by the JGDM Development Agency.

## **2.5 KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

The municipality has undergone some serious planning challenges over the past two years, mainly due to the post of IDP Manager has been vacant now for the second year. Gariep Municipality has considered the MEC comments based on the 2010 Assessment and have filled these gaps. Some of the corrective measures contained in the MECs comments recommended that the DLGTA and other Provincial Departments would assist to formulate appropriate tools and frameworks and it is anticipated that it will receive attention during the 2011/12 financial year where these are still lacking

### **POLITICAL GOVERNANCE**

The Gariep Municipality is a Category B Municipality (local municipality) and has eight Councillors, four of which directly represent a specific ward and the remainder to represent parties proportionally in the council. In the current term of office (pre-2011 election), one councillor was proportionally elected to represent Gariep municipality on the Joe Gqabi District Municipal Council. The mayor is a full time public office bearer. The Municipality has a Plenary Executive System combined with a ward participatory system.

The following three portfolio committees were established in terms of Section 79 of the Local Government Municipal Structures Act, (Act 117 of 1998):-

### **IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT**

National Government recognises that municipalities in the country have different capacities and are faced with different social and economic challenges therefore it will be necessary for municipalities to focus on those responsibilities that they are able to deliver on. This would mean that certain municipalities ought to focus on a smaller set of functions. Implementing a differentiated approach would entail taking the unique circumstances of each municipality into account when providing support to that municipality in terms of financing and development planning to provide access to water, sanitation, electricity, waste management, roads and disaster management.

The following sub-outputs are identified as levers towards achieving the above:-

To achieve the above it will be necessary to design a very focused intervention for clearly defined smaller municipalities that is limited to producing IDP's that are:

- Simplified to focus on planning for the delivery of a set of 10 critical municipal services that are still to be identified (services allocated exclusively to municipalities in terms of Part B of Schedules 4 B of the Constitution) for the smaller municipalities as defined per the above;

- Supported by a simple revenue plan (i.e. a plan that will have less than 20% variance between projected revenue and actual revenue) that will better manage costs and enhance the management of revenue.

IDP planning process will accordingly need to place greater emphasis on difference according to spatial classification. The spatial classification for Gariiep municipality equates to a B3. At This stage it is likely that a [simplified IDP and revenue plan will be aimed at B4 rural municipalities although there will need to be a progressive assessment of which elements of the planning system may need to be revised to accommodate differentiation over the longer term.](#)

The review of the intergovernmental fiscal system and the Division of Revenue Act will also allow for new approaches to fiscal grant support for municipalities depending on their classification.

## **2.5.1 POLITICAL GOVERNANCE POST-2011 ELECTION**

- Gariiep local municipality is a plenary executive systems combined with a ward participatory system. The Political and Administrative seat is situated in Burgersdorp.
- The incoming Gariiep council will consist of an additional two seats after the Local Government Elections in May 2011
- After the Local Government Elections in 2011, two councillors will be proportionally elected to represent Gariiep municipality, at the Joe Gqabi District Council.
- The Council has resolved to form two Section 79 Standing Committees namely IDP, Finance and Human Resources Committee and the other is the Community and Technical Services Committee.
- The new Council will consist of a full-time mayor and nine ordinary councillors.
- Council as part of their political mandate ensures that the needs of the community are reflected in the IDP and that they translate into projects
- Political and executive authority is vested in the council, where developmental decisions are made to meet the needs and improve the quality of life for the citizens living in Gariiep.
- Council meetings are open to the public with the exception of special meetings
- Ordinary Council meetings take place at least once in three months
- Special Council meetings are convened only when important issues arise that requires urgent and immediate attention.

## **2.5.2 INTEGRATED DEVELOPMENT PLANNING – REVIEW PROCESS 2011/12**

The reviewed Draft Gariiep IDP for 2010/11 was adopted by Council on 31 March 2010 (resolution no. 28/2010) and the Final IDP was passed by Council on 30 June 2010.

The Draft Gariiep IDP for 2011/12 has been placed as an item on the Council's Agenda for consideration at the Council Meeting scheduled for 31 March 2011. Gariiep Municipality has opted to follow Option 1, proposed in the MFMA Circular No. 54. The outgoing Council will therefore adopt the reviewed Draft IDP for 2011/12 on 31 March and the Final by no later than the end of April 2011. A notice will be placed in the Aliwal *Weekblad* on the 1<sup>st</sup> of April 2011 calling for comments and representation on the

draft IDP. These comments will be considered and addressed by the Mayor before the final IDP is tabled to Council for adoption.

Each municipality, within a prescribed period must develop and adopt a process set out in writing to guide the planning, drafting, adoption and review of its Integrated Development Plan in terms section 29 of the Municipal Systems Act. **The Process Plan is attached as Annexure .....** The Mayor must table a schedule of key deadlines for various planning and budget activities as spelled out in section 21 of the MFMA.

The Process Plan outlines the following key issues, amongst other:-

- The structure that will manage the IDP and Budget planning process
- How the public can participate and which structures are created to ensure this participation
- Who is responsible for what
- How the process will be monitored
- Media and recording management
- Time schedule for key planning processes (See below)

### ACTION PLAN / KEY DEADLINES

Action Plan	Purpose	Responsible Person	Timeliness
Setting up Steering Committee	To oversee and co-ordinate the IDP & Budget Process Plan	MM	August 2010
Develop and table process plan to Council	To secure Council approval	Mayor	18 August 2010
Advertise start of the IDP & Budget Process	For Public participation in accordance with section 19 of the MSA	Municipal Manager	August 2010
Community Training on Ward Governance	To enhance Public Participation	Department of Local Government & Traditional Affairs	August 2010
Review Sector plans in accordance with the Provincial Assessment Report	Respond to gaps identified in the Provincial IDP Assessment Report	Heads of Departments	September 2010
Re-establishment of Ward Committees, 1,2 & 3	Set up legitimate structures in terms of the MSA & DLG&TA guidelines	Ward Councillors	September 2010
Engagements with Sector Departments	Agree on specific projects and programmes in be included in the next financial year	Heads of Departments	September 2010
Review Community Based Planning	Development of the Ward Based Plans	Municipal Manager	October 2010
Review of the SDF	To incorporate new information, trends and infrastructure plans	Director Technical Services	September 2010

Gariep Steering Committee	Review of IDP	MM	October/Nov.2010
Gariep IDP Rep. Forum	Review progress, identify gaps and design new action plan	Municipal Manager	October/Nov. 2010
Request information from internal departments	Analysis	Strategic Support	September –October 2010
Attend District Planning Session		MM	August – Dec 2010
Engagements with designated groups	Consultation with youth, women, ex-combatants, Disable Association and Children	Special Programmes Co-ordinator	October 2010
Strategic Planning Session	Progress review, backlogs and craft strategies for the next financial year	Municipal Manager	October 2010
Focused groups	Analysis and review		August -Nov 2010
Council Outreach	IDP Review	Mayor	18 to 22 October 2010
IDP Steering Committee	Consider first draft	MM	January 2011
Gariep IDP Rep Forum	Review objectives and Strategies'	Mayor	January 2011
District Rep Forum	Review	Mayor and MM	October-Nov 2010
Draft IDP in place	For inputs and comments	MM	December 2010
Review Financial Policies		Chief Financial Officer	February 2011
Economic Cluster Engagements	Consolidation of priority programmes	Director Technical Services	February 2011
Social Cluster Meeting	Consolidation of priority programmes	Director Community Services	March 2011
Steering Committee Meeting	To consider final draft	MM	March 2011
Gariep IDP Rep. Forum Meeting	Integration	Mayor	March 2011
Council meeting for the Mayor to table Draft IDP& Budget for debate	Approval of draft IDP & Budget plus draft SDBIP	Council	29 March 2011
Development of Tariffs policy			
Advertise Draft IDP & Budget	For public comments	MM	April 2011
Send draft IDP & Budget to MEC	For comments	MM	April 2011
Municipal Outreaches	Tariffs and Capital Budget	Mayor	May 2011
Attend Provincial IDP	For MEC Comments	MM	May 2011

