

MATATIELE LOCAL MUNICIPALITY

2016/17 IDP REVIEW

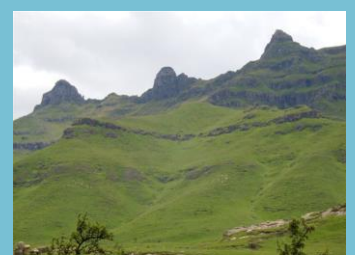
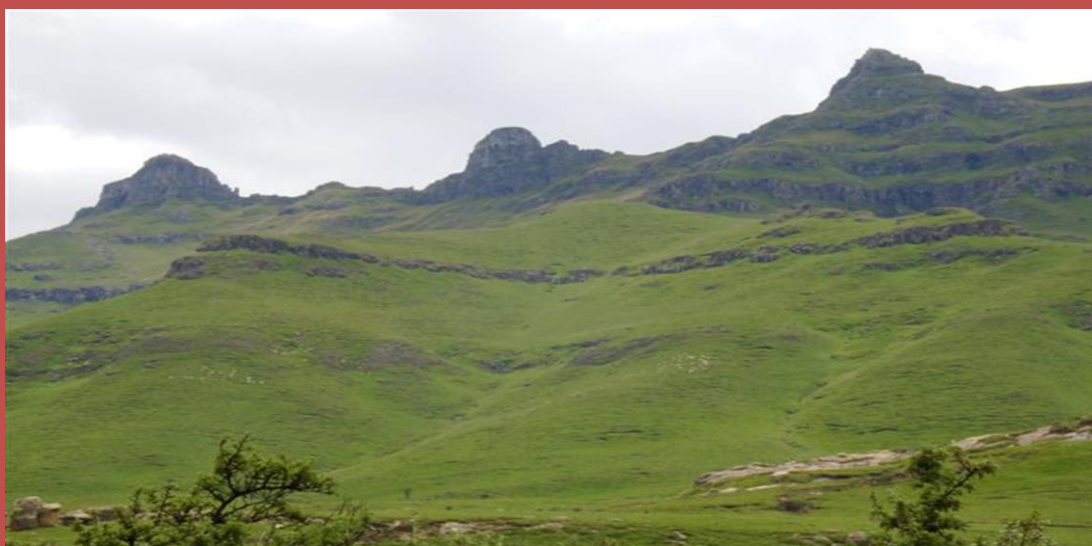
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MATATIELE
LOCAL MUNICIPALITY



2016/17



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TABLE OF ACRONYMS AND ABRIVIATIONS

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

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

MAYOR'S FOREWORD



This 2016/17 IDP review (draft) is the 4th revision of the 5 year (2012/2017) IDP. The IDP remains our strategic document and is the key driver of our performance management and budgeting systems within the Municipality.

Through a process of reassessing National and Provincial priorities we have once again refined and refocused our strategic programmes to align our plans with the National and provincial plans, considering the “Back to Basics “ approach, as we continue to work and effectively respond to the key challenges faced by the Municipality.

The six key strategic priorities for Matatiele are:

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

The Municipality continues to strive towards addressing service delivery backlogs, and there are also various challenges faced by this municipality in the provision of these services. We also continue to pursue means of creating an environment conducive for the growth of our local economy, thus fostering sustainability in social and economic development. With this in mind, we realise that challenges such as high unemployment especially among the youth is a concern in the municipality. Therefore creation of job opportunities is essential. In line with the vision of the municipality: **“where nature, agriculture and nature are investments of choice”**, we continue to believe that tourism development, agriculture and conservation of our natural resources are key in attracting investments to Matatiele, in order to open opportunities which will provide an environment that promotes a sustainable local economic development.

Active participation and involvement by all stakeholders (Communities, Workers, Business Community, NGO's, various interested groups and designated Groups, Sector departments together with Traditional Leaders) has been pivotal towards the development of this document and continues to be vital in the implementation of the plans and programmes entailed in this planning document. Therefore, as the Matatiele local Municipality, we value the cooperation, inputs, contributions and support of all the stakeholders in the planning process as well as in working together towards the provision of services aimed at improving the lives of our people.

The progress we have made thus far has been a collective effort from all the councilors, administration, our stakeholders and the community of Matatiele local municipality. The public is again encouraged to continue to participate in the programmes and engagements of the municipality, also to contribute and participate in the IDP review processes; for such inputs are vital in ensuring that we provide services which are effective in meeting the needs our people.

A handwritten signature in black ink, appearing to be 'M.M. Mbedla', written over a horizontal line.

THE MAYOR
CLLR. M.M Mbedla

EXECUTIVE SUMMARY

The IDP serves as tools for transforming municipalities towards facilitation and management of development within their areas of jurisdiction. This is done in accordance with Chapter 5 and Section 25 of Local Government Systems Act, (Act 32 of 2000), “that the municipal council must within a prescribed period after the start of its elected term, adopt a single all inclusive and strategic plan for the development of the municipality”. The Local Government Systems Act also identifies the IDP as the vehicle to be used in the achievement of these goals. In conforming to the Act’s requirements the Matatiele Council has delegated the authority to the Municipal Manager to prepare the IDP.

This IDP review will serve as a strategic guide for the Municipality in the 2016/2017 financial year. This IDP revision has been developed to respond to the community needs identified through ward based plans, community engagements and stakeholder participation; is also aligned to National, Provincial and District Planning Frameworks to ensure a holistic and integrated planning and meet the requirements that will enable the Municipality to address these needs.

This document is arranged as follows:

The Executive summary - which gives an overview of what this document entails and also highlights the developmental challenges and opportunities with the municipality.

Chapter 1 - Gives an introduction and outline of the process followed in the development of this IDP review.

Chapter 2 - details the analysis of the current level of development (Situational Analysis) also the key development issues and trends based on the needs analysis.

Chapter 3 - details the strategic framework for the Municipality, which outlines the council’s long term vision with specific emphasis on the municipality’s most critical development priorities, how these align with national and provincial strategies, and also key objectives, strategies, and action plans for 2016/2017 financial year.

Chapter 4 - outlines the Implementation framework which includes sector plans, particularly the financial plan, spatial development framework, organizational performance management system and an organizational transformation and institutional development plan, *the financial plan - including* the capital projects for the year 2016/2017.

Chapter 5 - Details of projects and programmes from Sector departments.

ANNEXURES: approved staff establishment and the 2016/17 draft SDBIP.

CHALLENGES WITHIN THE MUNICIPAL AREA

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

- Access to social facilities is considered to be a challenge. The existing police stations are considered to be inadequate and a need exists for satellite police stations. The health facilities are also said to be inadequate to cater for community needs. Furthermore, due to the remote and rural nature of other villages, access by even mobile clinics in some villages is a challenge. Shortage of sports and recreation facilities as well as other facilities such as banks, Post Offices are some of the issues that still require attention by the Municipality in partnership with sector departments, the District Municipality and other stakeholders.
- Due to the distance from service centers, other localities do require satellite municipal and government offices. Also, educational facilities are considered to be inadequate, particularly the technical skills centers and TVET centres. In addition, there is a major backlog with general maintenance of infrastructure and service delivery.
- There is a need to improve safety and security particularly in the townships. The provision of street lights as a means to reduce the incidents of crime has been suggested as a strategy. Stock theft is considered to be very high. Community Policing Forums (CPFs) need to be revived. An allowance needs to be made as compensation to the CPFs as a form of motivation.
- General moral regeneration is a need in the Matatiele municipal area. The level of alcohol consumption amongst the youth is attributed to the lack of entertainment, recreation centers and unemployment.
- Land and Housing – land ownership and access to land is a severe problem. Limited land use management and development control makes it difficult to prevent and control land invasion. Upgrading tenure security is essential, particularly providing more secure rights for people that already occupy land. The need for rural planning is noted. There is a shortage of housing within the urban areas and access to funding is a major

concern for middle income housing in particular. Settlements are mushrooming in an uncontrollable environment.

- Local Economic Development and Tourism – Due to the high rate of unemployment in Matatiele, there is a need to attract private sector investment. The local resources are underutilized due to poor skills base. The need to offer comprehensive skills development programmes that not only focus on technical skills but include business skills has been expressed. The tourism potential (heritage) is currently not being fully harnessed. Lack of access to Markets for SMMEs is glaring. The presence of an information centre at the entrance of Matatiele is critical.
- Environmental pressure – there are several environmental threats and limitations which if not addressed could contribute to depletion of natural resources and livelihoods in the municipality. Key limitations include poor soil and highly erodible soils contributing to land degradation and poor crop yield. In addition to that the harsh climatic conditions such as high temperature, heavy rainfall, and periodic strong winds which under favorable conditions could result in natural disasters such as floods and runaway bush fires. The highly rugged terrain can significantly reduce the development potential of the municipality. The management of wetlands is a critical issue.
- Encroachment of settlements onto high potential agricultural land affects the significantly limited land capability of the Matatiele local Municipality. Only an estimated 30% of the total land area of the municipality constitutes of land with minor limitations to agricultural production. The remaining 70% is either not arable or has severe limitations to agriculture. Unfortunately, the limited land for agriculture is decimated by extensive settlement and the associated uses. Currently, it appears that commercial agriculture is not a viable land use option for a development programme in most parts of the municipal area.
- Uncontrolled settlements – the sprawl of rural settlements and growth of informal settlements in Maluti is considered a critical issue affecting the municipal area. This phenomenon could be ascribed to the factors such as poor management of the land administration systems, lack of forward planning together with the tendency for people to be opportunistic and move to highly accessible areas (such as along R56 corridor and road to Lesotho).

OPPORTUNITIES WITHIN THE MATATIELE AREA

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

- Heritage and eco-Tourism – The environment within Matatiele Municipality provides several opportunities for eco-tourism development provided these would be harnessed appropriately and utilized on a sustainable basis.
- The largely rural wilderness areas for the development of ecotourism and wilderness education.
- Rugged terrain with its relatively undisturbed and water sources environment for biodiversity conservation initiatives.
- Huge wetlands system that provide suitable habitats for wildlife and raw materials for local economic activities.
- The heritage resources in the municipality that could augment tourism and education.
- The LED Strategy identified a strong potential for the development and promotion of winter tourism, cultural tourism, eco-tourism, agricultural tourism, adventure tourism, avi-tourism (e.g. bird-watching) and water sports facilities for supporting tourism.
- Matatiele CBD as a potential vibrant and dynamic rural centre – Matatiele town plays a significant role within the municipal area. It is an administrative, service and main economic centre with a threshold that covers the full extent of the municipal area and beyond. It is a link between Matatiele and other towns within the district as well as the major provincial centres and beyond. As such, the town is planned as a rural town and be structured and managed to enable it to perform its functions efficiently and effectively. The road linkages between Matatiele with the neighbouring Ulundi Municipality, Lesotho as a potential trade and tourism route improves access to Ukhahlamba, Maloti Drakensburg Transfrontier Park. This will add further impetus to the need to the development Matatiele Town as a vibrant and dynamic rural centre.
- Value Adding Products – There is a strong potential for large-scale production, processing and marketing of local products in external markets (e.g. agricultural, forestry products and related products and sandstone) with the view to introduce value-adding activities in all economic sectors. The opportunities also exist for establishing and identifying new markets for locally-produced products and services. The need exists to explore opportunities for investment in activities, businesses or services currently not offered in Matatiele

as well as exploring the potential for use of available underutilized land and other natural resources (e.g. rivers) resources for income generation purposes.

- High potential agricultural areas offer unique opportunities for cultivation and food security. Areas of high agricultural potential are identified as areas with inherent potential for cultivation based on the soil, slopes and climate of the area.

It is recommended that activities that will result in the loss of agricultural potential such as the subdivision of land, settlement and extensive infrastructure development should not be undertaken in this zone.

- Ultimately these areas should not be developed for purposes other than agriculture, and should retain the opportunity for future agricultural production. As such, they should be maintained either for cultivation or grazing. In areas of high agricultural potential that also have high biodiversity value it will be important to attempt to identify land uses that may achieve both objectives such as grazing or less intensive cultivation that include areas to be set aside for biodiversity management. High potential agricultural land located within existing settlements but is too small or lack the appropriate infrastructure to become viable agricultural areas could be considered for small scale or intensive food production and urban agriculture. Agricultural development should be promoted based on latent potential with high production potential land being reserved mainly for agricultural purposes. The following agricultural activities are prevalent in the area:
 - Timber plantations should be established in areas where the adverse effects on the environment will be easily mitigated. Otherwise the area is too environmentally sensitive for timber plantations.
 - Extensive livestock farming should be promoted, particularly in communal areas. But, grazing land management programmes should also be introduced to address the increasing problem of soil erosion.
 - Crop production (irrigated and dry land) should be promoted in low - lying areas and irrigation along the main river tributaries.
 - Pastures and dairy farms in and around Cedarville.
 - Farms stay within a five to ten kilometer radius from Matatiele Town and Cedarville should be considered for the establishment of smallholdings where limited processing of agricultural products and tourism facilities should be allowed. The same applies to farms located immediately along development corridors.
 - Regional Access – R56 which runs through Matatiele in an east-west direction serves as the main regional access route that links Matatiele with other urban centers such as Kokstad to the east and Mount Fletcher to the south west. Secondary to the N2, it serves as the main link between the Eastern Cape Province and KwaZulu-Natal Province. It is identified in the Provincial Spatial Development Plan (PSDP) - Eastern Cape as one of the Strategic Transport Routes. R56 is a multi-sectorial corridor as it facilitates access to agricultural zones in the Cedarville-Matatiele Area, tourism zones in the Ongeluksnek area and commerce and industry in Matatiele. It forms the basis for a road system that connects different parts of the municipal area.
 - Development along R56 Development Corridor should follow the following guidelines.
 - R56 also provides an alternative shorter route to Cape Town with views of scenic beauty, which can attract both domestic and International tourist thereby promoting LED projects at some locations.

CHAPTER 1: INTRODUCTION

INTRODUCTION

This Integrated Development Plan (IDP) Review is being prepared for the period 2016/2017. This is the fourth review of the 2012-2017 IDP, and is being developed in accordance with the prescription of the Municipal Systems Act (Act 32 of 2000), which requires that, all municipalities review their integrated development plans annually.

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

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

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

- Constitution of the Republic of South Africa 1996
- Local Government: Municipal Systems Act, 2000
- Local Government: Municipal Structures Act, 1998 as amended
- Local Government Municipal Finance Management Act, 2003
- White Paper of Local Government

1.1 GENERAL KEY PERFORMANCE INDICATORS

The General Key Performance Indicators referred to under Section 43 of The Municipal Systems Act. These include:

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

'B' represents monthly fixed operating expenditures.

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

1.2 PLANNING FRAMEWORK

Below we look at the planning frameworks to which the IDP aligns. The planning frameworks include Global, National, Provincial and Districts Plans. Chapter 3 of this document will show how this IDP aligns to these frameworks

NATIONAL PLANS/ STRATEGIES

- **THE NATIONAL DEVELOPMENT PLAN- VISION 2030**

"The national Development Plan is a plan for the country to eliminate Poverty and reduce inequality by 2030 through uniting South Africans, unleashing the energies of its citizens, growing an inclusive economy, building capabilities, enhancing the capacity of the state and leaders working together to solve complex problems. The plan is the product of hundreds of interactions with South Africans, inputs from tens of thousands of people, extensive research and robust debate throughout the country. This plan envisions a South Africa where everyone feels free yet bounded to others; where everyone embraces their full potential, a country where opportunity is determined not by birth, but by ability, education and hard work." National Development Plan, 2012

The priority areas are:

1. An economy that will create more jobs;
2. Improving infrastructure;
3. Transition to a low carbon economy;
4. An inclusive and integrated rural economy;
5. Reversing the spatial effects of apartheid;
6. Improving the quality of education, training and innovation;
7. Quality health care for all;
8. Social protection;
9. Building safer communities;
10. Reforming the public service;
11. Fighting corruption;
12. Transforming society and uniting the economy.