Assessment		CFO IDP Co-ordinator Manager Technical Services Director Community Services Director Corporate Services	
Steering Committee Meeting	To consider final IDP	MM	May 2011
IDP Rep Forum	To consider draft IDP & Budget	Mayor	May 2011
Final IDP and Budget	Table to Council for Approval	Municipal Manager	May-June 2011
Submission of Budget & IDP to the National Treasury, Department of Co-operate Governance & Traditional Affairs and National Treasury		Municipal Manager	June 2011
SDBIP Workshop	Consolidation of SDBIP	Municipal Manager	June 2011
Submission of final SDBIP to council	Table SDBIP to council	Mayor	June 2011
Development of Performance Agreements	To be signed be Heads of Departments	Municipal Manager	June 2011

### 2.5.3 COMMUNITY AND PUBLIC PARTICIPATION

The Municipality's commitment to promote community participation and convene regular meetings in order to give the community the opportunity to express their views and needs has been hindered to a limited degree in the 2011/12 planning cycle. The main contributing factor for this situation is the continued vacancy of the IDP Officer's post. Candidates were interviewed during March 2011 and an appointment is imminent. As an interim measure, arrangements were made for additional support from the Department of Local Government and Traditional Affairs and Joe Gqabi DM.

Despite the above a very successful **IDP Representative Forum** was held in Burgersdorp on 17 March 2011. Initially ..... participants were expected as opposed to ..... that actually attended. The meeting was chaired by the Mayor and most of the political leadership was also present. This forum discussed progress achieved on project implementation (2010/11) and looked at proposed projects to address the priority needs in 2011/12. Most of the provincial departments attended and were able to present on the 2011/12 budget allocation and the implementation of current projects.

The four **Ward Committees** in Gariep are functional and it is likely that the upcoming local government elections could result in the appointment of new ward committee members. Attempts will be made to ensure fully functional new ward committees especially in the light of

an additional Ward having been demarcated by the Demarcation Board for the Gariep area after the Local Government Elections in 2011.

The Provincial Generic Guidelines on public participation which amongst other things guides the functioning of ward committees was adopted at a Special Council Meeting on 28 May 2009. Ward Committees have been established in the four wards. Each ward has been assigned a **Community Development Worker** and these officials have offices to operate from. A Draft **Ward Committee Policy dated August 2010** has been tabled to Council for consideration.

Financial commitment has been secured in 2011/12 through the Municipal Systems Improvement Grant (MSIG) for the support of ward committees.

The following **Stakeholder Consultation** were convened during the review process.

Activity	Dates
Conducted Mayoral Outreach in all Wards	1 to 5 November 2010
Community Based Planning done in all wards	14 to 16 February 2011
Gariep IDP Representative Forum	17 March 2011
Attended District IDP Rep Forum for alignment	..... April 2011
IDP Alignment	23 - 24 March 2011
IDP & Budget Technical Meeting held to consider budget proposal	24 March 2011
Draft IDP & Budget tabled to Council for adoption	31 March 2011
Advert to the local newspaper for comments	01 March 2011
Mayor's Outreach	05-07 March 2011
Adoption of IDP and Budget	30 April 2011
Submission to the MEC for Local Government	10 May 2011

## GARIEP WARD BASED PLANNING & OUTREACH PROGRAMME

On the 1 to 5<sup>th</sup> November 2010 Gariep in conjunction with the Joe Gqabi District Municipality conducted a Political Outreach. Sector participation was satisfactory.

The ward based planning methodology provides municipalities with the means to strengthen the participatory aspects of their IDP, thereby assisting them to give greater effect to the requirements of the White Paper and Municipal Systems Act.

**Gariep Community Based Planning** was conducted during the 14<sup>th</sup> to the 16<sup>th</sup> of February 2011 and was attended by various local stakeholders and Government Departments. In these sessions, Ward Based Plans were developed and have been incorporated into the 2011/12 IDP.

The table below contains the priority needs of ward 1 to 4, which was identified during the CBP ward session in February 2011. The priority needs were ranked according to the demand expressed overall in the wards and listed sequentially in column one.

PRIORITY	Ward 1: Priority needs	Ward 2 : Priority needs	Ward 3: Priority needs	Ward 4: Priority needs
1	Access roads and bridges	Access Roads and bridges	Access roads and bridges	Access Roads and bridges
2	High School Lyseumville Education	FET College Education	Skills development Schools	High school Education Skills development
3	Maintenance of Public facilities Playgrounds	Public toilets Speed hums		Public toilets Community facilities Graveyard identification Orphanage
4		LED Banks in town	LED Shopping centre	LED Job creation SMME's Shoprite
5		Crime Police patrol at nights	Police Stations Crime	
6		Sanitation	Water	Water Sanitation
7		Street lights	Electricity Street lights	Electricity
8		Construction skills	Housing	Housing
9			Health Medication shortfall	Health Clinic upgrade
10	Waste Management			

### Communication strategy

#### COMMUNICATION STRATEGY

The Gariiep Municipality has established a communication section in the Office of the Municipal Manager. The district had developed a Communication Strategy and was subsequently presented to Municipal Managers and Mayors of all the local municipalities. District Wide Communication Strategy was adopted in November 2008 and adjusted in the 2010/11 financial year. Gariiep Municipality is in the process of customising the Strategy and the intention is to have it adopted by the incoming Council in order to ensure political buy-in.

The following initiatives have been undertaken by Gariiep Municipality to enhance communication and are currently implemented:-



- A newsletter called . The municipality has attempted to publish a newsletter, called *Inkqubela* on a quarterly basis although rising costs and funding constraints influences the frequency of its release.
- **Gariep Municipality's Public Participation Plan was adopted by Council on 31 May 2009.**
- The reconfiguration and development of the municipal website as prescribed by Section 21B(1) of the Municipal Systems Act has been operationalised.
- An IT technician was appointed in March 2011 to contribute to the maintenance and expansion of the communication network.

The purpose of Thusong Service Centres are to integrate government services into a one-stop centre so that the community can access information of received government services effectively.

The **Burgersdorp Thusong Service Centre** was launched by Honourable Premier (Acting), Mr M Sogoni on 20 March 2009. Unfortunately funding for staff and operating costs have not been forthcoming. To date (February 2011) only the Office of the Premier, GCIS National Youth Development Agency and Department of Housing and CDW attached to the DLGTA have taken up occupancy and these institution are using the offices at no cost. The Gariep municipality invested a significant amount of funding to upgrade the building and in turn it has become a non profitable enterprise. **An equitable plan must be sought and a SLA formalised.**

#### **2.5.4 PARTNERSHIPS AND LOCAL STRATEGIC INTER-GOVERNMENTAL RELATIONSHIPS**

The Gariep Intergovernmental Relations Forums was vibrant and functional; most departments were participating and making contributions in this forum.

Guided by the Intergovernmental Relations Framework Act of 2005 and in-line with the Provincial IGR system, the municipality established the following local Clusters :-

- Governance Administration
- Social Cluster
- Economic and Infrastructure Cluster

The prolonged absence of an IDP Official in the Municipality has adversely affected the IGR Forums and it will be targeted for revival / resuscitation upon the appointment of a dedicated IDP official, in the next IDP cycle.

#### **2.5.5 INTERGOVERNMENTAL RELATIONS – EXTERNAL**

The following forums are functional at **Provincial level**:

- Provincial Co-ordinating Forum (chaired by Premier)
  - Supported by the Technical Support Group
- MuniMec – (chaired by the MEC for Local Government)
  - Supported by the Technical MuniMec – (chaired by SG for Local Government)
- Provincial Cluster System
  - Social Cluster;
  - Economic Cluster;
  - Investment and Employment Cluster;
  - Peace and Security, Justice and Crime Prevention Cluster;
  - Governance and administration Cluster.

The Mayor and the Municipal Manager represent Gariep Municipality in the **District forums**. In addition Gariep municipality is represented in various committees such as the Area Based Planning Forum, Spatial & Land Planning Forum, and District Heath Forum etc.

The following forums function at the district level:

- District's Mayors Forum
- District IDP and Budget Steering Committee
- Joe Gqabi IDP Representative Forum
- District Tourism
- District Agricultural Forum

## SPECIAL PROGRAMMES AND INITIATIVES

The identification, design and implementation of IDP programmes in Gariep should design interventions aimed at mainstreaming youth, women and people-living-with disabilities (PLWD). In this regard, resources must be identified and allocated to give effect to the full constitutional rights of youth, women and people living with disabilities in Gariep.

The Expanded Public Works Programme, guided by the job creation principles, is extensively used to draw marginalised people into the job market. The Greenfield Access Roads Project created **47 jobs** in 2010/11.

An amount of R150 000 was allocated for the development of a SPU Mainstreaming Plan 2011. Gariep Municipality has advertised for the development of the Strategy and the closing date was on 18 March 2011.

### SPU Institutional Arrangement

The SPU is located in the office of the Municipal Manager and has a dedicated official assigned to manage this function. The structures below have been established and are in the process of being launched, either at the municipal, or a ward level. These structures meet on a quarterly basis :-

Focus Groups	Status: Gariep Municipal level	Status Ward level
Women Economic Empowerment	No	Yes
Gariep Youth Council	Yes	Yes
Gariep Disabled Association	Yes	Yes
ECDC Forums	No	Yes

### YOUTH

R75, 000.00 was received from DSRAC in 2010/11 for the implementation of the Garden of Eden Project. This is a sustainable pottery craft making initiative, which is expected to generate revenue as a sustainable

The Umlawu Youth Printing Project is an existing initiative that designs and copies motives onto T-Shirts, creates calendars which are laminated for re-sale to the public. The Department of Social Development also supported this project with top-up funding amounting to R250,000.00 in the 2010/11 financial year.

The Mayoral Tournament is a annual event and in 2010/11 an amount of R80,000.00 from own funding was used to host this tournament. An additional R60, 000.00 was received from DRAC.

The youth also benefitted from the Greening and Beautification Project. In total 60 people were appointed during February/March 2011 through the Extended Public Works Programme people.

## **HIV AND AIDS**

The multi-dimensional nature of HIV calls for an integrated and partnership response, hence the establishment of Gariep Local Aids Council. The Gariep Local Aids Council is fully functional. A strategic Plan has been drafted and adopted by the Local Aids Council during September 2010.

### **Special Programmes Intervention**

- Review all municipal strategies / plans to ensure mainstreaming
- Mainstreaming of youth, woman and disable into EPWP
- Lobby for additional funding for projects
- Monitor and evaluate existing income generating projects

## **KPA 5: FINANCIAL VIABILITY**

### **BUDGET 2010/2011**

## **2.6 KPA 6: INSTITUTIONAL ANALYSIS**

### **2.6.1 POWERS AND FUNCTIONS**

The Constitution indicates that the objects of local government are to:

- promote democratic and accountable government for local communities;
- ensure the provision of services to communities in a sustainable manner;
- promote social and economic development;
- promote a safe and healthy environment; and
  - encourage the involvement of communities and community organisations in the matters of local government

A municipality has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution. These functions and powers are divided between the district municipality and the local municipalities established within its area of jurisdiction. Section 84(a) to (p) of the Structures Act defines the functions and the powers that are assigned to District Municipalities. The Minister may authorise (under certain circumstances) a local municipality to perform a district function and power and the Member of the Executive Council for local government may (under certain circumstances) adjust specified functions and powers between the district and a local municipality in its area.

### **Functions of Gariep local municipality**

The MEC for Local Government adjusted the functions and powers between Joe Gqabi district municipality and Gariiep local municipality, as published in the Provincial Gazette No. 1890 on 9 May 2008, to the extent reflected hereunder.

Function	Joe Gqabi	Local Municipality
Air pollution	X	
Building regulations		X
Child Care facilities		X
Electricity reticulation	X (unknown until REDZ finalized)	X
Fire Fighting	X	X
Local Tourism	X	X
Municipal airports		X
Municipal Planning	X	X
Municipal Health Services	X	
Municipal Public Transport		X
Pontoons and Ferries		X
Storm water		X
Trading regulations		X
Water (potable)	X Water Service Auth.	Water Services Provider.
Sanitation	X Water Service Auth.	Water Services Provider
Schedule 5 part b		
Beaches and amusement facilities		X
Billboards and the display of adverts in public places		X
Cemeteries, Crematoria and funeral parlours		X
Cleansing		X
Control of public nuisances		X
Control of undertakings that sell liquor to the public		X
Facilities for the accommodation, care and burial of animals		X
Fencing and fences		X
Licensing of dogs		X
Licensing and control of undertakings that sell food to the public		X
Local amenities		X
Local sport facilities		X
Markets		X
Municipal abattoirs		X
Municipal parks and recreation		X
Municipal roads		X
Noise pollution		X
Pounds		X
Public places		X
Refuse removal, refuse dumps and solid waste disposal		X
Street trading		
Street lighting		
Traffic and parking		
<b>Additional agency functions performed</b>		
Licensing of vehicles		X
Primary Health Care	X	X (excluding Elundini)
Road maintenance	X	

Function	Joe Gqabi	Local Municipality

## 2.6.2 GARIEP ORGANISATIONAL STRUCTURE

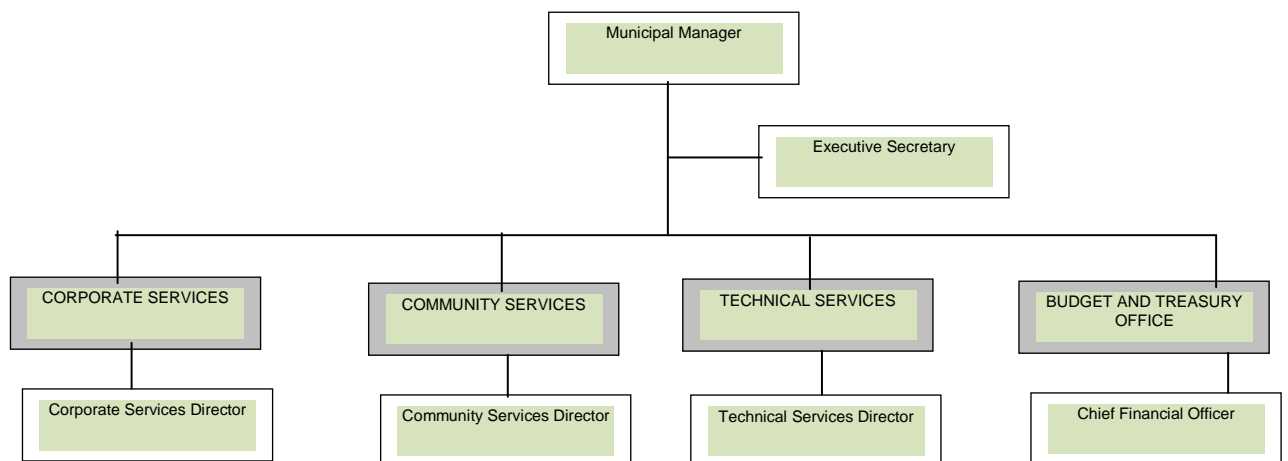
The Municipal Organisational Structure was approved by Council on 30 October 2007. The Department of Local Government and Traditional Affairs commissioned Spontaneous Management Consulting to verify whether the organisational structure of Gariep Municipality is aligned with the IDP and the powers and functions. The findings and recommendations were submitted to Gariep Municipality in a Report dated 6 November 2010. A new organisational structure has been designed based on the findings of the Report and it will be tabled to Council for adoption with the Draft IDP on 31 March 2011.

The health care practitioners are in the process of being transferred to the Department of Health and have therefore been excluded from this overview.

The Municipalities organizational structure comprises of 477 positions which are divided into the following Departments

- ⇒ Office of the Municipal Manager
- ⇒ Corporate Services
- ⇒ Community Services
- ⇒ Technical Services
- ⇒ Budget and Treasury Office

### ORGANISATIONAL STRUCTURE



The above highlighted structure presents the sampled line functionaries available. Refer to the attachment for lower levels

The total filled staff complement is 232 employees (excluding councillors) as at 30 March 2010. The occupational level ranges from level 0 to 14; with level 0 being the highest level (Heads of department) and level 14 the lowest level (cleaners, general workers).