- **NATIONAL SPATIAL DEVELOPMENT PLAN**

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

- **MEDIUM TERM STRATEGIC FRAMEWORK (2014-2019)**

"This Medium Term Strategic Framework (MTSF, 2009 – 2014) builds on successes of the 15 years of democracy. It is a statement of intent, identifying the development challenges facing South Africa and outlining the medium-term strategy for improvements in the conditions of the life of South Africans and for our enhanced contribution to the cause of building a better world. 3 The MTSF base document is meant to guide planning and resource allocation across all spheres of government. National and provincial departments in particular will need immediately to develop their five-year strategic plans and budget requirements, taking into account the medium-term imperatives. Similarly, informed by the MTSF and their 2006 mandates, municipalities are expected to adapt their integrated development plans in line with the national medium-term priorities" MTSFR (2014, 1)

The MTSF sets out the following Strategies to fulfil its mission for the period 2014-2019, these are summarized as follows:

- **Strategic Priority 1:** speed up economic growth and transform the economy to create decent work and sustainable livelihoods
- **Strategic Priority 2:** massive programmes to build economic and social infrastructure

- **Strategic Priority 3:** a comprehensive rural development strategy linked to land and agrarian reform and food security
- **Strategic Priority 4:** strengthen the skills and human resource base
- **Strategic Priority 5:** improve the health profile of society
- **Strategic Priority 6:** intensify the fight against crime and corruption
- **Strategic Priority 7 :** build cohesive, caring and sustainable communities
- **Strategic Priority 8:** pursue regional development, African advancement and enhanced international cooperation
- **Strategic Priority 9:** sustainable resource management and use
- **Strategic Priority 10:** Build a developmental state, including improving of public services and strengthening democratic institutions. build cohesive, caring and sustainable communities

The MTSF 2014-2019 is structured around **14 PRIORITY OUTCOMES** which cover the focus areas identified in the NDP and Government's electoral mandate: these priority outcomes are:

Outcome 1: Quality basic education

Outcome 2: A long and healthy life for all South Africans

Outcome 3: All people in South Africa are and feel safe

Outcome 4: Decent employment through inclusive growth

Outcome 5: A skilled and capable workforce to support an inclusive growth path

Outcome 6: An efficient, competitive and responsive economic infrastructure network

Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all

Outcome 8: Sustainable human settlements and improved quality of household life

Outcome 9: Responsive, accountable, effective and efficient local government

Outcome 10: Protect and enhance our environmental assets and natural resources

Outcome 11: Create a better South Africa and contribute to a better Africa and a better world

Outcome 12: An efficient, effective and development-oriented public service

Outcome 13: A comprehensive, responsive and sustainable social protection system

Outcome 14: A diverse, socially cohesive society with a common national identity

BACK TO BASICS APPROACH

Basic services: Creating decent living conditions

Develop fundable consolidated infrastructure plans. Ensure infrastructure maintenance and repairs to reduce losses with respect to: Water and sanitation, Human Settlements, Electricity, Waste Management, Roads and Public Transportation.

Ensure the provision of Free Basic Services and the maintenance of Indigent register.

- **Good governance**

Good governance is at the heart of the effective functioning of municipalities. Municipalities will be constantly monitored and evaluated on their ability to carry out the following basics:

- **Public participation**

Measures will be taken to ensure that municipalities engage with their communities. Municipalities must develop affordable and efficient communication systems to communicate regularly with communities and disseminate urgent information.

- **Financial management**

Sound financial management is integral to the success of local government.

- **Institutional capacity**

There has to be a focus on building strong municipal administrative systems and processes. It includes ensuring that administrative positions are filled with competent and committed people whose performance is closely monitored. Targeted and measurable training and capacity building will be provided for councillors and municipal officials so that they are able to deal with the challenges of local governance as well as ensuring that scarce skills are addressed through bursary and training

POPULATION POLICY OF SOUTH AFRICA

The Population Policy of South Africa primarily seeks to influence the country's population trends in such a way that these trends are consistent with the achievement of sustainable human development. It is complementary to the development plans and strategies of the government. The policy emphasizes the shift to a sustainable human development paradigm which places population at the centre of all development strategies and regards population as the driving force and ultimate beneficiary of development.

PROVINCIAL PLANS/ STRATEGIES

THE PROVINCIAL GROWTH AND DEVELOPMENT PLAN (2014-2030) EASTERN CAPE

The PGDP provides the strategic framework for the next 15 years. It is a build up from the 2004-2014 PGDP. The aim is to provide an opportunity for revisiting social partnerships and develop common goals among citizens, civil society, the state and the private sector. The plan also seeks to promote mutual accountability between stakeholders and to enable coherence of the three spheres of the state.

The following goals are core to the Eastern Cape Provincial Development Plan:

1. Redistributive, inclusive and spatially equitable economic development and growth - prioritising investments in, and the development of, rural regions to address need and structural deficiencies, as well as tap potential.
2. Quality Health - fundamental to human functionality and progress.
3. Education, Training & Innovation - pivotal to human development, societal well-being and a regenerative, self-sustaining civilisation.
4. Vibrant, cohesive communities - with access to decent housing, amenities and services.
5. Institutional Capabilities - important to underpinning the developmental agency of both state and non-state institutions.

DISTRICT PLANS

Alfred Nzo District Municipality IDP (2012-2017): 2016/17 review and other strategies.

1.3 METHODOLOGY

The preparation of this IDP is based on a Process Plan adopted by council on the 31 July 2015, council resolution number CR 825/31/07/15 in terms of the Systems Act, and 32 of 2000. The plan establishes a firm foundation for the alignment of the IDP and budget preparation processes. As such, an all-encompassing Process Plan was prepared for these two processes and adopted by Council to ensure proper management of the IDP planning process. Table below indicates this process plan:

IDP/BUDGET 2016/2017 PROCESS PLAN SCHEDULE MEETINGS

MILESTONE	ACTIVITIES & PURPOSE	RESPONSIBILITY	TIMEFRAME
PROCESS PLAN			
	Council Adoption of the IDP Process Plan for the review 2016/2017 Council Resolution – CR 825/31/07/15 Council adoption of the Budget Timetable for 2016/2017	Municipal Manager/CFO/ IDP/M&E Manager	31 July 2015
	Submit Process Plan to National Treasury and Provincial Treasury	Municipal Manager/CFO/ IDP/M&E Manager	06 August 2015
	Draft Annual Performance Report to be inclusive of the Annual Financial Statements		13 August 2015
	1 st IDP Steering Committee 1 st IDP Representative Forum meeting Outlining and buy – in on the process plan	Municipal Manager IDP/ M&E Manager	20 August 2015
	Submit Process Plan to relevant authorities		20 August 2015
	BTO STANCO	CFO	27 August 2015
	Advertise the IDP Community Based Plan Outreach	IDP/M& E Manager	26 August 2015
SITUATIONAL ANALYSIS			
	Issue GM's with Budget Assumptions, Policy Guidelines and instructions as well as the IDP planning guidelines and requirements	Municipal Manager /CFO/IDP / M& E Manager	12 September 2015
	IDP community Outreach -confirm community needs and priorities	Municipal Manager IDP / M& E Manager	14-18 September 2015
	All IDP sector plans to be reviewed commence situation analysis	All Section 57 Managers	07 September 2015
	2 nd IDP Steering Committee 2 nd IDP Rep Forum Draft status quo report <ul style="list-style-type: none"> • service Delivery achievements and identified gaps • Presentation of community needs • Presentation of status quo on IDP sector plans 	Municipal Manager IDP/M& E Manager ALL Departments	22 October 2015
	Review of budget policies e.g. Budget, Tarrifs of charges, Property Rates, Supply Chain Management, Indigent, Dept collection and Credit control	CFO	22-October 2015
	Submission of budget requests from Municipal departments	All section 57 Managers	27 October 2015
	2 nd BTO STANCO	CFO	03 December 2015
EXCO SITTING	Draft IDP Status Quo Report to EXCO	Mayor/ Municipal Manager IDP/M& E Manager	04 December 2015
COUNCIL SITTING	Draft IDP Status Quo Report to Council for noting	Mayor/ Municipal Manager IDP/M& E Manager	11 December 2015
PROJECTS & PRIORITISATION PHASE			
	<ul style="list-style-type: none"> • Departmental Mid-year Assessment reports to reach the Municipal Managers Offices • <u>Municipal Adjustment Budget, departmental request consolidated by Budget & Treasury</u> 	All Section 57 Mangers CFO	16 January 2016
	<ul style="list-style-type: none"> • Mid-Year Workshop 		10-13 January 2016
	<ul style="list-style-type: none"> • <u>All project proposals finalized and submitted to the Municipal manager</u> 	<u>ALL Departments</u>	<u>14 January 2016</u>

	<ul style="list-style-type: none"> • <u>Presentation of the Adjustment budget to Management Team Meeting</u> 	CFO	<u>12 January 2016</u>
EXCO	<ul style="list-style-type: none"> • Tabling of Annual Report, Mid-Assessment report 	Municipal Manager	25 January 2016
COUNCIL SITTING	<ul style="list-style-type: none"> • Tabling of Annual Report, Mid-Assessment report • Draft IDP Status Quo Report to Council 	Mayor/Municipal Manager IDP/ME Manager	29 January 2016
STRATEGIC PLANNING PHASE	<u>Departmental Strategic Planning Sessions</u>	<u>STANCO'S</u>	<u>04-22 January 2016</u> <u>(STANCO's to choose suitable date)</u>
	<u>Strategic Plan Session</u> <ul style="list-style-type: none"> • <u>Evaluate the status quo</u> • <u>Formulate Strategies and Indicators</u> • <u>Review of Policies</u> • <u>Align indicators with Performance framework</u> 	Municipal Manager ALL Section 57 Managers IDP/ M&E Manager	<u>07-10 February 2016</u>
	<u>3rd steering Committee</u> <u>3rd Representative Forum Meeting</u> <u>Presentation of Strategies & Projects</u>	Mayor Municipal Manager IDP / M& E Manager	<u>03 March 2016</u>
INTEGRATION	<u>Integrate - interdepartmental & sector projects</u> Integrate all IDP sector Plans	All Sector Departments IDP/M& E Manager	<u>15-19 February 2016</u>
EXCO SITTING	Draft IDP and Budget to EXCO	Municipal Manager/CFO / IDP/ M&E Manager	22 March 2016
COUNCIL SITTING	Table Draft IDP and Budget to Council	Mayor Municipal Manager IDP/ M&E Manager	31 March 2016
SUBMIT FOR MEC COMMENTS	Forward Draft IDP/ Budget to Department of Local Government & Traditional Affairs for MEC comments and relevant departments for comments	Municipal Manager /CFO/ IDP / M& E Manager	04 - 06 April 2016
	Advertise draft IDP, Draft Budget, Outreach Programme & Tarrifs	Municipal Manager CFO	23 March 2016
	Public Participation Draft Budget and IDP Outreach	Municipal Manager CFO	11-15 April 2016
	3 rd BTO STANCO	CFO	3 May 2016
	4 th IDP Steering Committee 4 th IDP Rep Forum	Mayor Municipal Manager IDP / M& E Manager	05 May 2016
	Align Budget to IDP re: submission made by community, Provincial Treasury, National Treasury and others	Chairperson Budget & Treasury Standing Committee/CFO	02-06 May 2016
EXCO SITTING	Consideration of submission made by community, Provincial Treasury, National Treasury and other departments, Final IDP/Budget	Mayor Municipal Manager IDP/ M&E Manager	23 May 2016
COUNCIL SITTING	Consideration of submission made by community, Provincial Treasury, National Treasury and other departments, Final IDP/Budget	Mayor	30 May 2016
PUBLICISING	Advertise the Approved IDP, Budget and Tariffs and	MM/CFO	01 June 2016
SUBMISSION	Submit to relevant Stakeholders	IDP BTO	01 - 03 June 2016

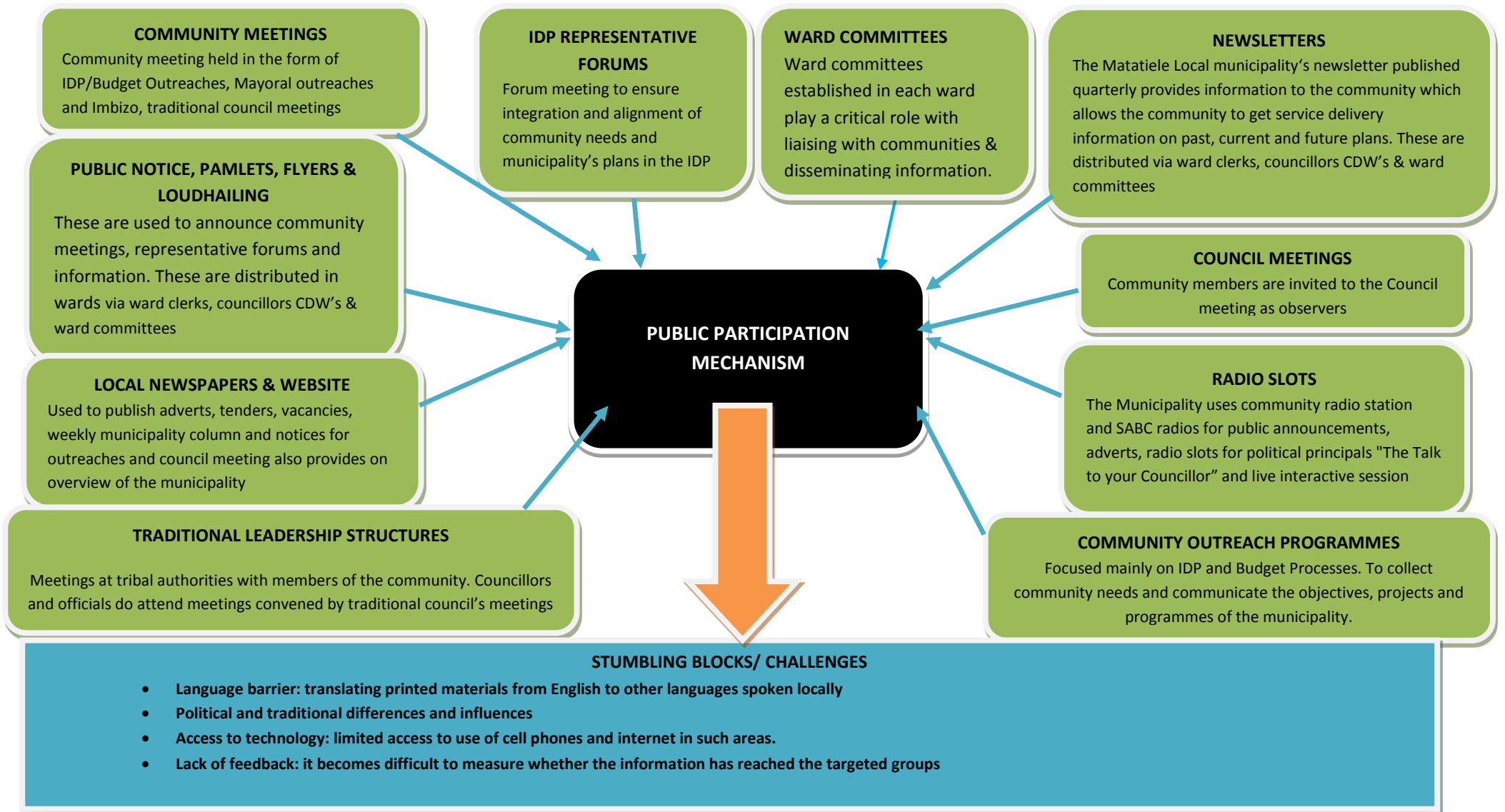
1.4 PUBLIC PARTICIPATION PROCESS

The consultation and involvement of the general community and other stakeholders is essential in the development of the IDP. This informs the strategic planning process and ensures that planning responds to the root causes of development challenges, the ward based community needs and ward based priorities.

The municipality uses various mechanisms towards public participation, and a variety of such mechanisms has been used in the development of this IDP review, these include community outreach programmes, IGR forum, IDP Steering committee meetings and IDP representative forum. The use of radio, word of mouth, print media and the use of the existing traditional structures like traditional leaders, together with the existing council support structures like the ward support assistants and community development workers were effective in the development of this planning document.

The following is a list details these mechanisms mentioned above, which were utilized to consult with the community:-

PUBLIC PARTICIPATION PLAN



The process involves the commitment of the following role players:

ROLES AND RESPONSIBILITIES:-

- **Mayor**
The Mayor coordinated and made the final decisions on issues regarding the process plan.
- **IDP Manager**
The IDP Manager as delegated by the Municipal Manager was given the responsibility to prepare, properly manage, monitor, organize and implement the planning process on a daily basis.
- **IDP Steering Committee (Technical Representation)**
The IDP Steering Committee is made up of technical specialists, such as the Municipal Manager, representatives from each municipal directorate (General Managers), Directors/ Managers from sector departments, Executive Committee members, and the Chairperson of the IDP Representative Forum. The IDP Steering Committee is chaired by the Municipal Manager. The Steering Committee assists the IDP Manager in driving the IDP process. They are a technical committee which provides direction to Representative Forum meetings.
- **IDP Representative Forum (Community Representation)**
The IDP Representative forum represents the broader community. They advise all stakeholders and assist in the IDP process by providing information for review and gap identification. They represent the interests of the organizations and contribute their knowledge and ideas towards identifying community priorities. The IDP Representative Forum is composed of the steering committee, all ward councillors and ward committees, youth, women, disabled, business, religious leaders and other recognized stakeholders. The Mayor chairs the IDP Representative Forum.

The Municipality in its process plan assigned roles and responsibilities to various stakeholders involved in the development of the IDP.

1.5 MEC COMMENTS

The MEC Comments on the 2015/16 IDP review have also been taken into consideration; the table below shows the results for four financial years.

KPA	Rating 2012/13	Rating 2013/14	Rating 2014/15	Rating 2015/16
Spatial development Framework	high	high	high	high
Service Delivery	high	high	high	high
Financial Viability	high	high	high	high
Local Economic Development	high	high	high	high
Good Governance & public Participation	high	high	high	high
Institutional Arrangements	low	High	High	high
Overall Rating	High	High	High	High

The following table indicates issues to be looked at from the assessment :

1.6 IDP ACTION PLAN

ISSUE	INFORMATION REQUIRED	ACTION REQUIRED	TARGET	RESPONSIBLE PERSON
EPWP Policy	Draft policy in place	Adopted by council, council resolution to be reflected on the IDP	15 March 2015	Mr. Mbedla (Community services) IDP/M&E Unit
Roads Forum, Bus shelters and weigh Bridge Pad	Information not provided on the IDP	To be Reflected on the IDP	30 December 2016	IDP/M&E Unit
Integrated Waste Management Plan (IWMP)	Council resolution on the IWMP	Approval by the MEC	15 March 2016	Mr. Mbedla (Community services) IDP/M&E Unit
By-Laws	Waste management By-laws Environmental management bylaws Development of Disaster management By-laws	Need to be Gazetted, is Gazetted, should be reflected in the IDP	15 March 2016	Mr. Mbedla (Community services) Mr. Somtseu (Coporate services) IDP/M&E Unit
Awareness campaigns/ programmes	Solid Waste Awareness campaigns Awareness campaigns on environmental management and Climate change.	Indication of such campaigns in the IDP	15 March 2016	Mr. Mbedla (Community services) IDP/M&E Unit
Disaster management	Development of a Local disaster management Plan	Plan adopted by council; Council resolution reflected on the IDP	30 April 2016	Mr. Mbedla (Community services) IDP/M&E Unit
Free Basic services	FBS steering committee meetings Council resolution on Indigent policy	Establishment of FBS Committee To be Reflected on the IDP that its established and functional Indicate integration plans with the DM	30 December 2015	Mr. Ndzulu (BTO) IDP/M&E Unit
Long- term plan	Five year / Long term development spatial initiatives	Plan to be developed and reflected on the IDP document	30 April 2016	Mr. Ndaba(EDP) IDP/M&E Unit
Land Invasion	Land invasion policy and/ Land Invasion by-laws	Development of policy , Reflected in the IDP Document	30 April 2016	Mr. Ndaba(EDP) IDP/M&E Unit
Land Portions	Information on the extant of Arable land and grazing land	Reflect percentages on the IDP documents	30 December 2016	Mr. Ndaba(EDP) IDP/M&E Unit
EIA's	Capital projects requiring EIA's	Include a separate list of projects requiring EIA'S	30 April 2015	IDP/M&E Unit
Financial Recovery Plan	Information on Financial recovery plan	Development of the Financial Recovery plan.	30 April 2015	Mr. Ndzulu (BTO) IDP/M&E Unit.
Asset Register	Include information on asset register	To be Reflected on the IDP	30 December 2016	Mr. Ndzulu (BTO) IDP/M&E Unit.
Filling system and Audit File	Include information on Audit file	To be Reflected on the IDP	30 December 2016	Mr. Ndzulu (BTO) IDP/M&E Unit.
By-Laws and Policies	list of by-laws	Include a list of By-laws	30 March 2016	Mr. Ndaba (LED) IDP/M&E Unit
LED Strategy	Review of the strategy	Review of the LED Strategy ;	30 April 2016	Mr. Ndaba (LED) IDP/M&E Unit

ISSUE	INFORMATION REQUIRED	ACTION REQUIRED	TARGET	RESPONSIBLE PERSON
		Council resolution to be included		
Lack of guiding policies on LED	LED Policies	Development of Informal Trading Policy and other LED related policies	30 April 2015	Mr Ndaba (LED) IDP/M&E
Powers and functions of the municipality	Table of powers and functions	Include a table of powers and functions on the IDP document	30 March 2016	IDP/M&E Unit
Code of conduct for Councillors	Information on the code of conduct for councillors	Include code of conduct for councillors on the IDP document	30 March 2016	IDP/M&E Unit
Vacant posts per Department	Indication of vacant posts per department.	Compile a table of filled and vacant posts Per department.	30 April 2016	Somtseu (Corporate services) DP/M&E Unit.
Costing of vacant post	List of funded vacant post	Include a list of funded posts vacant for more than three months	30 April 2016	Somtseu (Corporate services) IDP/M&E Unit
Public Participation Plan	Status of the Public Participation Plan	Adoption of the Plan by Council; to be included in the IDP document	30 April 2016	Somtseu (Corporate services) IDP/M&E Unit
Summary of key Population concerns	Information on the key population concerns	Draw a summary of key population concerns	30 April 2016	IDP/M&E Unit
Inter-municipal Planning Programmes	Information on inter-municipal planning programmes	Inter-municipal projects or programmes the municipality is involved in, to be reflected on the IDP	30 April 2016	All Departments IDP/M&E Unit

CHAPTER 2: SITUATIONAL ANALYSIS

Matatiele Local Municipality (MLM) is located in the Northern part of the Eastern Cape Province. It adjoins onto Elundini local Municipality to the South West, Greater Kokstad Municipality (KZN) to the East, Umzimvubu local Municipality to the South, and Lesotho to the North. Traversing the local municipality in an east-west direction is the R56 road, linking Matatiele with Kokstad to the east and Mount Fletcher to the west. This roadway links the Municipality with KwaZulu-Natal Province and parts of the Eastern Cape Province located south of Matatiele Municipality.



Figure 3: regional locality plan

2.1 MUNICIPAL LOCALITY

Matatiele Local Municipality is one of four (4) Local municipalities situated within the Alfred Nzo District Municipality. Alfred Nzo District Municipality consists of Matatiele, uMzimvubu, Mbizana and Ntabankulu Local Municipalities. The Alfred Nzo District Municipality is situated within the Eastern Cape Province; and is surrounded by OR Tambo District Municipality to the east, Joe Gqabi District Municipality to the west, Sisonke District Municipality to the north-east, Ugu District Municipality to the east and Lesotho to the north.

2.2 SWOT ANALYSIS

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

KEY ISSUE	STRENGTH	WEAKNESS	OPPORTUNITIES	THREATS
RURAL DEVELOPMENT	<ul style="list-style-type: none"> • Irrigation estates along the major rivers. • High agriculture potential areas available. • Although limited, sale pens are available in Cedarville. 	<ul style="list-style-type: none"> • effects Climate change and. • Limited marketing for agriculture products available within the municipal area 	<ul style="list-style-type: none"> • agricultural areas offer unique opportunities for cultivation and food security. • Areas of high agricultural potential are identified as areas with inherent potential for cultivation based on the soil, slopes and climate of the area. 	<ul style="list-style-type: none"> • The shortage of sales pens is a threat to farmers. • The unresolved land issues are also considered to be a threat as it delays development.
ENVIRONMENT	<ul style="list-style-type: none"> • Irrigation estates along the major rivers. • Huge wetlands system. 	<ul style="list-style-type: none"> • unprecedented changes to the ecosystems in the region — largely to meet rising Demands for food, water and energy resources • Growing population around urban areas puts pressure on resources 	<ul style="list-style-type: none"> • eco-tourism development be harnessed appropriately and utilized on a sustainable basis • Rugged terrain with its relatively undisturbed and water sources environment for biodiversity conservation initiatives. 	<ul style="list-style-type: none"> • Unplanned settlements and developments • Unmanaged livestock grazing • Uncontrolled fires • Soils Erosion • Wattle infestation

KEY ISSUE	STRENGTH	WEAKNESS	OPPORTUNITIES	THREATS
ECONOMIC DEVELOPMENT	<ul style="list-style-type: none"> ▪ The municipal area has great for heritage and eco-tourism. ▪ Large rural wilderness areas. ▪ Municipal Led strategy available. 	<ul style="list-style-type: none"> ▪ Local resources are underutilised because of poor skills base. ▪ The tourism sector is not fully harnessed. 	<ul style="list-style-type: none"> ▪ Heritage and eco-tourism opportunities ▪ The heritage resources in the municipality that could augment tourism and education. ▪ The LED Strategy identified a strong potential for the development and promotion of winter tourism, cultural tourism, eco-tourism, agricultural tourism, adventure tourism, avi-tourism (e.g. bird-watching) and water sports facilities for supporting tourism. ▪ There is a strong potential for large-scale production, processing and marketing of local products in external markets. ▪ The opportunities also exist for establishing and 	<ul style="list-style-type: none"> ■ Lack of access to market for SMME's is evident. ■ The lack of an information centre within the main towns is a threat to the tourism development.

			identifying new markets for locally-produced products and services.	
INFRASTRUCTURE	Water is available in the municipality. R56 provide access into the municipality.	Water with RDP standards not available in rural areas. Poor road signage	Opportunities to upgrade the R56 can enhance development along the corridor.	Bad road conditions are a treat to investment.
SOCIAL DEVELOPMENT & HUMAN SETTLEMENT	<ul style="list-style-type: none"> ■ Although limited, social Facilities area available. ■ The Drakensberg Mountain and the wetlands is strength for eco-tourism development. ■ Lesotho Border post exists within this municipality. 	<p>High dependency on social grants means people live below the poverty line.</p> <p>The conditions of these facilities are not all acceptable.</p> <p>The encroachment of settlements on agricultural land.</p>	<ul style="list-style-type: none"> ■ Matatiele CBD as a potential vibrant and dynamic rural centre. ■ There are opportunities for small town regeneration strategies for the town of Maluti and Cedarville. 	<ul style="list-style-type: none"> ■ The high unemployment rate is a threat to the municipality it can lead to substance abuse. ■ Delays in housing projects can lead to growth in unsurveyed settlement expansion.

2.3 DEMOGRAPHIC PROFILE

2.3.1 Population size and Distribution

Matatiele local municipality has a population size of 203 843 people (census 2011), spread across 26 wards. A comparative demographical analysis demonstrates that Matatiele Local Municipality has the largest geographical size a (4352km²) within Alfred Nzo District Municipality. According to Statistics South Africa, the 2013 population estimate indicates that the population of Matatiele local municipality is 205 646. The area accounts for 41% of the district's population. In terms of Population density, Matatiele local Municipality has a rather lower density (46.8 p/square kilometre) within ANDM.

Area	Area Size (Km ²)	Population Density (persons per km ²)	Population size Census 2011	Population Estimate 2013 (Provincially adjusted)
South Africa	1,221,037	42.4	51,770,560	
Eastern Cape	168,966	39	6,562,053	
Alfred Nzo DM	10,731	74.7	801,344	808,433
Matatiele Local Municipality	4,352	46.8	203,843	205,646
Umzimvubu Local Municipality	2,577	74.4	191,620	193,315
Ntabankulu Local Municipality	1,385	89.5	123,976	125,073
Mbizana Local Municipality	2,417	116.6	281,905	284,399

Table: 2 population size. Source: STATSSA, Census 2011, simulating key estimates for local municipality socio-economic development models: applications of the rank-size from 2007-2012.

The majority of the population is African at 98.1%, while Coloured, Indian/Asian and White population groups, constitute 0.9%, 0.3% and 0.7% respectively. The majority of the population is mostly residing in rural villages and formal townships around Matatiele, Maluti and Cedarville. The total household size is estimated at 49 527 households. The map below indicate the ward plan of the municipality



Figure 2: ward plan

The population of Matatiele local municipality is distributed unevenly over 26 wards as reflected on table 2 below. The delamination of wards for 2016 local government elections and ward demarcation has affected the

ward boundaries of certain wards within the municipality, thus increasing the number of villages; which includes the village of Freistata in ward 15 which was previously in Elundini local Municipality. The number of wards has remained the same. The number of villages per ward also varies in size and number. Ward 2 has the largest population within the Municipality, with ward 19 having the smallest population. It is also to be noted that, in terms of the number of households; Ward 20 has the largest number of households within the municipality.

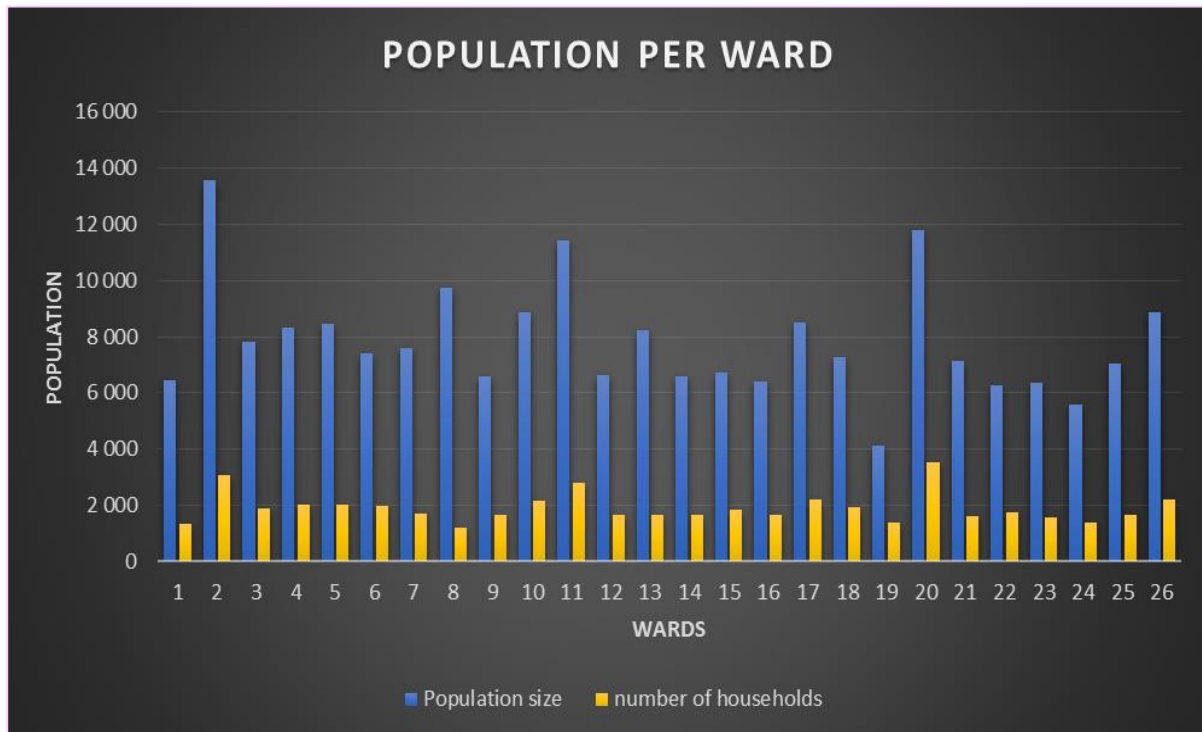


Figure: 3 Sources: STATSSA, Census 2011. The Population size per ward.