### The staff complement in Gariep as at 31 December 2010

Department	Total no of Posts	Filled	% Filled	Vacant	Number budgeted for
Office of the Municipal Manager	13	8	61.5%	5	
Corporate Services	20	17	85.0%	3	
Technical Services	203	90	44.3%	113	
Community Services	203	91	44.8%	112	
Financial Services	38	26	68.4%	12	
Total	477	232	48.6%	245	

The total number of posts is, 477 (excluding 27 Heath posts) of which 232 (48.6%) are filled and 245 (51.4%) are vacant. The breakdown given below reflects the position as at 31 December 2010.

#### **2.6.2.1 MUNICIPAL MANAGER'S OFFICE**

The Office of the Municipal Manager has 13 posts, of which 8 (61.5%) are filled.

#### **2.6.2.2 CORPORATE SERVICES**

The Corporate Services Department has 20 posts of which 17 (85%) are filled.

The Director for Corporate Services is responsible for

- Human Resources,
- General administration,
- Committee management

#### **2.6.2.3 TECHNICAL SERVICES**

The Technical Services Department has 203 posts, 90 (44.3%) are filled.

The Director for Technical Services is responsible for

- Electricity, Water,
- Public works,
- Refuse and Cleansing,
- Housing Administration

#### **2.6.2.4 COMMUNITY SERVICES**

The Community Services Department has 203 posts, of which 91 (44.8%) are filled.

The Director for Community Services is responsible for

- Traffic
- Management,
- Libraries, Perks and
- Gardens, Resorts

#### **2.6.2.5 FINANCIAL SERVICES**

The Budget and Treasury Offices has 38 posts, of which 26 (68.4 %) are filled.

The Director for Community Services is responsible for

- Budget Office,
- Revenue and Income Management,
- Expenditure Division,

- Supply Chain Management

## **INSTITUTIONAL STRUCTURE OVERVIEW**

The administration of Gariep Local Municipality is headed by the Municipal Manager and his appointment is formalised by an Employment Contract. A draft Annual Performance Agreement will be developed and aligned to the 2010/11 IDP for submission to the Mayor with draft annual SDBIP.

The top management consists of four Section 57 Managers that report directly to the Municipal Manager. The senior management team's strength lies in their versatility both in terms of skills and experience, in addition, the political and administration governance are driven by the same goals which has resulted in a close relationship between the two structures.

Based on a proposed benchmark of 1 municipal official for every 100 residents, Gariep Municipality has a staff per capita ratio of 1:102. This is a very sound staff to resident ratio in, which should result in better service provision.

Staff turnover in the Gariep Municipality is low and between 2002 and 2007 the average staff turnover ratio was 11.9%.

The staffing budget increased by 77% between the 2007/08 and 2008/09 financial years and the staff expenditure budget in 2011/12 equates to .....% of the Gariep Local Municipalities total revenue.

The national norm is 34%, meaning that Gariep exceeds the norm by .....%

### Challenges

- Need to address the capacity of existing human resources to effectively provide service delivery
- High dependency of the municipality on external funding and cash flow restrictions

### Key strengths and opportunities include

- A stable political and administrative environment
- SEBATA financial and document management system is being installed.
- Responsive to community needs
- Fair working relations with other spheres of government

## **2.6.4 HUMAN RESOURCE DEVELOPMENT**

Gariep municipality has a comprehensive Human Resources Policy for Gariep which deals with the following matters:

- Staff establishment and structure
- Recruitment, selection, appointment and probation
- Promotion, demotion, transfer and relocation
- Retrenchment, resignation and retirement
- Labour relations
- Remuneration
- Allowances and benefits
- Subsistence and travelling
- Legal matters

- Working hours and attendance
- Leave
- Training and Development
- Occupational Health and Workplace safety
- The use of municipal vehicles, machinery and equipment
- Private work
- Human Resource Development Strategy

The lack of a Retention and Succession Plan remains a challenge in especially with regard to key personnel. A draft, based on the SALGA proposal, has been drafted but not adopted for implementation and in the 2011/12 financial year this will be a prioritized action.

#### 2.6.4.1 EMPLOYMENT EQUITY

The table below depicts the Equity profile in Gariiep municipality as at 31 December 2010.

	Africans	Coloureds	Whites	Total filled posts	Unfilled posts	Percentage
MM Office					05	
Female	2	1		3		
Male	5			5		
Treasury				12	12	
Female	9	2	1	12		
Male	10	2	2	14		
Corporate				3	03	
Female	9	1		10		
Male	5		2	7		
Community				112	112	
Female	22	13	3	38		
Male	48	4	1	53		
Technical				113	113	
Female	4	2	1	7		
Male	70	11	2	83		
<b>Total Female</b>	<b>46</b>	<b>19</b>	<b>5</b>	<b>70</b>		<b>30.2%</b>
<b>Total Male</b>	<b>138</b>	<b>17</b>	<b>7</b>	<b>162</b>		<b>69.8%</b>
<b>Total</b>	<b>184</b>	<b>36</b>	<b>12</b>	<b>232</b>	<b>245</b>	
<b>Total %</b>	<b>79.3%</b>	<b>15.5%</b>	<b>5.2%</b>			

The table indicates that African constitute 184 staff (79.3%), the second largest percentage group is Coloured at 36 (15.5%), with Whites at 12 (5.2%)

#### 2.6.4.2 SKILLS DEVELOPMENT

A Workplace Skills Plan was approved on 04 June 2010

All skills development activities are governed by the annual Workplace Skills Plan, as required by the Local Government SETA (LGSETA). A skills audit has been conducted among all staff members, responding to requests for training received from staff, and aimed at addressing the needs of employees. The response formed the basis for the training plan for the 2010/11 financial year.



The same process will be followed in the 2011/2012 financial year, except that skill development will include fields that have been identified to support service delivery issues and sectors that have been identified with economic growth potential.

2010/11	Department	No. of Participants	NQF Level
SAICA Learnership	Finance	5	3
Mentoring & Coaching Skills	Finance	1	5
Mun. SCOPA Skills	Council	5	
Travel Allow Advances and Reimbursements	Finance & Corporate	2	
Awareness course on Water Related Disasters			
Advance LG Law and Admin	Council	2	6
Cert. LG writing Skills	Corporate	1	5
RPL Electrical & Mechanical Assessments	Technical	5	
Occ Health & Safety Training	Corporate	2	
Record Disposal Training	Corporate	1	5
Asset Management Seminar	Finance	2	
Certificate LG Law and Admin	Council	1	
Supply Chain Man for Merging Contractors	Merging Contractors	5	

Below is some of the training undertaken by Councillors and Staff members in the past:-

- Budget and treasury office staff – implementation of the financial management system –
- Technical Services staff – handling chlorine gas (with assistance from the District and Department of Water Affairs)
- 15 unemployed people training in bricklaying through National Skills Fund implemented by the Office of the Premier on collaboration with the District Municipality
- 4 Councillors on Councillor Leadership Development Programme implemented in collaboration with the University of Fort Hare
- Learnership Programme on Administration and Finance at Level 4

New skill development projects are on-going and a brick-laying programme has started on 22 March 2011 and the training will continue for a year period.

#### Local Labour Forum.

The Local Labour Forum is functional and the last meeting was held on the 10<sup>th</sup> March 2011. It is composed of SAMWU, IMATU, Management and Councillors.

### 2.6.5 PERFORMANCE MANAGEMENT

Performance management is placed in the Office of the Municipal Manager. Gariiep municipality has attempted to manage the performance of the organisation parallel to that of its staff, as the success of the institution will ultimately be measured against the output by employees.

Gariiep appointed a service provider to develop a Balance Scorecard Performance Management System. The draft PMS has been submitted and evaluated by the municipality in March 2009/10 but amendments have to be made before it can be tabled to Council for adoption.