2.3.2 Age and Gender Distribution

Matatiele Local Municipality has a slight imbalance between the females and the males. The females outnumber the males such that they constitute 54% (110167) of the population while the males form 46% (93675) of the population. According to the Census 2011, 71% of the population within the municipality is younger than 35 years of age and only 7% are over 65 years of age. Figure 3 also shows that about 52706 people are between the ages of 10-19.

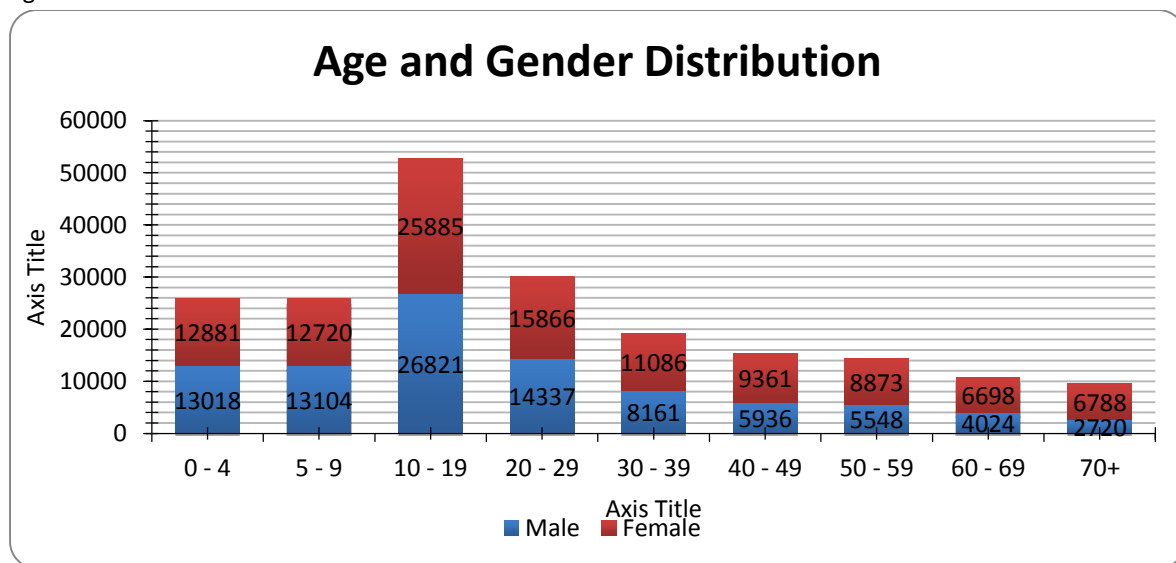
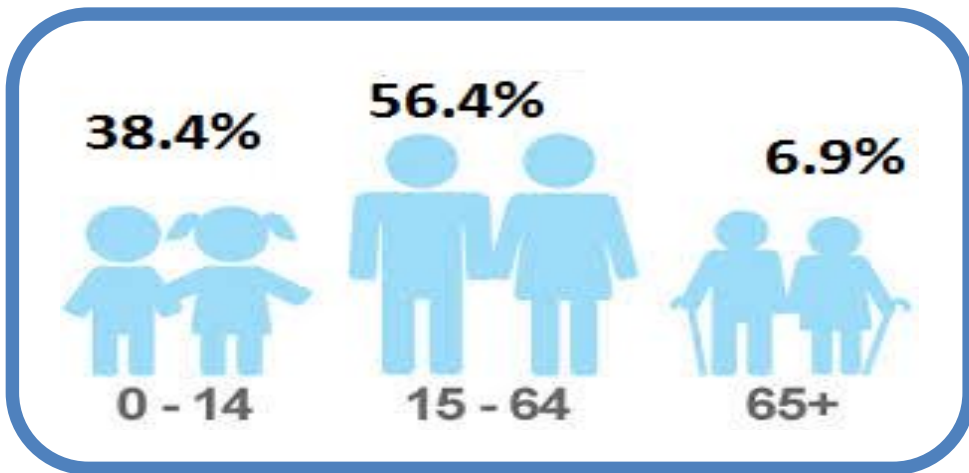
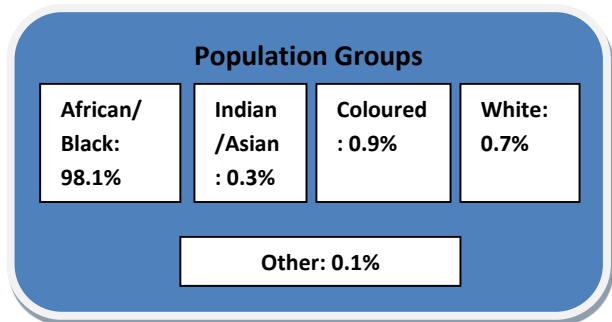
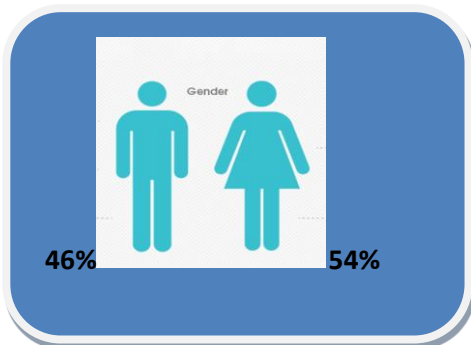
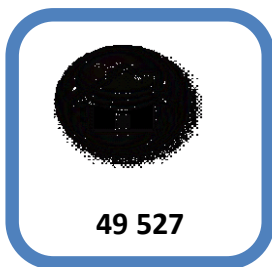
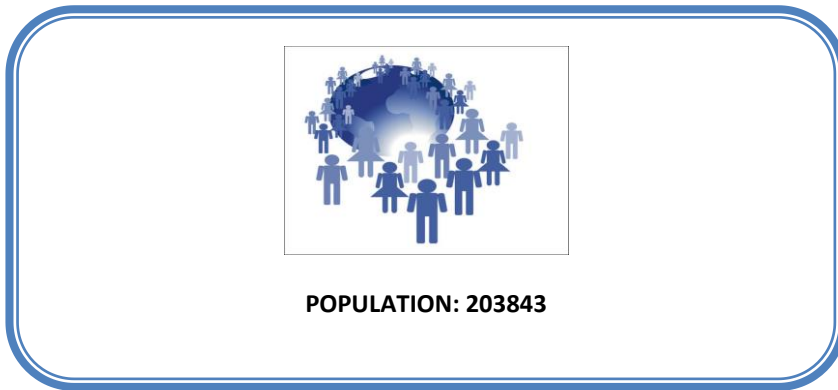


Figure 4: Source; STATISTICS South Africa CENSUS 2011. Age and Gender distribution

The age profile shows a large proportion of the population being people between ages 0 and 34 years old. This trend in age composition points out that priority should be given by the Municipality, Sector Departments and other stakeholders to ensure that a large percentage of the budget is allocated to social development facilities and youth Empowerment initiatives including health, education and skills development programmes to harness their full potential in order to meet the needs of a youthful population and ensuring that people falling within this age acquire relevant skills. The creation of more job opportunities is one of the key aspects of the developmental issues by the municipality in partnership with the sector departments and other stakeholders.

Summary of the population size and distribution



Source; STATISTICS South Africa CENSUS 2011

2.4 SOCIAL PROFILE

2.4.1 Education Profile and Literacy Levels

The South African Constitution provides that every citizen has a right to education, which includes Adult Education and Training. The Literacy levels within Matatiele Local Municipality have improved over the last ten years.

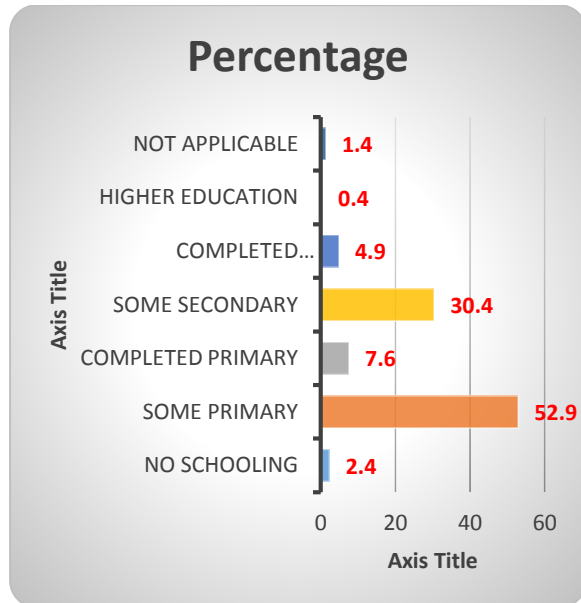


Figure 5: Source; STATISTICS South Africa CENSUS 2011: Highest Education levels of all ages.

The percentage of non-scholars has dramatically declined from 23.2% in 2001 to 2.4% as indicated in figure 2 above. 52.9% of the population has some primary education while 7.6 % has completed primary school. Only 0.4% of the population have attained some form of higher education. The reason for this could be attributed to poor financial backgrounds, in that most students after Matric do not have the financial means to further their studies. It can also be that most of the people who have higher education qualifications tend to leave the area and find work opportunities in cities and in other provinces.

2.4.2 Employment Profile

The economically active population (EAP) is defined as the number of people who are able, willing and who are actively looking for, work and who are between the ages of 15 and 64. 56.6% of the population of Matatiele falls within this category. Included in this category are those *employed* and *unemployed* people. According to Statistics South Africa, within Matatiele Local Municipality, 39 406 people are economically active (employed or unemployed but looking for work), and of these 38, 7% are unemployed. Of the 20 932 economically active youth (15 – 34 years) in the area, 47, 2% are unemployed. Figure 3 below shows these figures.

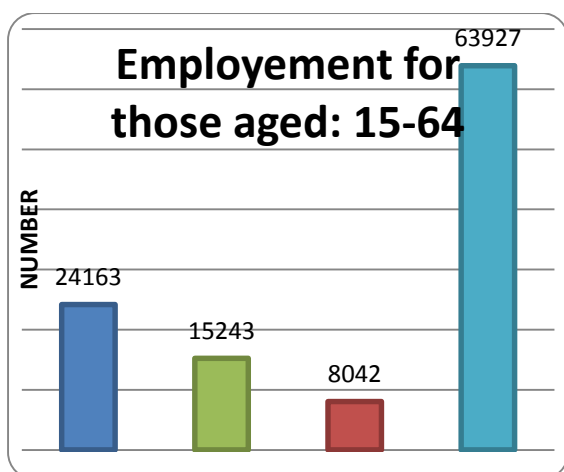


Figure 6: Source: STATISTICS South Africa CENSUS 2011: Employment Status for those Aged: 15 -64

2.4.3 Income Profile and Indigent Support

Matatiele Local Municipality is characterized by high levels of unemployment and unequal distribution of income, this however is a characteristic seen in the rest of the country. Census 2011 indicates that an average household size in Matatiele Local Municipality is 3.8, therefore requiring a minimum of R2658.00 per month to survive. In reference to this, it is estimated that 25 358 households in Matatiele Local Municipality live below this average. This has created a large number of people with high dependency on social assistance in the form of grants, according to SASSA, approximately 59000 people are benefiting from social grants. Municipal planning recognises the need to focus strongly on poverty alleviation mechanisms as well as job creation. The Municipality has an Indigent support policy and a credible indigent register, with 19 602 households registered, with about 8142 households who are indigent not yet registered. The register is updated as and when new people need to be captured on an annual basis. The current indigent threshold income per household each month is R2700.00. Currently the indigent support is in the form of free basic electricity, non-grid energy, and alternative energy and refuses removal. Indigent household also receive 6 kilo litres of water per Household. Table 4 below lists the beneficiaries and the type of service provided.

	Refuse	Rates	Eskom Electricity	Municipal Electricity	Non-grid Energy	Total beneficiaries
Beneficiaries	1106	213	3453	810	15043	19602

Table 4: Beneficiaries per indigent register

2.4.4 Poverty Levels and Indicators

The number of people living in poverty is the number of people living in households that have an income less than the poverty income, i.e. the minimum income required to sustain a household according to the particular household size. Since poverty is multidimensional, thus having many factors that contribute to the a poor person's experience of deprivation such as poor health, lack of education, in adequate living standard, lack of income, disempowerment amongst others. Therefore, the global Multidimensional Poverty Index (MPI) is used to measure acute poverty, looking at the three dimensions of poverty i.e Health, Education and Living Standards. Table 5 below shows the poverty measures for the census 2001 and census 2011.

	census 2001		census 2011	
	Head count	Intensity	Head count	Intensity
Eastern cape	30.20%	43.70%	14.30%	41.90%
Matatiele	40.70%	43.70%	22.40%	41.60%

Table 5: Source; Statistics South Africa: The South African MPI

The table above shows that in 2011, the percentage of households living in poverty is at 22.4% from 40.7% in 2001. The poverty intensity in poor households declined from 43.7% in 2001 to 41.6% 2011. In Matatiele Local Municipality, there are still large numbers of people living in poverty, however looking at the poverty trends For Matatiele Local Municipality, there seems to be a decline in the number of people living in poverty over the years.

2.4.5 Health Indicators

The following are the health indicators for the municipality

Indicator	Rate (Per 1000 Live Births)	Ratio (Per 100 000 Live Births)
Under 5 mortality rates (2013-14)	13.1	n/a
Infant mortality rate (0-1, 2013-14)	14.0	n/a
Maternal mortality in facility ratio	n/a	129.9

Source: Department of Health, DHIS.

The indicators above are annualised. For the year 2013-14, the table indicates that 14 .0 (per 1000 live births) of the children died by the age of 1. The following have been identified as the common causes of Under 5 mortality: Diarrhoea 6.7%, Pneumonia 10.1% and Severe/ acute malnutrition 24.5%. Although the rates are below the current national levels, they are quite high considering the population size of the municipality. High rates of child mortality are indicative of challenges in the poor health systems, which may also be influenced by other factors such as limited access to health care services, poor infrastructure and education amongst others, which are some of the challenges in the Municipality and also the district.

The reduction of childhood mortality and improving maternal health are GOAL 4 & 5 of the Millennium Development Goals. These two are also of a high concern for the country as reflected in the Population policy.