### **The purpose of the Gariep performance management system for 2011/12 is to:-**

- set performance indicators to measure performance outcomes and impact, against the priorities and objectives identified in the IDP;
- set quarterly targets;
- draft SDBIP and draft annual performance agreements for the municipal manager and all S57 managers for submission to the mayor 14 days after the approval of the annual budget;
- ensure cohesion between projects identified in 2011/12 (IDP annual operational plan) and the annual SDBIP for 2011/12;
- enable half yearly municipal performance assessment by June 2011;
- quarterly measurements and review of performance and;
- Annually measure, review and report on performance (Annual Performance Report)

### **The overarching intention of the Municipal Performance Management System is to:-**

- Promote accountability;
- Facilitate increased accountability
- Provide early warning signals
- Ensure that plans are implemented;
- Ensure optimal use of resources;
- Reaffirm that the implementation outputs have the desired effect; and
- Monitor and improve performance.

Performance based agreements were developed in 2010/2011 for each of the Section 57 appointees.

The performance of Section 57 Managers appointed in 2009/2010 had been appraised.

### **PMS challenges**

Finalization of the performance management framework (limited funding included)

### **PMS legislation**

- Constitution of South Africa, Act No. 108 of 1996
- Local Government: Municipal Systems Act, Act No. 32 of 2000
- Regulation No. R. 796 published in Government Gazette No. 22605
- Local Government: Municipal Finance Management Act, Act No. 56 of 2003
- Skills Development Act, Act 97 of 1998
- Regulation No. R. 805 published in Government Gazette No. 29089

### **PMS prioritised areas for intervention**

- Finalization of the shared internal audit function with the District Municipality
- Preparation of the Annual Performance report
- Legal compliance with legislation around performance management including the:
- Appraisal of Section 57 Managers in 2010 for the period 2009/10;
- Preparation and submission of Annual Performance Report for 2010/11
- Finalization of the Performance Management System

### **2008/2009 ANNUAL REPORT Performance Report in the 08/09 year**

The Annual Performance Report for 2008/2009 financial year has been presented to Council Standing Committees on the 24<sup>th</sup> February 2010 and was subsequently approved by Council on the 31<sup>st</sup> March 2010.

### Oversight Committee

Council Oversight Committee in accordance with section 129 of the MFMA was established by Council on the 04<sup>th</sup> February 2011 and is composed of the following members

Portfolio	Member
Cllr EM Thomas	Chairperson
Cllr H Cary	Member
Mr L Phiri	Audit Committee Member
Cllr T Notyeke	Member
Mr PP Nkumane	Community Member

### Audit Committee

Each municipality must have an independent advisory body which must advise the municipality on matters, amongst other things, relating to performance management and performance evaluation. Gariiep municipality has appointed an Audit Committee and consists of three external members

The Audit Committee was established in October 2008 in terms of section Section 166 of the MFMA and is constituted by the external members.

Audit Committee Members	Contacts Details
Sandile Swana	
Zolile Majiya	072 469 7613
Lungelwa Gajile	083 343 3610

### Internal Audit Unit

Each municipality must have an internal audit unit, which must advise the accounting officer and report to the audit committee on matters, amongst other things, relating to performance management. The internal audit function may be outsourced if the municipality requires assistance to develop its internal capacity and the council has determined that this is feasible or cost effective. Gariiep municipality has outsourced this function and Makomota (Pty)Ltd was appointed in 2011 to carry out this function.

## 2.6.6 INTERGOVERNMENTAL RELATIONS

For the purposes of the 2010/2011 review it was decided to deal with IGR related issues under Key Performance Area 4 namely Good Governance and Public Participation.

## 2.7 KPA 5: FINANCIAL VIABILITY

### 2.7.1 BUDGET 2010/2011

#### Cost savings and revenue enhancement measures

It is recommended that cost savings and revenue enhancement measures should be introduced immediately to reduce the deficit as council cannot continue on this trend.

In addition the municipality will apply the following cost reduction measures:

#### Cost Reduction Strategies

SECTION	STRATEGIES
Salaries & Allowances	Monitor and regulate overtime
	Manage cell phones & travelling allowance in accordance with S & T Policy
General Expenditure	Reduce telephone cost through of telephone management system
	Place moratorium on catering for all local meetings
	Travelling together to the same destination with the exception of the Mayor and the Municipal Manager
	Reduction on stationery and printing through intensification of electronic communication system usage
	100% reduction on interest paid to creditors (insist on payment of invoices within the prescribed period (30 days)
	Proper control of stock on hand
	Introduction of early warning system (for all votes)
Entertainment	Limited only to the Municipal Manager and the Mayor, and can only entertain the VIP guest
Repairs and Maintenance	Service municipal fleet on time
	Any new fleet should include maintenance plan
	Regular refurbishment of all municipal buildings
Furniture	Standardization of office furniture & equipment in accordance with categories of personnel

#### Revenue Raising Strategy

As part of its revenue strategy, the council will implement the following measure

SECTION	STRATEGIES
Grants	Donors (lobby & influence equitable share formulae)
Services	Disconnection of electricity due to non-payment should be done on an acceptable rate
	Updating and review of indigent register
	Intensify credit control & debt improve customer care

	Filling of critical posts in BTO
	Finalize & implement new FMS (training & development)
	Upgrading of water and sanitation infrastructure (Water Meters)
	Identify buildings for leasing option
	Auditing of all prepaid electricity meters should be performed as to identify tampering
	Roll-out of a campaign aiming at consumer awareness
Other	The right to claim license for electricity distribution through all municipal areas
	Put more focus on the powers and function of municipality, i.e energies will be applied to electricity, refuse removal and rates and taxes.
	Review & implementation of By-laws (i.e. advert, reveal of existing ease agreements increase visibility of law enforcement management & utilization plan of resorts)

**The selected key assumptions relating to this budget are as follows:**

<ul style="list-style-type: none"> <li>• 8% Increase on rates and taxes</li> <li>• Government grants for the years 2011 – 2012 are as per the Division of Revenue Act.</li> <li>• Equitable share from the National Government has been estimated to increase by 15.7%</li> <li>• The headline CPI inflation forecast for the 2011/2012 is 4.8%</li> <li>• Growth in the salary and wage bill has been provided for in the budget at 8%</li> <li>• 8% increase on refuse and sundry tariffs</li> <li>• 26.71% increase on bulk electricity and 20.38% on electricity tariffs</li> </ul>
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Following are some of the more significant programmes that have been identified:

○ **The review and implementation of an indigent policy**

This policy defines the qualification criteria for an indigent, the level of free basic services enjoyed by indigent households, penalties for abuse etc.

● **The review and implementation of financial and budget related policies**

Together with all relevant procedures, they detail all areas of credit control, collection of amounts billed to customers, procedures for non-payment etc.

## 2.7.2 EXTERNAL ALLOCATIONS

Allocations as per Division of Revenue Bill No 33959 of 24 Jan 2011

Description	Amount
Equitable Share	R 22 167 000
INEP Grant	R 1 000 000
MIG	R 9 928 000
FMG	R 1 450 000
Incentive EPWP	R 536 000
MSIG	R 790 000
INEP (in kind)	R 1 039 000
<b>Total Allocation 2011/2012</b>	<b>R 37 509 000</b>

## 2.7.3 INCOME AND INCOME SOURCES

Income and income sources are indicated in the table below:

No.	Revenue	Source
1.	Conditional and Unconditional Grants	National & Provincial Dept
2.	Municipal Services: •Electricity •Refuse	Municipal consumers
3.	Rates & Taxes	Municipal Consumers
4.	Parks & Recreation	Municipality
5.	Traffic Services: •Fines •Registration •Roadworthy certificates •Learners & Drivers Licences •Motor registration, etc	Municipality
6.	Municipal Leases	Municipality
7.	Sundry Income	Municipality

### Summary of Revenue

VOTE	2010/2011	2011/2012	2012/2013	2013/2014
Council & Executive	3, 447, 700	3, 903, 125	3, 655, 177	3, 947, 591
Executive	4, 097 ,818	2, 652, 271	3, 561 ,204	3, 846 ,100
Budget & Treasury	7, 630, 976	16, 092, 641	17, 380, 052	18, 770, 456
Technical Services	28, 042, 384	24, 350, 970	26, 299, 048	28, 402, 971
Community Services	12, 749, 213	12, 994, 475	14, 034, 033	17, 408, 033
Corporate Services	2, 571, 066	1, 063, 191	1, 148, 246	1, 240, 105
<b>Total</b>	<b>58, 539, 157</b>	<b>58, 230, 453</b>	<b>61, 276, 307</b>	<b>75, 436, 380</b>

#### 2.7.3.1 BILLING

Gariiep Municipality has effective billing system however the new Financial Management System has been procured (SEBATA) to deal with MFMA reforms.