2.4.5.1 HIV/AIDS

The HIV prevalence in Matatiele is estimated at 11.5% of the population. The prevalence rate among those aged 15-19 is 6.5%. Matatiele local municipality has an HIV/AIDS strategy in line with the Provincial strategic plan. The strategy focuses on issues that are critical in developing the multi-sectorial municipal response to HIV/AIDS. The impact of the pandemic on the lively hood of the communities is reflected as:

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

Since HIV/AIDS requires multi-sectorial intervention, the municipality, the department of health and other sector departments, NGO's as well as the community and other stakeholders play a critical role in implementing the intervention programs as outlined in the Provincial Strategic Plan for HIV & AIDS, STI & TB 2012-2016¹ in line with the National Strategic Plan which is aimed at:

- zero new infections of the Human Immunodeficiency Virus (HIV), tuberculosis (TB) and sexually transmitted infections (STIs)
- zero deaths as a result of these epidemics

¹ Multi-sectorial approach to HIV/AIDS: The Provincial Strategic Plan for HIV & AIDS, STI'S & TB, 2012-2016

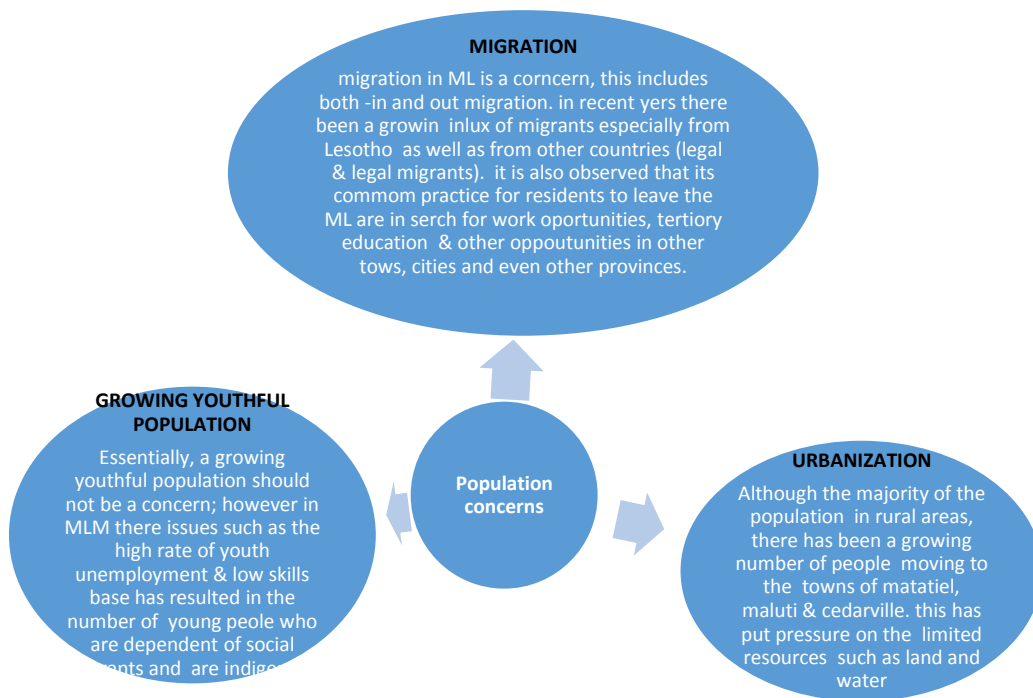
- zero discrimination of people living with HIV and TB
- Zero infections as a result of mother-to-child transmission (MTCT).

The PSP' Goal is to Reduce HIV incidence in the EC by 50% (from 1, 14% to 0, 74%), reduce TB incidence by 50% and STI incidence by 50% Initiate at least 80% of eligible patients on antiretroviral treatment, with 70% alive and on treatment five years after initiation, Reduce the number of new TB infections, as well as the number of TB deaths, by 50% (from 62 865 in 2010 to 31 443 in 2016) Reduce self-reported stigma related to HIV and TB by at least 50% from the baseline study in 2012(PSP, Pg10).

The municipality strategy considers these intervention programs and together with the stakeholders focus on measures to reduce the rate of new infections, reducing the impact of HIV/AIDS on individuals, families, communities and the broader society by ensuring improving access to treatment, care, support and service delivery targeting the infected and affected.

SUMMARY OF KEY POPULATION CONCERNS

Population concerns are basically a concern about the sense of balance between human needs and the resources available to meet those needs, now, and for the future generations.



2.4.6 Social Facilities

FACILITIES	INFORMATION	CHALLENGES
HEALTH AND EMERGENCY SERVICES		
Community Health Centres	There is one (1) community health centre located in Maluti, ward1.	There is a shortage of water in the health centre.
Primary Health Centres	There are currently 19 Clinics within the municipality. Afsondering, Mt Hargreaves, Mpharane, Madlangala have been renovated, and the following clinics are in the process of being renovated: Thabachicha, Queens Mercy, Mthumase and Mzongwana. There are 2 mobile clinics.	<ul style="list-style-type: none"> • Some of the Clinics are unable to render the full range of services at this stage and many are hampered by a lack of communication with no telecommunication network within the area and electricity, also limited access to clean water. Only 40% of the clinics have electricity, the others with solar power, it is not fully functional • Roads leading most clinics are in a bad condition • Some clinics are underutilized and this is primarily attributable to the perception that the aim of clinics is to provide curative and not preventative services. • Some areas that are far from the clinics get services from mobile clinics, however there are only two mobile clinics and some areas are out of reach by vehicle.
Hospitals	There are two (2) hospitals Taylor bequest Hospital and Khotsong TB Hospital, both located in Matatiele town. Khotsong Hospital is currently being renovated and expanded to include the Renovation of Paediatric Block for Administration Offices, separation of hospital grounds / demarcation, demolishing of old structure (Admin Block, manager’s residence and garages) amongst other things. There is also a private hospital (Matatiele Private Hospital)	There is a need for Professional Nurses and vehicles. there are unfunded posts,:
Police Station	Within the municipal area, there a currently 6 police stations, serving the communities.	Some villages are further from the police stations and during the IDP outreaches; community members indicated the need to have satellite police services in central areas around the wards.

2.4.6 Social Facilities

FACILITIES	INFORMATION	CHALLENGES
SOCIAL AND CULTURAL (PUBLIC SERVICE FACILITIES)		
Local Libraries	Within the Municipality there are currently 5 libraries and one mobile library at Mango Village. The libraries in the Matatiele, Cedarville, Mvenyane, ward 11 and Maluti are functional while Mango Library needs electricity.	There is a need for libraries especially for the majority of learners in rural areas. Mobile libraries are also needed to reach the remote areas.
CIVIC FACILITIES		
Home Affairs	There are Home Affairs offices located at the Maluti and Matatiele town. The two offices serve the communities of within the municipality.	There are also challenges with regards to access to these services, especially for people in rural areas, during the outreaches, people have identified the need to have mobile services offered in rural areas.
Magistrate courts	There are Magistrate courts offices located at the Maluti and Matatiele town. The two offices serve the communities of within the municipal area.	These services, especially for people in rural areas, during the outreaches, communities And have identified the need to have mobile services offered in rural areas.
Prisons	There is one in Matatiele town which is newly upgraded and another in Cedarville.	N/A
Solid waste Disposal Site	A developed and licensed waste disposal site has been operating in Matatiele since 2008. This site is located in Matatiele and has the capacity to accommodate all the waste from the urban areas for at least the next 15 years.	There is however a large number of households who still use their own means of disposing waste
Migration Support Office	Migration office located at the Matatiele town – Matatiele local municipality building. Matatiele Local Municipality in partnership with Department of Home Affairs (DHA) and the United Nations Development Programme (UNDP) took an initiative to establish a Migration Support Office which will act as a single point of contact for migration related issues. The office has been operational since May 2013.	N/A
SOCIAL SERVICES		
Community Halls	The municipality currently has forty two (42) community halls on the asset register. An audit of these community halls as well as other public facilities is conducted on annually. The condition of the majority of these facilities is fair The Municipality does no longer prioritise the building of new community halls since	Some of the halls need renovations, others were ruined during the snow disaster, that includes two halls in ward 10 and another in ward 21

2.4.6 Social Facilities

FACILITIES	INFORMATION	CHALLENGES
	through community identification of priority needs; it has proven that there are more urgent needs to be given priority such as roads, water & electricity.	
Children's Home	There are four (4) Children's Homes; 3 located in ward 19 (Siyakhula Boys Shelter, Child welfare S.A, Cross- roads children's Home) and another in Maluti (Maluti Place of Safety).	N/A
Post Offices	There are five Post offices within the municipality, in Maluti, Matatiele, Mvenyane, Lunda and Mzongwana. Post boxes are also available in Matatiele and Cedarville.	There is a need for more post offices, especially in the rural areas. During the IDP outreaches, community members raise the issue of post offices as a need. Access to postal services is limited in some villages as, community members have to travel long distance to the central post office, and at times there is limited transportation.
SASSA Office	There is a SASSA office in Matatiele town, serving the community of Matatiele local municipality.	During the community outreaches, some community members have identified a need to have satellite or mobile service in the rural areas because the office in town is far and also that the queue is usually long since everyone gets services there.
EDUCATION		
Special Education	There is a special school in Cedarville (Sive special School) and 5 independent schools.	N/A
Higher Learning Institution	There is also a TVET college (Ingwe) in Maluti.	There are no tertiary institutions in the area. After completing matric, learners travel to cities and in other provinces to access tertiary education.
High School	There are currently 30 High schools	
Primary and Combined Schools	In total there are 74 primary schools and 116 combined schools.	
Small Crèche/ Early childhood development centre	There are currently 52 preschools/ small crèches. On average, each ward has at least two (2) preschools. Some preschools are part of the school in other wards. There are also eight (08) AET Centres and twenty (27) ECD Centres.	There are some structures that need renovations, such need supplies and learning materials. The majority of the structures don't have electricity and also access to water is limited.

RECREATION PROVISION (SPORTS AND PARKS)

2.4.6 Social Facilities

FACILITIES	INFORMATION	CHALLENGES
<p>Level surface playing fields</p> <p>Grassed fields with seat stands</p>	<p>There are three (3) formal sport fields in with seat stands in Matatiele and Cedarville. There also level surface playing fields in other wards. The sports fields are mainly soccer fields.</p>	<p>The IDP Community Outreach revealed a greater need for Multipurpose Centres and Sports Fields in most wards; as such each ward has prioritised Sports fields as a need. All facilities are maintained as and when required, but require upgrading. Priority has been given to the provision of sport fields in the rural areas to encourage the youth to participate in sports.</p>
<p>Sport centre</p>	<p>There is a need for a Sport complex in Matatiele (town) which will cater for a variety of sporting codes as well as indoor games.</p>	<p>The municipality comprises mainly of a youthful population and this warrants that specific Attention should be given to the development of sport and recreation facilities and initiatives.</p>
<p>Community swimming pool</p>	<p>There is one (1) community swimming pool located in Matatiele town.</p>	<p>It is the only community swimming pool in the municipal area. The two other towns of Maluti and Cedarville don't have swimming pool.</p>
TRANSPORT INFRASTRUCTURE		
<p>Roads networks</p>	<p>At a broad level, Matatiele has a well-established road system comprising of provincial, district and local access roads. R56 is the main provincial road linking KwaZulu-Natal and Eastern Cape through Matatiele.</p> <p>The other provincial roads that play an important role in terms of linkages include T12 and T69 which link the area with Lesotho. There are also provincial routes that play a significance role in terms of linking various parts internally within Matatiele. There are also Local Access Roads which provide access within each village.</p>	<p>There is a high backlog in terms of constructions of access roads. Maintenance of access roads. Dr 08069 (to Queensmercy), DR 08017 (To Mvenyane) and DR 08646 (To Ongeluksnek) as well the Public road to Qacha'snek need urgent attention. During the community outreach, over the years, community members have identified to need to have these roads tarred.</p>
<p>Rail</p>	<p>The Municipality does not have an established public and goods rail transport system. However, a railway line runs through the area connecting the area with KwaZulu-Natal towns (Kokstad and beyond) although it has not been in use for over three years.</p>	<p>The rail network is currently not being used. There are no trains being used for transport purposes in the municipality.</p>
<p>Air Transport</p>	<p>There is no established and operational air transport system. A small landing Strip (airstrip) exists within both Matatiele and Cedarville. The aerodrome in Matatiele has been newly renovated</p>	<p style="text-align: center;">N/A</p>

2.4.6 Social Facilities

FACILITIES	INFORMATION	CHALLENGES
Taxi ranks	Buses, Taxis and vans are commonly used as form of transportation from one place to another. Vans are common in rural areas and are used to transport people to the towns, where they can access services. There are currently four (4) operational taxi ranks, and 1 bus rank in the Matatiele town. There is also a taxi rank in Harry Gala park and in Maluti.	The taxi ranks in Maluti and, the one at Harry Gwala Parks is in the process of being renovated.
Bus ranks		
Walkways/ Sidewalks	There are sidewalks in the three towns of Matatiele, Cedarville and Maluti. The sidewalks have been constructed along the streets in the town and in the suburbs along Matatiele town.	There are some residential areas within the towns on which sidewalks are still needed.
Vehicle and licence testing station	The Municipality also has one functional testing station, with expansions underway to upgrade it for Grade A testing. The objective is that that the testing station be able to test all grades of Drivers Licences.	There is limited Space for both Office and testing areas since traffic Law enforcement and Fire & Rescue require space. The Brake test machine needs to be replaced

2.4.7 Housing

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

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

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

The construction of houses is also affected by expenses related to the delivery of materials because of the geographic location of the rural areas. Housing delivery is affected by issues such land invasion and non-conformity to approval standards. The provision of formal housing for low and middle income residents is a core function of provincial and national government, with local municipalities being provided is of the land where such implementation takes place.

Within the urban areas, housing development is generally occurring, but within the rural or communal areas, the provision of housing has still going at a steady pace. When it comes to housing and housing delivery the Matatiele area stands to an advantage because the capacity in terms of skilled and qualified builders is available. The Municipality has developed adopted the Department of Human settlements' housing sector plan and is currently developing its own plan, aligned to the department's Plan. The municipality has developed a Housing needs register, with 44 650 people registered. This will assist in identifying areas with housing needs. Lack of reliable data on housing demand and lack of uniformity in the current system has let to mal-administration regarding the allocation of houses. To over this problem or challenge there is a need to ensure the existence of consolidated lists and that there is integrity to the lists. The target is to have a single integrated database of potential beneficiaries captured and data verified for accuracy.

A land audit has been completed, which should be able to assist with additional information to the land asset register. The Municipality has a land and buildings register and a valuation roll.

Land invasion means the illegal occupation of land or any settlement or occupation of people on land without the express or tacit consent of the owner of the land or the person in charge of the land, or without any other right in law to settle on or occupy such land, with regards to mechanisms to control land invasions, Matatiele Local Municipality adopted a land invasion policy, which amongst others things reflects the methodology and the procedure for the prevention of illegal occupation or settlement on Municipal land. It also recognised that the issue of controlling land invasions should be a joint effort including other stakeholders such as the Traditional leaders, SAPS, and the community in general. Day to day inspections, awareness campaigns and workshops, have assisted the municipality to deal with land invasions. Illegal occupation of prime municipal land has adverse effects on service delivery and poses a threat to public health and safety of the community

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

No	Project	Description	Budget (2016/2017)
1	Under Construction	Maritseng 1500/ Rural Housing Mvenyane 500/ Rural Housing Mehloloaneng 898/ Rural Housing Thaba-Chicha 500/ Rural Housing	R 28 330 000.00 R 9 600 000.00 R 10 750 000.00 R 12 480 000.00
2	Procurement	Mafube 300/ Rural Housing Maluti 200 (Destitute) Sandfontein/Bultfontein 100 Tsitsong 200 (Emergency Housing) Pote 40/Rural Housing (Relocation)	R 2 880 000.00 R 30 000.00 R 10 000.00 R 960 000.00 R 1 000.00
3	Pre-planning	Zwelitsha 500/Rural Housing Chibini 500 Mahareng 500 Nyaniso 500 Mposhongweni 500 Black Diamond 376 Phifane 500 Destitute Pote 700 Destitute	R 1 000.00 R 1 000.00 R 1 000.00 R 1 000.00 R 1 000.00 R 30 000.00 R 1 000.00 R 1 000.00
4	Planning Stage	Matatiele 306/Rectification Harry Gwala 1110/Rectification Njongweville 106/Rectification Khorong Khuali Park 400/Rectification	R 4 593 000.00 R 5 740 000.00 R 200 000.00 R 200 000.00
5	Feasibility	Matatiele 300 social housing	R 35 299.00
6	Close-Out Report	Caba-Mdeni 300/ Rural Housing Harry Gwala 583 Queensmercy 300 Masakala 500/ Rural Housing Cedarville 201/Rectification	R 30 000.00 R 30 000.00 R 30 000.00 R 30 000.00 R 200 000.00

Table 6: Completed and Current Housing Projects

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

- Unmanaged urbanization has huge implications on the housing backlog. Housing delivery is hindered by red tape bureaucracy in accessing funds and there is a lack in the variety of alternatives when it comes to housing projects within housing policies. The building of houses is also affected by expenses related to the delivery of materials because of the geographic location. The rate at which houses are built is relatively slow and the houses.
- Housing delivery is also affected by issues such land invasion and non-conformity to approval standards. Within the urban areas, housing development is generally occurring, but within the rural or communal areas, the provision of housing has still not been addressed. When it comes to housing and housing delivery the Matatiele area stands to an advantage because of its capacity in terms of skilled and qualified builders.

Land and Buildings

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

Matatiele

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

Cedarville

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

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

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

- Difficulties in locating missing beneficiaries lead to delays in many housing projects. The Municipality should develop an effective policy to administer this issue. Thereby avoiding the enormous delays encountered.
- Land Claims are also posing challenges in addressing the rural Housing backlogs. Although in some areas land claims have been addressed, there are areas such as Matshemla area (ward 19). The issue of Land Claims has the potential to pose challenges even on future development plans.
- The delay in the payment of contractors is a risk. Projects that experience this challenge often fall behind schedule. The payment of Contractors is the responsibility of the Provincial Department of Human Settlements. Systems for processing contractor claims should be improved.
- The delay in the finalising of rectification projects is a cause for concern. The condition of some of the houses that need reconstruction does not improve in the meantime. The Municipality should pursue the matter with the Provincial Housing Department.
- Lack of proof of ownership of sites in rural areas. Beneficiaries in Rural Housing Projects sometimes do not have the rights to the site. They acquire sites depending on verbal agreements with site owners. When site owners dishonour these agreements for approved subsidies, delays are encountered. Two of the rural housing projects were affected by this issue. This is an implementation risk for which there are minimal remedial actions that can be effected.
- Beneficiaries often decide on re-location after they have been approved in a particular project. This causes problems as such beneficiaries would have to be de-registered and new beneficiaries allocated. Delays become unavoidable as a result. This issue suggests that Communities are not static but indeed dynamic. It is also clear that, despite the consumer awareness workshops at registration of subsidies is sometimes not fully comprehended by Communities. Therefore, regular Consumer awareness should be conducted for Communities.

Approximately 21 410 households live in Traditional dwelling/hut/ structure made of traditional materials. A differential strategy will need to be followed in the development of human settlement, with particular focus in the urban areas to eradicate informal settlements and release of land for the establishment of new settlements

and delivery of a range of housing products within the urban edge. Matatiele local municipality currently does not have a Migration plan.

2.4.8 Water Provision and Sanitation

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

- There are a number of wards with no access to clean drinking water as per the RDP standards.
- The water backlog is sitting at 51%
- The sanitation backlog is sitting approximately 60% (20 057 of the households are served while 29 472 households are unserved).
- Where there is access to water; the supply is irregular, at times people go for days without water.
- Some Schools and health facilities in rural areas do not have access to clean drinking water.
- There are large numbers of households which still require toilets in the rural areas. There seems to be a great need to speed up the process for addressing the challenges regarding the provision of these essential services, thus strategies need to be put in place to fast track the process.

In terms of water availability, The Mzimvubu to Keiskamma WMA has the highest mean annual runoff in South Africa, and equates to almost 15% of the total river flow in the country. 40% of that occurs within the Mzimvubu River catchment.

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

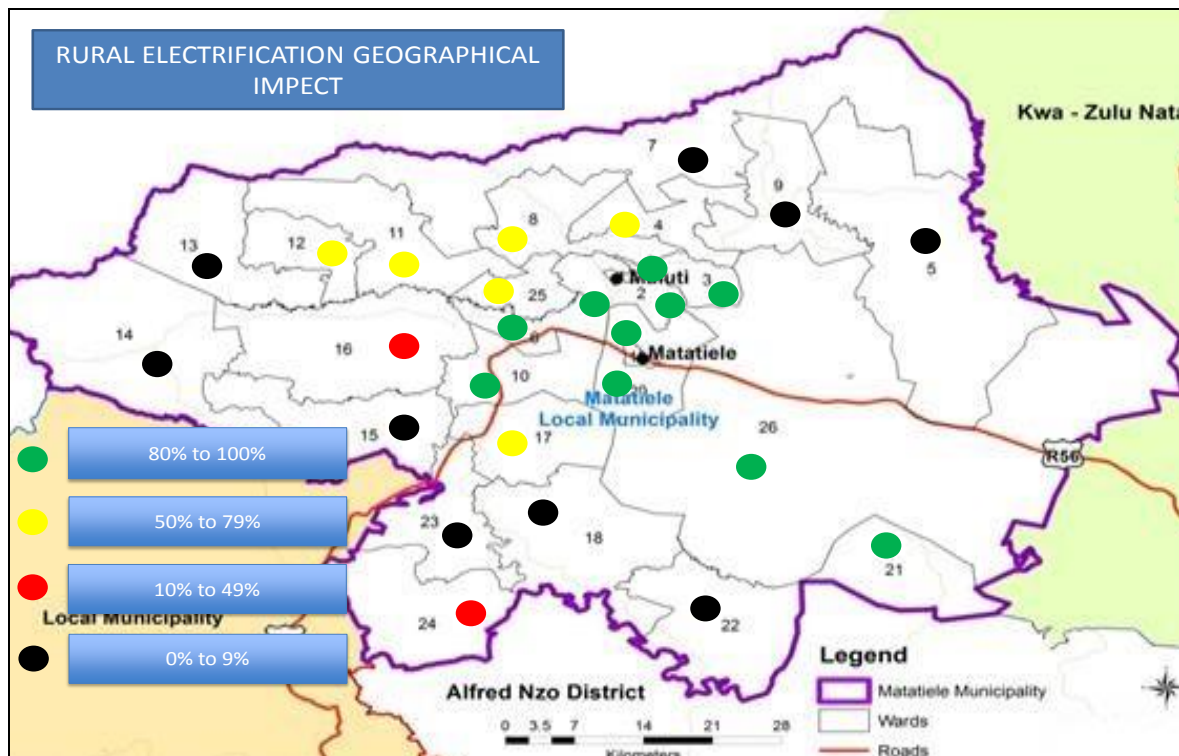
2.4.9 Energy

Eskom is the licensed distributor of electricity in the majority of the municipality with the exception of the town of Matatiele and Cedarville where Matatiele Local Municipality is the licensed distributor. There is still a huge backlog, although progress has been made. The 2015 IDP community Outreach revealed that in almost all the other 25 wards, Electricity is a priority. Census 2011 revealed the 22 223 households use electricity for lighting; while about 20 139 still make use of candles for lighting.

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

There are a few wards that have electricity, with the exception of ward 19 which is fully electrified; the other wards have various villages with no electricity. The municipality has made means to provide solar power, stoves and gels as a temporary solution to households which have no electricity.

Below is the figure showing the rural electrification geographical impact.



The green - coded areas are 80%-100% electrified, the yellow-coded areas are 50% - 79% electrified, and the red -coded areas are 10% - 49% electrified, the black-coded area 0%- 9% electrified.

2.4.10 Crime and Policing.

Within the municipality there are currently 6 police stations, serving the communities of the area. Crime has the potential to impact negatively on the local economic development of the municipality. It is worth noting that the Military (SANDF) has returned to Matatiele Local municipality and are responsible for the safe Guarding of the border's posts to Lesotho. When analysing the crime statistics within the municipality, it becomes evident that stock theft is an increasing problem. There are still challenges in addressing this issue of stock theft, occurs from Matatiele to Lesotho. Prioritised intervention include lobbying for increased visibility of SAPS in Maluti and Matatiele as it has been noted that crime seems to be high in ward 1 and 2, create awareness around police forums; and lobby for additional police stations or satellite police units. Efforts need to be put in place to encourage participation of other stakeholders and the community at large in the fight against crime, such as community safety forum. Community safety forum is functional and meetings are held quarterly.

The following graph compares the crime statistics for the municipal area for 2013 and 2014

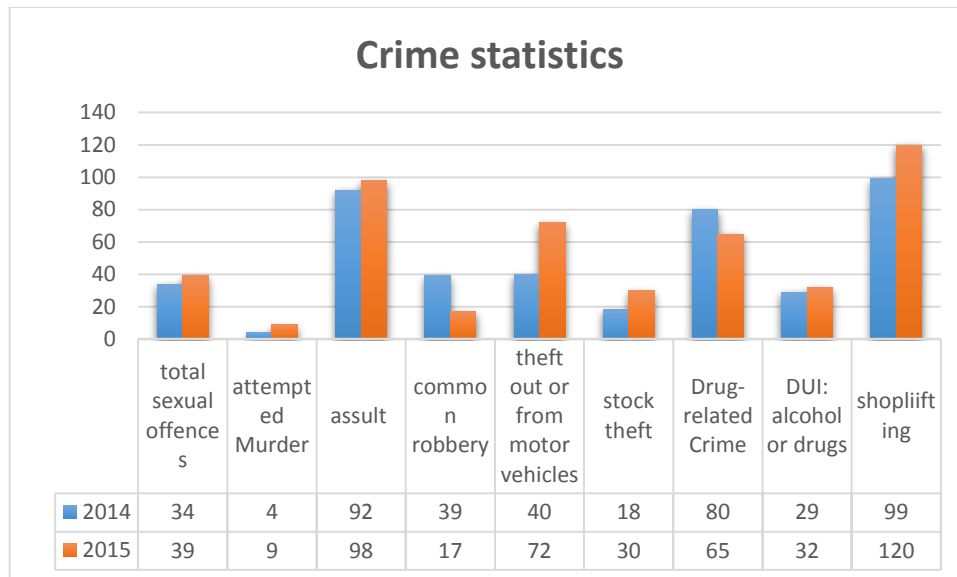


Figure 8: source: Crime Statistics South Africa

2.4.11 Disaster Management

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

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

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

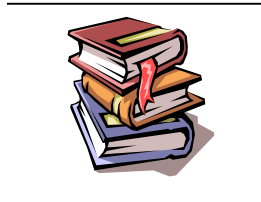
- Limited financial and human resources
- Lack of equipment and tools
- Awareness on disaster Management
- Lack of support and integration of services from other stakeholders

SUMMARY OF SOCIAL PROFILE

Average annual population growth: 0.46%

Average Household size: 4

(2001-2011)



Literacy Levels

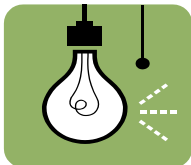
- No schooling aged 20+: 9.5%
- Matric aged 20+: 12.7%
- Higher Education 20+ :5.8%

Female headed households 55.3%

unemployment: 38.7%

youth Unemployment : 47.2%

ACCESS TO SERVICES



44.9%

Electricity as energy source for lighting

Weekly Refuse Removal: 10.9%



10.4 %

Flush toilets connected to Sewage

VIP TOILETS: 49.5%

Without Sanitation : 40.1%

Piped water inside dwelling: 12.2%
Piped (tap) water inside yard: 15%
Piped (tap) water on community stand: distance less than 200m from dwelling: 28%

Source: STATISTICS South Africa CENSUS 2011

2.5 ECONOMIC PROFILE

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

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

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

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

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

2.5.1 Size of the Local Economy

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

The real value of goods produced and services rendered totalled R622 414 (at 2005 constant prices (R1000)).the sectors that contributed the most to this output were government services, trade and financial services. Economic sectors that are major within Matatiele Local Municipality are mainly secondary and tertiary. The Primary sector is explored on a small scale and primarily includes Agriculture.

2.5.2 Sectorial Analysis

Table 8 below, details the gross operating surplus for the economic sectors within Matatiele local municipality for the years 2012 and 2013.

ECONOMIC SECTORS		GROSS OPERATING SURPLUS (Year2012) RMillions	GROSS OPERATING SURPLUS (Year2013) RMillions
1	Tertiary sector	1 361	1 410
2	Wholesale and retail trade	534	559
3	Finance, insurance, real estate and business services	393	412
4	Secondary sector	250	247
5	Transport, storage and communication	187	187
6	Transport and storage	181	180
7	Manufacturing	154	149
8	Community, social and personal services	125	128
9	Primary sector	83	83
10	Agriculture, forestry and fishing	80	80
13	Construction	75	78
14	Food, beverages and tobacco	28	28
15	Petroleum products, chemicals, rubber and plastic	23	23
16	Catering and accommodation services	18	19
17	Textiles, clothing and leather goods	4	5
18	Wood, paper, publishing and printing	4	4
19	Mining and quarrying	3	3
	TOTAL	3 749	3 841

SOURCE: Eastern Cape socio Economic consultative council.EC economic statistics.2015

The dependency of the region on a small number of sectors increases its vulnerability to external factors. Drought, hailstorms, commodity price fluctuations, fires, etc. would negatively harm the agriculture sector, while activities such as labour strikes would adversely affect the government services sector.

Sector Comparative and Competitive Advantage

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

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

Table 9: competitive advantage, LED strategy

The adopted Matatiele LED Strategy analysed the economic sectors which exists within Matatiele. This subsection provides an overview of these sectors as they are considered important for current and future

employment opportunities, economic growth and quality of life. It also attempts to describe the challenges facing them and opportunities to improve the conditions.

2.5.2.1 Agriculture

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

The good quality of soil and favourable rainfall conditions suggest that its agricultural sector has the potential to be more productive, efficient and competitive than it is at the moment. In view of the many opportunities and challenges facing emerging farmers within the municipality, this sub-section devotes its attention to the discussion of emerging farming in the municipality. It is worth pointing out that emerging or semi-commercial farmers are previously disadvantaged farmers who aspire to increase their share of the commercial farming market.

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

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

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

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

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

A number of emerging goat producers and goat producer organisations exist in the area. However, commercial goat product processing activities are very limited. The meat and/or meat products are also sold in various parts of Matatiele, including its rural areas. Their skins are also processed into belts and shoes. There is a need however to improve facilities and to expand the market by addressing the following challenges:

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

Available opportunities in livestock farming in Matatiele include:

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

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

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

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

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

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

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

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

2.5.2.2 Tourism

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

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

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

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

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

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

Winter Tourism: Since snow is often experienced in winter, the municipality may consider exploring the possibility of introducing skiing as one of the tourism activities in the municipal area,

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

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

2.5.2.3 Forestry

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

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

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

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

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

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

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

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

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

2.5.2.4 Commerce

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

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

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

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

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

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

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

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

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

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

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

2.5.2.5 Construction

The construction sector Matatiele has been growing in recent year due to the infrastructural development initiatives in the towns and surrounding areas. These initiatives include among other things buildings and construction of roads. These growth of the sector has created business opportunities for young entrepreneurs who specialise in building, production of blocks and bricks, sand mining and other raw materials.

Although the sector is growing, there are still challenges such as limited access to other materials such as steel and cement which are not supplied locally.

Unemployment is a challenge especially among the youth within the municipality this is not uncommon trend as this is witnessed in the country as a whole. Young people are unable to get jobs at a desired rate within this in some instances due to lack of skills. In the municipality there are limited suppliers of materials locally, the

demand is higher than the supply, even with the supply of blocks and bricks, and this therefore presents an opportunity for growth and development of young entrepreneurs into this sector.