The challenge experienced:

- Morbidity of consumers
- Death
- Child headed households
- Destitute families
- Farm billing

#### 2.7.3.2 VALUATION ROLLS

Gariiep is implementing the municipal property rates act . The Municipal Valuation roll was adopted and implemented by Council since 1 July 2009. Consultation processes with relevant stakeholders were held.

### 2.7.3.3 PAYMENT RATES

The payment level remains critical challenge due to the following socio-economic situation

- High level of unemployment
- HIV and Aids prevalence

Sector	Percentage
Electricity	90.47%
Rates and Taxes	62.51%
Refuse removal	64.07%
<b>Average</b>	<b>72.%</b>

### 2.7.4 EXPENDITURE ALLOCATIONS/ PATTERNS

#### Breakdown of Expenditure Allocation

VOTE	2010/2011	2011/2012	2012/2013	2013/2014
Council	3, 447, 700	4, 781, 052	5, 163, 536	5, 278, 101
Executive	4,097, 818	4,530, 934	4, 893, 409	5, 338, 217
Budget and Treasury Services	7, 630, 976	10, 874, 944	9, 448, 753	10, 081, 412
Technical Services	28, 042, 384	22,452, 309	24,248, 494	36,006, 496
Community and Social Services	12, 749, 213	12, 925,611	14, 221,701	15, 619, 132
Corporate Services	2, 571, 066	3, 049, 673	3, 300, 414	3, 603, 589
<b>Total</b>	<b>58, 539,157</b>	<b>58, 230, 453</b>	<b>61, 276, 307</b>	<b>75, 436, 380</b>

### 2.7.5 PROVISION OF FREE BASIC SERVICES

The Constitution highlights the rights of all citizens to access a basic level of services. This principle is underpinned by the National Indigent Policy Guidelines which states that municipalities must provide free basic services to the indigent people in a sustainable manner. The following basic services to indigent households are classified as free:

- Access to a minimum safe water and sanitation supply
- Solid waste removal
- Access to household energy

The total number of households in Gariiep Local Municipal area is 8977. Households receiving free basic services during the 2011/2012 financial year are reflected below.

Free Basic Electricity	Free Basic Water	Free Basic Refuse
3430	5766	5766
50Kw per month	6 Kl per month	R69.34 per month

The above information reflects that still over 60% of the households of Gariiep Municipality are indigent

The Equitable Share allocated to Gariiep is as follows:

Equitable Share allocation	2010/2011	2011/2012	2012/2013	2013/2014
Gariep local municipality	R19,221,000	R22 167 000	R24,507,000	R26,107,000

## 2.7.6 INDIGENT POLICY AND REGISTERS

The Indigent Support Policy was reviewed and approved by the Council in May 2010 and is being reviewed annually. The Policy identifies the conditions that must be satisfied to be regarded as an indigent and the processes to follow to apply for indigent status. The Municipality in collaboration with the Department of Local Government and Traditional Affairs has updated and reviewed Indigent Register, and the process has been completed.

The following Table reflects the current Indigent household per town:

Town	Total Consumers	Indigent Consumers	Non-Indigent	% Indigent
Burgersdorp	4423	2919	1504	65%
Venterstad	2072	1229	843	59%
Steynsburg	2482	1608	874	64%
<b>Total</b>	<b>8977</b>	<b>5756</b>	<b>3221</b>	<b>64.1%</b>

## 2.7.7 FINANCIAL POLICY DEVELOPMENT

The following policies were reviewed and approved by Council for 2010/2011 financial year

- Accounting policy
- Asset management policy
- Cash receipts and banking
- Cash management and payment of creditors
- Borrowing and raising of debt
- Budget
- Cost estimation
- Credit control and debt collection
- Customer care
- Donations, sponsorships and grants
- Financial reporting
- Liability of the Municipality for damages sustained or incurred by councillors and officials
- Internal audit
- Investment
- Financial support for disposing of the dead
- Rates
- Reimbursement of mobile phone costs
- Risk management
- Subsistence and travelling
- Tariffs

The long-term financial plan should be reviewed each year to update assumption, projections and related policies. Key issues to be included are:-

- Revising the long term financial plan for events that may have impacted during the recent past;
- Refer to the outcomes and achievements of the past few years financial performance as per the audited financial statements;



- Reviewing and discussing the financial objectives, indicators and assumptions;
- Reviewing the past and summarise long term financial outlook;
- Highlighting the current overall financial position and liquidity situation;
- Highlighting financial challenges and constraints;
- Discuss strategies to deal with the challenges, and to maintain financial viability and capacity to sustain services;
- Highlight overall finding mix and implications for own revenue and external funding
- Highlight compliance with MFMA and other relevant legislation.

### ***General Financial Philosophy***

The financial policy of Gariiep Municipality is to provide a sound financial base and resources necessary to sustain a satisfactory level of municipal services for its citizens.

It is the goal of the Municipality to achieve a strong financial position with the ability to:

- Withstand local and regional economic impacts;
- adjust efficiently to the community's changing service requirements;
- Effectively maintain, improve and expand the Municipality's infrastructure;
- Manage the Municipality's budget and cash flow to the maximum benefit of the community;
- Provide a high level of fire and other protective services to assure public health and safety
- Prudently plan, coordinate and implement responsible and sustainable community development and growth.

Gariiep Municipality's financial policies shall address the following fiscal goals:

- keep the Municipality in a fiscal sound position in both the long and short term;
- maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations;
- apply credit control policies that maximize collection while providing relief for the indigent;
- direct the Municipality's financial resources towards meeting the goals of the Municipality's IDP;
- maintain existing infrastructure and capital assets;
- operate utilities in a responsive and fiscally sound manner;
- credit control policies that recognize the basic policy of customer care and convenience;
- Provide a framework for the prudent use of debt financing.

### ***Credit Control and Debt Collection Policy***

Gariiep Municipal Council approved a Credit control and Debt Collection Policy and procedures in 2010.

The principles supported by the policy are, amongst others:

- The administrative integrity of the municipality must be maintained at all costs. The democratically elected councillors are responsible for policy-making, while it is the responsibility of the Municipal Manager to ensure the execution of these policies.
- All customers must complete an application form, formally requesting the municipality to connect them to service supply lines. Existing customers may be required to complete new application forms from time to time, as determined by the Municipal Manager.

- A copy of the application form, conditions of services and extracts of relevant council's credit control and debt collection policy and by-laws must be handed to every customer on request at such fees as may be prescribed by the Council.
- Enforcement of payment must be prompt, consistent and effective.
- Billing is to be accurate, timeously and understandable.
- The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.
- The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.
- Unauthorized consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of municipal services will lead to disconnections, penalties, loss of rights and criminal prosecution.
- The collection process must be cost-effective.
- Results must be regularly and efficiently reported by the Municipal Manager and the Mayor.

The Policy document covers:

- Duties and Functions of the Council, the Mayor, Municipal Manager, Ward Councillors, and of Communities, ratepayers and residents.
- Area of Application
  - Application of Services
  - Customer Service Agreements
  - Deposits and Guarantees
  - Accounts and Billing
  - Metering of Consumable Services
  - Valuation of Properties
  - Customer Assistance Programmes
  - Communication
  - Payment Facilities and Methods
  - Enquiries and Appeals
  - Municipal Service Account Certificate: Tenders for Business
  - Restraint on Transfer of Property
  - Debt Collection
  - Handing Over
  - Cheques Marked As "Refer To Drawer"
  - Persons Placed Under Administration/Liquidated
  - Training
  - Disconnections and Restriction Procedure
  - Estate Accounts
  - Meter Readings
  - Theft and Fraud
  - Reporting and Performance Management
  - Income Collection Target
  - Application of The Policy

## 2.7.8 ASSET MANAGEMENT

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

- The implementation of a fixed asset register and asset control system as well as the maintenance thereof
- This programme involves the formulation of policies regarding fixed assets, the capture of all assets onto this system and the maintenance of this system in terms of GRAP requirements.