During the community engagements conducted by the municipality, it has been identified that there are various challenges which young and emerging entrepreneurs face within the sector which include among other things; limited access to funding opportunities to grow their businesses. For examples, during these engagements the following suppliers were among the young entrepreneurs starting up and needing funding: *Imida – Yam Developments (PTY) Ltd*, which deals with all types of construction work such as Civils and building (concrete works. General building, sanitation, water, guard rails roads etc). The company also manufactures hollow building blocks and provides transport service (8 ton drop side truck). Another is *Siyavuva Construction* which provides welding services as well as the distribution of welding supplies to individuals and contractors, schools and hardware's.

The construction sector within the municipality has the potential to provide more job opportunities in the based on the rapidly increasing fiscal allocations for public infrastructure.

2.5.2.6 Manufacturing

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

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

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

2.5.2.7 The Informal Sector

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

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

2.5.2.8 Mining

Little quarrying activity takes place in the municipality. However, the majority of operators, a significant number of them are not registered. The stone that is extracted is used in road construction projects and in building houses. There is a potential for exporting the stone to various parts of the country for building purposes. Since there is an abundance of river sand in the municipality, sand mining is a common activity in the municipality. Most of the sand obtained from the local river banks is exported to other municipalities for construction

purposes. It is also believed a number of environmental management areas and eco-tourism with the potential for diamond, coal and paraffin mining exist in Wards 8 and 24. Its recommendation in this regard is that detailed investigations into these potentials should be undertaken.

2.6. ENVIRONMENTAL ASSESSMENT

2.6.1 Topography

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

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

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

2.6.2 Soil

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

Sedimentary rock – is a shallow greyish brown and yellow-brown soil on partially weathered rock. They may have prominent bleached layers in the upper subsoil. The latter in particular are extremely erodible and should normally not be cultivated. Rock outcrops are common. Much of these soils in the study area is cultivated or was cultivated in the past. According to the Natural Resource Conservation Act and subsequent legislation pertaining to the Eastern Cape, most of the soil in this category should not be cultivated, while some soil forms, only if the slope is less than 12%. Soils on plateaus are sometimes deeper and sandier with neocutanic properties and may have water tables that are perched. Because of their position on the landscape they are less erodible. They are normally arable provided the slope is less than 12% be the upper limit.

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

2.6.3 Geology

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

2.6.4. Grasslands

The land cover within Matatiele is dominated by unimproved grasslands and degraded grasslands. 111,928 ha (25.7%) within the municipality is covered by degraded grasslands, which are generally associated with high levels of soil erosion and gulling, and low livestock carrying capacities. Such degradation leads to siltation in water bodies, and general loss of ecosystem integrity within rivers and terrestrial areas. 56.1% of the

municipality has retained its natural or near natural state (in other words unimproved grassland, water-bodies, wetlands etc). The concerning corollary is that 43.9% of the area is in a non-natural, transformed or degraded state (in other words urban/settlement areas, cultivated land, plantation and degraded grassland etc). This implies that a large proportion of the municipality has more or less lost its original ecosystem functioning and biodiversity status.

2.6.5 Sensitive Vegetation

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

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

2.6.6 Land Cover

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

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

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

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

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

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

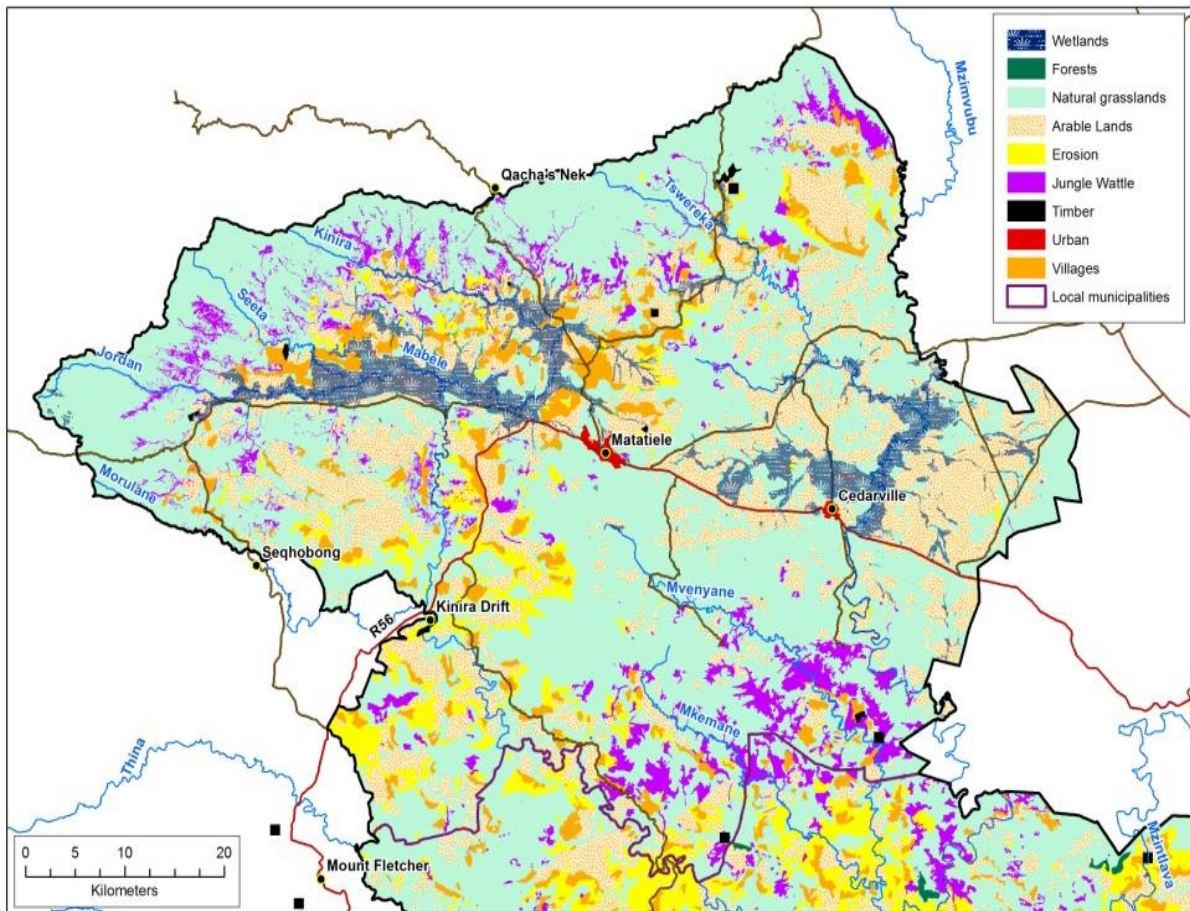


figure 9; Source: Environment Rural Solutions: Matatiele municipal lands cover

2.6.7 Temperature and Rainfall

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

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

2.6.8 Environment Management

The ANDM Environmental framework 2013² identifies the following key areas and outcomes for the Matatiele local municipal area:

² Alfred Nzo District Municipality Environmental Management Framework April 2013.

ZONE	OUTCOMES
Jungle wattle	Wattle infestation in Matatiele Local Municipality is mainly concentrated in the upper catchment and around Mvenyane and Mkhemane. Poorly managed clearing programmes that have lacked the necessary follow-up have resulted in even denser infestations. Infestations reduce water flow in rivers and the availability of natural grazing areas
Natural Grassland	Approximately 60% of the Matatiele local municipality can be considered “natural”, which means it has not been transformed into another land type but may have been upgraded by poor range management. The grassland biome is the most threatened and least protected type in southern Africa, and the health of the upper catchment grasslands is vital for the recharge, resilience and health of the freshwater systems in the rest of the district. Matatiele LM has the only alpine grasslands in the Alfred Nzo district.
Urban	Thought essentially a rural LM, Matatiele has to address issues of urbanisation to ensure all the towns remain functional and attractive investments, tourism and residential areas. The two urban centres of Matatiele and Cedarville, and the Maluti Township, are constantly changing due to the rapid growth and development. While most of the developments in the Matatiele and Cedarville are planned, there is a dire need to match the plans with the limits of the ecosystem and infrastructure services to achieve a sustainable future. Major issues to be addressed to ensure functional towns include proper waste management, adequate water quality and quantity, flood damage avoidance, traffic management, provision of proper housing, air quality control. Many of these issues have a direct impact on people’s Health and livelihoods. A unique feature of Matatiele town is that it has a formal protected area within its boundaries, which adds value to the town’s services and attractiveness, especially as a major tourism hub on the Maloti and R56 urban areas.
Severely Eroded Areas	Most of the erosion in Matatiele LM is associated with poor agricultural practices; both crop and animal production. This has led to large areas being irreparably eroded (all topsoil and vegetation gone). Poor planning of road drainage and poor maintenance of roads are also major contributors to soil erosion.
Villages	Villages comprise low-density dwellings and their gardens, but exclude the surrounding arable fields and rangelands. The density and sizes of villages varies according to the availability of natural resources, and according to the history of settlements in the area. There are generally low densities in commercial farming areas and further away from road networks
Arable lands	Although there are extensive areas of arable land in Matatiele LM, much of it is fallow or abandoned, especially in the communal areas. Such areas have reverted to a form of grassland, dominated by unpalatable species. Soil erosion from fields (active or abandoned) is a huge problem, especially on the steeper slopes and near water

courses, impacting on ecosystem services and the production potential of the future. Little effort is made to conserve the soil or maintain fertility, and sustainable food security within the municipality is a big concern, especially in sustainable farming areas.

Wetlands

Matatiele has an extensive system of regionally and nationally important wetlands, some of which have been degraded by draining arable agriculture or livestock grazing. There is need to conserve and rehabilitate damage wetlands to restore their finality. These wetlands provide an extremely important regional function in terms of water purification and flow control (flood and dry season flow rate).

Forest Reserves

Matatiele being the dominated by natural grasslands has only small pockets of forests but are very important for the persistence of forest fauna and flora across the region. Although not strictly forests, the *Protea* savannah in the high-lying areas and the riverine bush along river courses are very important woody ecosystems that are worth protecting.

Formal Protected Areas

The two protected areas in Matatiele LM are presently the only ones in Alfred Nzo DM, Matatiele Nature Reserve presently conserve 4 801 ha or 0,55% of East Griqualand Grassland vegetation type which is poorly protected elsewhere. Malekgalonyane (Ongeluknek) Nature Reserve (ONR) with a proclaimed area of 12 448.6 ha is both a regional and national asset and a core protected area within the network that contributes towards the conservation of the biodiversity and cultural representatively of the Maloti Drakensberg Transfrontier Project bioregion. The ONR has within its boundaries the high altitude wetland complex, one of only a few where extensive wetlands occur at altitudes greater than 2 400 m. The reserve represents the southernmost formally protected portion of the Drakenberg Alpine Centre of plant diversity and only formally protected alpine wetland mires (2400m). ONR has extensive invasions of alien vegetation.

National Protected Area Expansion (NPAES)

The NPAES is a National framework for an Integrated, co-ordinated and uniform approach to the expansion and consolidated of the National Pas. PA expansion would contribute to meeting national biodiversity targets and moving towards adequately conserving a representative Sample of the country's biodiversity and maintaining key ecological processes across the landscapes.

5 km Buffer

Area around a protected area where there are specific restrictions around resource use to provide an added layer of protection to parks and nature reserves while providing value and benefits to the neighbouring communities. Such an area is essential around the formally protected areas to ensure that destructive activities do not encroach into the protected areas, and to reduce pressure on the organism inside the protected area.

Cedarville Conservancy	The Cedarville Conservancy seeks to expand the grassland area under conservation management, through addressing some of the serious threats facing the health of ecosystem within its boundary of 6 private farms.
Area high significant for climate change	Matatiele has a few of the intact landscapes that have been identified as important in contributing to climate change resilience in ANDM and the Eastern Cape Province. Keeping these areas in a natural or near-natural state will help ecosystems and species to adapt naturally to climate change, thus supporting ecologically healthy landscapes and the ability of ecosystems to continue to provide a range of ecosystem services. These include the water source in the high lying areas the major streams and rivers and the wetland areas.
Areas of moderate significance for climate change	These are moderately intact near natural areas that are not strategically important for climate change adaption because of modifications through different kinds of developments. Some of the landscapes which otherwise be significant for climate change have been modified and have different levels of degradation. Such areas cover the landscapes in Matatiele LM, and most of them have undergone significant transformation mostly associated with lack of planning of utilization of the landscapes.
Area of low significance for climate change	The zone covers the biggest proportion of the municipal physical area. It is dominated by alien vegetation invasions, erosion, widespread settlement sprawl, degraded river systems and unmanaged agricultural expansion.

PRIORITY ENVIRONMENTAL ISSUES FOR MATATIELE

Land Degradation

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

Degradation of Water Resources

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

Resource Fragmentation

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

Climate Change

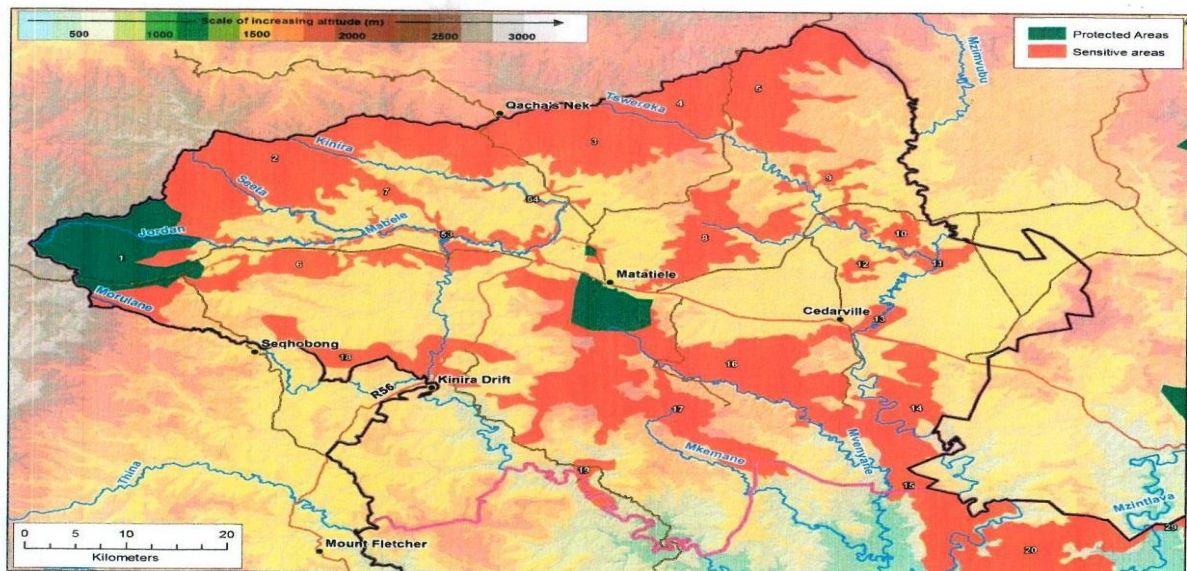
Increased incidences of floods and drought

- Desertification
- Shorter growing seasons
- Water shortages

Institutional Capacity

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

The following map shows the Matatiele local municipality's Sensitive areas as well as well the Matatiele Lm Protected areas expansion Map: Figure 10: Source ANDM EMR 2013