### **The development of a comprehensive asset and risk insurance policy**

This policy ensures that a comprehensive insurance strategy is developed and implemented. This project is contingent on the restructuring of all insurance activities performed within Gariep Municipality and the transfer and centralization of these activities to and within the Budget and Treasury Department. Council has approved a comprehensive risk register within Gariep.

## 2.7.9 AUDIT

Gariep has a functioning external audit committee. Gariep municipality has appointed the service provider to undertake the internal audit function.

### **Audit Committee**

Each municipality must have an independent advisory body which must advise the municipality on matters relating to a range of financial issues, performance management and performance evaluation. The Audit Committee must consist of at least 3 persons with appropriate experience, of whom the majority may not be in the employ of the municipality. An audit committee may be established for a district municipality and the local municipalities within that district municipality.

**Gariep municipality has appointed an Audit Committee consisting of three members and this are;**

<b>Name &amp; Surname</b>	<b>Contacts</b>
Themba Radebe	084 612 6868
Zolile Majiya	072 469 7613
Lungelwa Gaji	083 343 3610

### **Internal Audit Unit**

Each municipality has an internal audit unit, which must advise the accounting officer and report to the audit committee on matters relating to a range of financial issues and performance management. The internal audit function may be outsourced if the municipality requires assistance to develop its internal capacity and the council has determined that this is feasible or cost effective. Gariep municipality has established a functional internal audit unit.

### ***Internal Audit Challenges***

- Communities want more assurance around stewardship and accountability in their respective municipalities. To effectively do this is still a challenge.
- Section 165 and 166 of the Municipal Finance Management Act, 2003, put an obligation on all municipalities to establish audit committees and internal audit units
- The costs of establishing internal audit units and audit committees can be high especially if well qualified staff are needed
- The risk of not establishing internal audit functions is that there is diminished accountability around funds being received and spent.
- There is increased risk of problems (with high financial and human resource costs) occurring that could have been prevented.
- High tendency not to comply with MFMA and DORA reporting compliance which might result in that funds be withheld.

#### Internal Audit legislation

- Municipal Finance Management Act, 2003 (Act 56 of 2003).
- King Reports on good governance

### **DRAFT ACTION PLAN TO THE REPORT OF THE AUDITOR GENERAL -JUNE 2010**

#### **Attached as Annexure**

## **2.8 IDENTIFICATION OF PRIORITY ISSUES**

1. Access Roads and Bridges
2. Education
3. Social and Community Facilities
4. LED
5. Safety and Security
6. Water and Sanitation
7. Electricity and Energy
8. Housing
9. Health Services
10. Waste Management

## **CHAPTER THREE**

### **3 DEVELOPMENT OBJECTIVES AND STRATEGIES**

### **3.1 VISIONING**

The purpose of this chapter is to craft a comprehensive strategy that promotes development in the Gariep municipal area, in support of the vision and mission statement below. The vision and mission for the town and its people remain relevant to the period under review (2011/12) as it is both informed by the situational analysis and realities on the ground.

#### **GARIEP VISION**

The long term vision for Gariep Local Municipality is as stated below:

*“...Creation of a conducive environment for an improved quality of life for all”*

#### **GARIEP MISSION**

*Fighting poverty by creating opportunities for employment, stimulating entrepreneurial spirit, thus encouraging self employment and reliance.*

#### **CORE VALUES**

- Quality of Service and Performance Excellence
- Commitment and Teamwork
- Integrity, Honesty and Respect
- Accountability and Transparency
- Participation and Empowerment
- Learning and Development

#### **GOALS**

- Promoting sustainable, economic and social development
- Quality and affordable basic services
- Improve service delivery capacity of the municipality

### **3.2 STRATEGIC ALIGNMENT WITH KEY NATIONAL, PROVINCIAL AND DISTRICT GOVERNMENT**

Moving from the premise that Gariep municipality is an integral part of the South African developmental State, this chapter strives for synergy with the programmes of other organs of state, particularly at a strategic level.

This section lists the numerous Plans and Strategic initiatives that have informed and influenced the macro strategic direction followed by Gariep municipality over the last few years. The democratisation of Local Government demanded the crafting of new legislation, policies and strategies which have been tried and tested over the past ten to fourteen years. In retrospect some have worked very well and other held unintended consequences which necessitates continues redesign of policies and new approached to be tested. In this way

some objectives and strategies at all levels of government have been modified over time to improve developmental effectiveness. Instilled in all these initiatives and objectives, old and emerging, is the welfare of South Africans citizens and for this reason Gariiep municipality will show the connectivity through to the Outcome 12 drive, in as far as it relates to local government.

## **National Spatial Development Perspective**

The NSDP principles below suggest that a planning approach must take into account the economic development potential of areas where the public sector is to invest:-

Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of poverty alleviation;

Government has a constitutional obligation to provide basic services to all citizens, wherever they reside;

Government spending on fixed investment, should be focused on localities of economic growth and/or economic potential

Efforts to address past and current social inequalities should focus on people not places

Localities with high levels of poverty and low development potential, public spending should focus on human resource development.

## **AsgiSA/JIPSA**

The main objectives of the Accelerated and Shared Growth Initiative (AsgiSA) and the Joint Initiative on Skills Acquisition (JIPSA) are:-

- Skills development
- Mainstreaming the second economy
- Infrastructure development

## **DPLG's 5-year Strategic Plan for Local Government**

DPLG's Five-year Local Government Strategic Agenda is aimed at improving the performance of municipalities. The Plan contains three strategic priorities, the first of which is most relevant to municipalities and requires a collaborative effort of all three spheres of government to ensure success.

- Mainstreaming hands-on support to local government to improve municipal governance, performance and accountability

## **Local Government Turn Around Strategy (LGTAS)**

The Department of Local Government and Technical Affairs in the Eastern Cape, in collaboration with the Department of Cooperative Governance and Traditional Affairs (COGTA), has introduced new approaches to assist municipalities towards improving service delivery,

through the development of a Local Government Turn Around Strategy (LGTAS) which embraces, inter alia, the Municipal Capacity Assessment Tool (MUCAT). Both approaches are based on the principle that “One size fits all does not work”

The main objectives of the LGTAS are:

- to ensure that municipalities meet the basic needs of communities
- to build clean, effective, efficient, effective responsive and accountable local government
- to improve performance and professionalism in municipalities
- to improve national and provincial policy, oversight and support
- to strengthen partnerships between communities, civil society and local government

### **IMPLEMENTATION FRAMEWORK**

The LGTAS is ‘everybody’s business.’ This refers to each sphere of government, working both vertically and horizontally, and with key stakeholders, to realize the objectives of the LGTAS. This means that detailed intergovernmental reporting will be required for the immediate pre-2011 and post 2011 implementation.

The implementation will comprise of the following:

- A Short term focus up to March 2011
- A Medium term focus from March 2011 to 2014

#### **Immediate: post-2011**

- a) Policies developed and implemented
- b) Positions advertised and filled (including critical ones such as of Section 57)
- c) Comprehensive Performance Management System developed and implemented
- d) Training of employees and Councilors through WSP
- e) Development and implementation of all required strategies
- f) Conduct LLF meetings on monthly basis
- g) Timely submission of AFS, IDP, SDBIP, Budget & Annual report
- h) Ring fencing of conditional grant
- i) Conforming to Financial Management Systems
- j) Accreditation of dumping sites
- k) Reorganizing Siyenza Manje for a more effective support and intervention programme
- l) Upscale community works programme ward based communities
- m) Implementation of the Revenue Enhancement Campaign
- n) Governance values communicated and “good citizenship” campaign initiated

### **Rural Development Strategy (RDS)**

The rural development strategy vision is “sustainable growth and development for improved quality of life. Strategy is based on two goals and six objectives which give rise to six pillars namely;

**Goal 1:** Socio-economic and ecological development and transformation of rural areas.

- Objective 1: Implement agrarian reform programmes
- Objective 2: Enabling institutional environment for rural development and increasing the rate of implementation of the land reform programme
- Objective 3: Create decent jobs through farm and non farm employment outside urban areas. The strategic priorities of this pillar are agro – processing, forestry, marine and aqua-culture tourism and LED and small scale industry
- Objective 4: Fast track development of social and economic infrastructure
- Objective 5: Growing the agricultural sector, ensure household food security for all and contribute significantly to national food security.

## **IMPLEMENTATION OF THE RURAL DEVELOPMENT STRATEGY**

Gariep Municipality consists of two dimensions, the one is urban in nature and the other is a large tracks of commercial farm lands.

In Elundini Local Municipality, three villages in Ward 6, have been identified as the Rural Development Pilot Project within the Joe Gqabi District Municipality.

## **Eastern Cape Provincial Growth and Development Plan**

PGDP aims over a ten-year period for:

- Systematic poverty eradication
- Agrarian transformation and household food security
- Development and diversification of the manufacturing base and tourism potential
- Human resource development
- Infrastructure development
- Public sector and institutional transformation

## **Joe Gqabi District Municipality Strategic Goals**

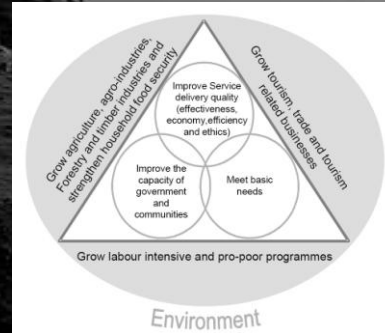
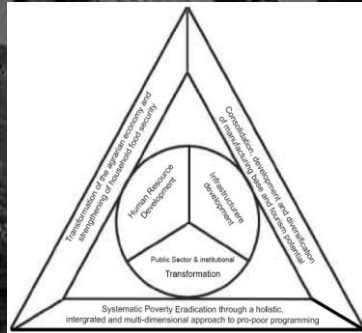
The strategy for development in Joe Gqabi District Municipality is based on seven priority goals. The primary three are strongly connected to the economy and the remaining three are viewed as support pillars for the growth of the economy. The last but probably the most important goal is that all six must be achieved within a harmonised balance that ensures a sustainable coexistence with the environment. The alignment is illustrated below.





# EC PGDP and Uk GDS & IDP

- UKDM IDP relates its 7 Priority Goals to the 6 strategic objectives of the EC PGDP:



## District wide Priority Programme

In addition, the Joe Gqabi District Growth and Development Summit identified eight priority programmes to drive economic growth and development in the district over the next five to ten years. The table below illustrates the arrangement of Programmes and Projects:

Arranging Programmes & Projects				
KPA 1: Municipal Transformation & Institutional Development	KPA 2: Improving Service Delivery & Infrastructure Investment	KPA 3: Improving Local Economic Development	KPA 4: Improving Municipal Financial Viability & Management	KPA 5: Strengthen Municipal Governance, Community Participation & Ward Committees
<ul style="list-style-type: none"> <li>✓ The Governance Programme</li> </ul>	<ul style="list-style-type: none"> <li>✓ Water &amp; Sanitation Programme (UKDM)</li> <li>✓ Municipal Services Upgrading Programme</li> <li>✓ Access &amp; Linkages Programme</li> <li>✓ Social Safety Net Programme</li> </ul>	<ul style="list-style-type: none"> <li>✓ The Timber Programme</li> <li>✓ The Tourism Programme</li> <li>✓ The Agriculture Programme</li> </ul>		<ul style="list-style-type: none"> <li>✓ The Governance Programme</li> </ul>

Commitments that must be undertaken by the various stakeholders have been formalised in an Agreement. Gariep local municipality is a primary partner and is committed to the outcomes agreed upon. These programmes are also aligned to Gariep's strategic objectives and will find expression in the operational strategies and projects to be undertaken by the municipality in the 2011/12 financial year.

**Timber Programme**

(Does not directly impact on Gariep, except to create employment opportunities at Ugie, as a result of the expansion of business initiatives and spin-offs relating to the timber industry)

**Tourism Programme**

Aims to grow the tourism industry through unlocking tourism potential and attracting private and public investment. In addition to increase jobs and livelihoods related to this sector.

**Agriculture Programme**

Aims to improve livelihoods of emerging and commercial farmers

**Water and Sanitation Programme**

Aims to deal with the huge backlogs and to meet national targets that have been set both in terms of bucket eradication and as a basic need.

**Municipal Services Upgrading Programme**

Aims to improve municipal services to create sustainable human settlements

**Access and Linkages Programme**

Aims to improve road network, telecommunication to support economic development

**Social Safety Net Programme**

The aim of the programme is to strengthen support for the most marginalized members of the District population and to create a social programme that is able to provide a safe and secure environment for communities.

**Governance and Administration Programme**

Aims to improve government

### 3.3 GARIEP'S DEVELOPMENT OBJECTIVES FOR 2011/12

To enable the formulation of its organisational strategies, Gariep local municipality resolved to align its objectives with the 7 high level developmental goals and eight priority programmes of the Joe Gqabi District Municipality. **Clearly the development of the economy forms the basis for the development strategy of the district area as a whole, whereas** Gariep municipalities will maintain a local focus. Emphasis of focus will furthermore be predetermined by a hierar

chy of local priorities and localised strategies that will be dealt with within the resource constraints that exist in the municipality.

### GARIEP'S DEVELOPMENT STRATEGIES FOR 2011/2012

Gariep Objectives	Strategic	Outcome 12 objectives	Outcome 12 objectives
Systematic eradication	poverty	Create decent employment through inclusive economic growth;	
Agrarian transformation and household food security		Grow vibrant, equitable and sustainable rural communities and food security	
Development and diversification of the manufacturing base and tourism potential	and the	Build an efficient, competitive and responsive economic infrastructure network	Protected and enhanced environmental assets and natural resources;
Human development	resource	Build an efficient, effective, accountable and responsive local government system;	
56  Infrastructure development		Build an efficient, competitive and responsive economic infrastructure network	
Public sector and institutional transformation		1. Build an efficient, effective, accountable and responsive local government system;	

The Municipality's has identified six high level objectives for 2011/12;

1. Build an efficient, competitive and responsive economic infrastructure network;
2. Create decent employment through inclusive economic growth;
3. Build an efficient, effective, accountable and responsive local government system;
4. Ensure sustainable human settlements and improved quality of household life;
5. Protected and enhanced environmental assets and natural resources;
6. Grow vibrant, equitable and sustainable rural communities and food security

The following high level strategies have been developed to address the municipality's objectives above.

1	Build an efficient, competitive and responsive economic infrastructure network.
	Implement CIP
2	Create decent employment through inclusive economic growth.
	Implement the Priority projects in the LED Plan L Lobby funding for projects with job creation and skills development emphasis; Support and interface municipal activities to promote economic regeneration and job creation opportunities.
3	Build an efficient, effective, accountable and responsive local government system;
	Improve Communication and Customer Care Service; Entrench Public Participation as a development mandate; Strengthen oversight role of council; Establish stakeholder forums; Ensure skill training Create and Support Ward Committees
4	Ensure sustainable human settlements and improved quality of household life
	Develop a Land Register of municipal land zoned for housing development and investigate ownership of land pockets identified in SDF for infill and new housing development. Implement Greending and Beautification Projects.
5	Protected and enhanced environmental assets and natural resources;
	Implement the recommendation of the LWM Report

	SDF Review 2011/12 to identify environmental sensitive areas including wetlands.
6	Grow vibrant, equitable and sustainable rural communities and food security
	Develop a commonage management plan
	Facilitate partnership with Farmers Unions

Internal capacity should be strengthened to enable the municipality to drive and coordinate development initiatives and lobby for additional funding. This section of the report will look at the development of strategies for the following issues, identified in Chapter 2, and these will be packaged according to the IDP Key Performance Areas :-