Matatiele LM Sensitive Areas Map

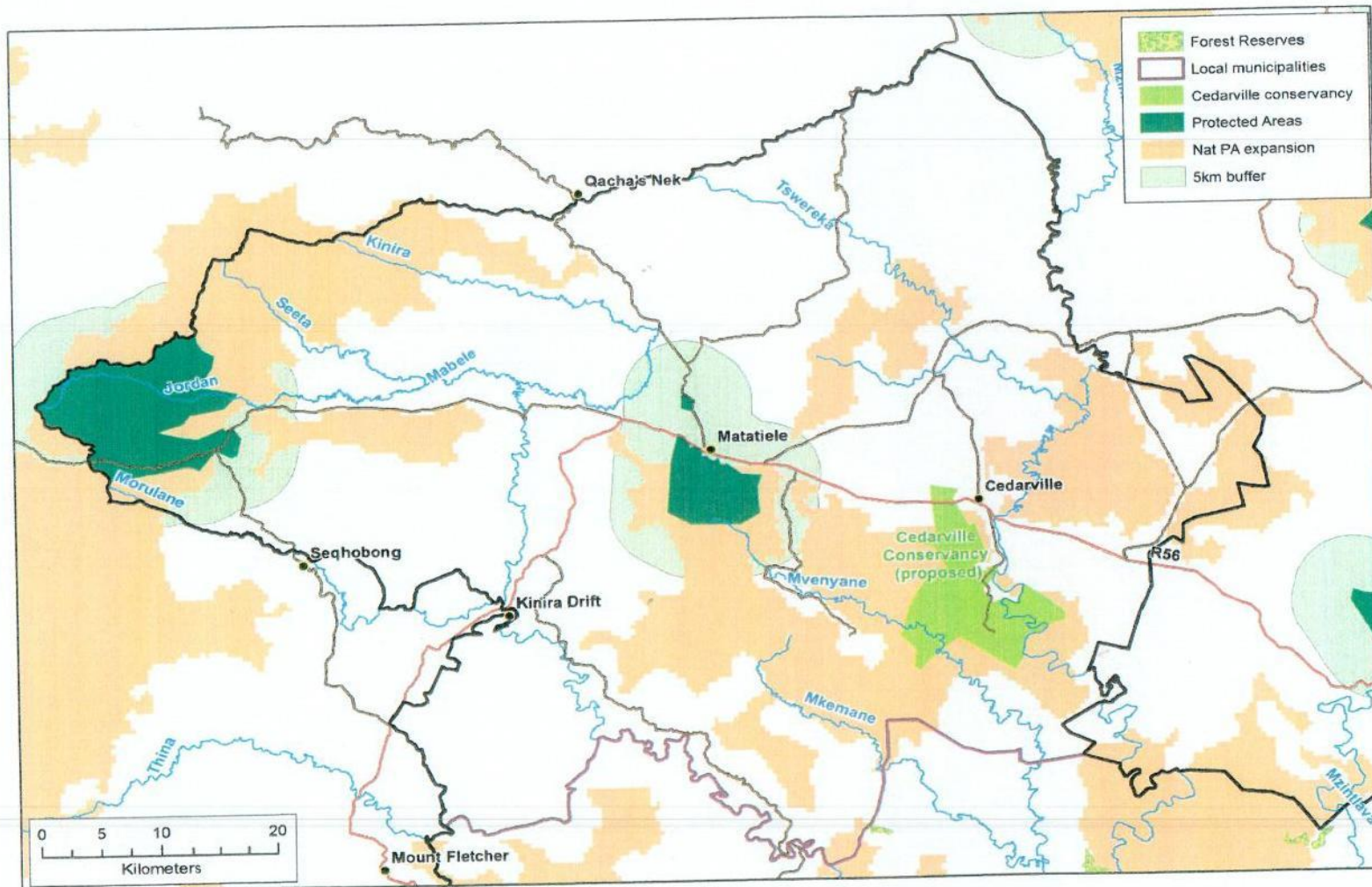


Figure 11: Source: ANDM EMF 2013: Matatiele LM Protected Areas Expansion Map

2.6.9 Climate Change Vulnerability Assessment

Alfred Nzo District Municipality, through the support received from Conservation South Africa, has undertaken a scientific study to examine the vulnerability and resilience of the district as a whole to climate change impacts. The study was carried out fewer than three (3) concepts, that is:

- *Areas of Supporting Climate Change Resilience*
- *Ecosystem-based Adaptation and*
- *Ecological Infrastructure*

This process was informed and guided by the Lets Respond - Toolkit Guide (A Guide to Integrating Climate Change Risks and Opportunities into Municipal Planning, 2012) developed jointly by the Departments of Environmental Affairs (DEA) and Cooperative Governance (CoG) and in collaboration with South Africa Local Government Association (SALGA). As a means of support and reporting on the study, a Climate Change Committee comprising of all five (5) municipalities (District and 4 Local municipalities) as well as other relevant stakeholders was formed. Each local Municipality within Alfred Nzo district, including Matatiele, was studied in depth in terms of climate change resilience and mitigation and adaptation measures that can be adopted were presented.

The study revealed that in the medium term (50 year), the average temperature can be expected to rise by 1.7°C across the district while in the long term (100 year) the average temperature is expected to rise by 3.7°C. The coastal area within the district (Mbizana LM), as is the pattern across South Africa, will tend to have slightly smaller predicted increases than inland areas such as Matatiele LM. The coastal versus inland difference is more marked in the longer term, with Mbizana increasing in temperature by an average of 3.5°C and Matatiele by 4°C. In terms of rainfall change, it is worth noting that the study revealed that the Alfred Nzo district is one of the least impacted districts in the country. In the medium term, small decreases in rainfall are predicted across most of the district, with the main changes being small spring and summer decreases, and similarly, small autumn and winter increases. The winter increases will not be sufficient to offset the summer rainfall decreases. In the longer term, the initial changes in rainfall changes are in fact largely reversed with very small 5.4mm increase predicted across the district.

Alfred Nzo district is made up of three (3) biomes, namely, Grasslands, Savannah and Coastal Belt. Each biome has a characteristic climate envelope or a range and pattern of temperature and rainfall values within which it occurs. The study has revealed that conditions associated with the Coastal Belt Biome will gradually push inland in the short term and continue with this trend in the longer term. Areas with a climate envelope characteristic of Savannah persist in the medium term and longer term and push dramatically inland into areas previously experiencing a Grassland associated climate envelope. It is likely that this change is largely associated with raised winter temperatures which all tree seedlings establish in areas where frost would previously have excluded them. Areas with a climate envelope characteristic of the Grassland Biome will be the most impacted by climate change in the Alfred Nzo district, according to the study. In the medium term, large portions of the grassland climate envelope are likely to be lost, while in the longer term, areas with these climate characteristics are likely to be restricted to the higher altitude areas only.

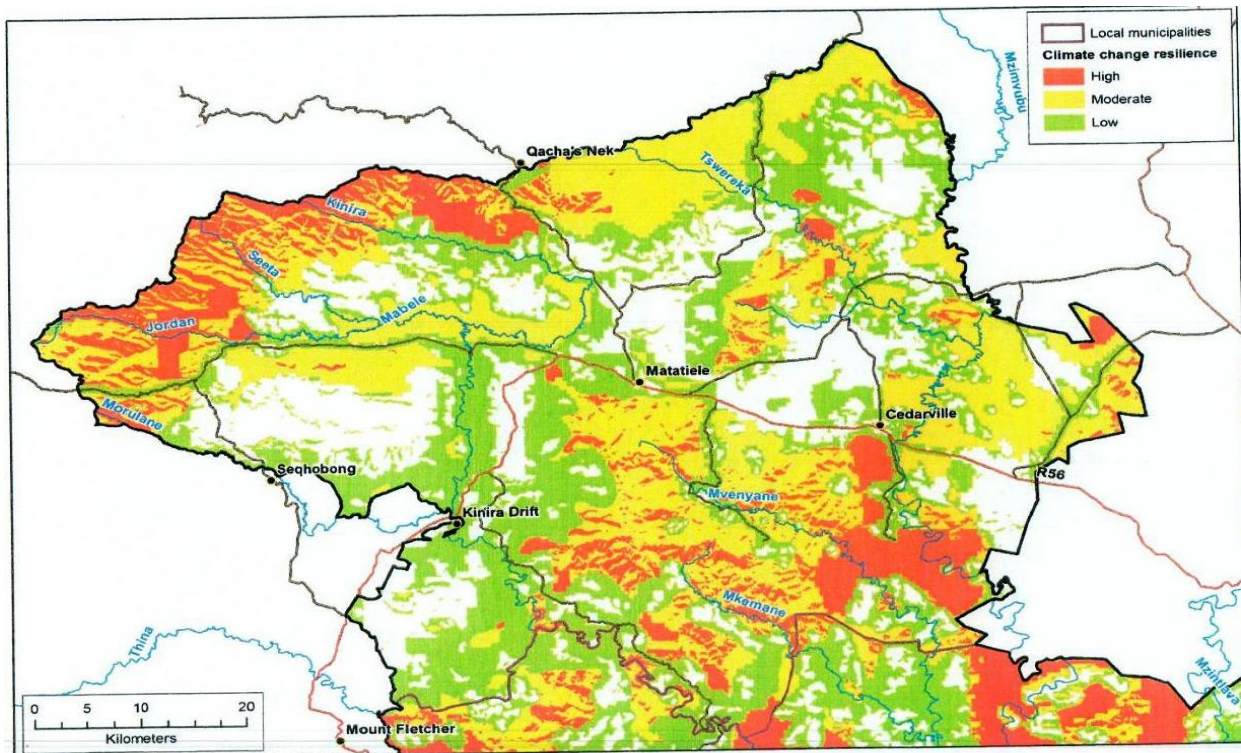
INITIATIVES AND PROGRAMMES TO ADDRESS CLIMATE CHANGE

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

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

The map below is the climate resilience map and, shows the areas which are highly significant, of Moderate significance and of low significance for climate change:

Figure 12: Source ANDM EMF 2013: Matatiele LM climate resilience Map



2.7 COMMUNITY NEEDS

2.7.1 Ward needs

The development of the IDP is a consultative process, which incorporates inputs from the community, Representative Forums, Traditional Leaders, Sector Departments and other Stakeholders. The 2016/2017 IDP community outreach was conducted from the 14 to the 18 of September 2015. During this five-day period, all 26 wards were visited at their respective venues. The community members were given an opportunity to express their concerns regarding the service delivery and also to identify some of the service delivery backlog, and issues that need to be prioritized.

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

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

2.7.2 Ward Based Plans

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

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

2.7.3 Summary of Priority services for intervention

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

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

- **WATER**

In all the wards, water is a priority. Ward 1 to 26 are experiencing a challenge with accessing water. In most wards, there are still villages that do not have access to clean portable water. In Some villages, people still draw water from streams and have to travel several kilometres to access water. In some wards where there are taps, the water supply is not consistent; residents go for a number of days without water. There is also a concern as some schools also do not have access to clean drinking water. Some schools have water tanks but no water.

- **ELECTRICITY**

There is a great urgency in most wards with regards to electricity, and in many wards electricity is a priority. Out of the 26 wards, nine (9) wards are completely not electrified. Wards such as 5,7, 9, 13, 14, 18,22, 23, 16 (Majoro) and 26 (Bulfontein) are among the wards that have emphasized the need for electricity .

- **SANITATION**

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

- **ROADS and ACCESS ROADS**

There is still a great need for construction of access roads and maintenance of access roads. Within each ward, access roads have been identified as a priority the recent floods and heavy rains, the condition of most roads, including access roads, district roads as well as T-roads has worsened, making it virtually impossible for vehicles to travel in other areas and access to services rather difficult.

- **SPORTS AND RECREATIONAL FACILITIES**

Matatiele local Municipality has a youthful population and there's a need for investment in social services and facilities to meet the needs of this growing population. Sports facilities, especially in rural areas, including multi-purpose centres are a priority. Recreational facilities such as parks in the three towns are needed. In most wards, young people have emphasized the need to have the mayoral cup the mayoral cup tournament.

- **JOB OPPORTUNITIES**

Unemployment is prevalent within the municipality, especially amongst the youth. In every ward, unemployment has been raised as an issue of concern especially among the youth. There is a great need to provide employment opportunities and equip people with the necessary skills that are needed and also encourage entrepreneurship.

- **TERTIARY INSTITUTIONS**

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

- **INTERVENTION ON STOCK THEFT**

The issues of stock theft is a challenge across the municipality. In almost all the ward, community members raised concerns about the impact of stock theft in their communities. This has become a critical issue and have urged that intervention to this should be sought. Some of the possible solutions raised in ward 13, is the provision of a helicopter.

Matatiele local Municipality has a youthful population and there's a need for investment in social services and facilities to meet the needs of this growing population. Sports facilities, especially in rural areas, including multi-purpose centres are a priority. Recreational facilities such as parks in the three towns are needed.

The Following table indicates the priorities identified during the Ward Based planning process and inputs during the IDP outreach in 2015.

WARD 1: HIGH PRIORITIES	WARD1: MEDIUM PRIORITIES
Proper Running Water	Titled Deeds and Street Names
Sanitation	Street Lights
Maintenance of access roads and internal street	Rural Housing
	Drive ways
	Proper Shopping Centre
WARD 2: HIGH PRIORITIES	WARD 2: MEDIUM PRIORITIES
Proper running water	Shopping Centre/ Mall (Motsekoua)
Electricity	Job creation initiatives
Maintenance of access roads and storm water drainage	Clinic
	Community Halls
	Preschool Renovations
	More High Schools
	Old age Home
WARD 3: HIGH PRIORITIES	WARD 3: MEDIUM PRIORITIES
Proper running water	Maintenance of access roads
RDP houses	Job creation initiatives
Electricity	Mining licenses and certificates
	Assistance on projects: Thatch grass, peaches harvesting
WARD 4: HIGH PRIORITIES	WARD 4: MEDIUM PRIORITIES
Electricity	Bridge : Maphokong
Proper running water	Scholar transport
Maintenance of access roads	Rural Housing
	Sport Fields
	Clinic
	Police Station
	School for the Disabled
WARD 5: HIGH PRIORITIES	WARD 5: MEDIUM PRIORITIES
Electricity	Sanitation
Maintenance of access roads and provincial and district roads	Rural Housing
Water	Sports Fields
	Bridges
	Library
WARD 6: HIGH PRIORITIES	WARD 6: MEDIUM PRIORITIES
Water	Community Hall
Electricity in Sub Villages and infill's	Rural Housing
Maintenance of access roads and provincial and district roads	Clinic and hospice
	Funding programmes for SMME'S
	Library
	Renovation of preschools
WARD 7: HIGH PRIORITIES	WARD 7: MEDIUM PRIORITIES
Water	Sanitation
Maintenance of access roads and provincial and district roads.	Rural Housing
Electricity	Multi-purpose centre and sport field
	Fencing of grave sites

	Fencing of fields
	Community hall
WARD 8: HIGH PRIORITIES	WARD 8: MEDIUM PRIORITIES
Maintenance of access roads and provincial and district roads.	Electricity infill's
Foot Bridge: Lagrange	Multipurpose centre and sports fields
Job creation initiatives	Preschools
	Assistance on Sand mining
	Massive food production programmes
	clinic
	Tourism initiatives
WARD 9: HIGH PRIORITIES	WARD 9: MEDIUM PRIORITIES
Electricity	Rural Housing
Proper running water	Sanitation
Maintenance of access roads and provincial and district roads.	Maintenance of bridges
	Dipping tanks
	Assistance with agriculture initiatives
WARD 10: HIGH PRIORITIES	WARD 10: MEDIUM PRIORITIES
Proper running Water	Silindini access road – new
Ndzondweni Access road	Myendeka extension of Hlomendlini accesroad
Silindini electrification	Sanitation (1 Sijoka, 2 Lunda, Caba)
	Water (Myendeka, Magonqolkweni, Silindini)
	Electricity extension
	Housing
	Youth co-operatives
	Library for Magadla SSS
	Police station
WARD 11: HIGH PRIORITIES	WARD 11: MEDIUM PRIORITIES
Electricity	clinic
Maintenance of access roads and provincial and district roads.	Police station
Water	Job creation initiatives
WARD 12: HIGH PRIORITIES	WARD 12: MEDIUM PRIORITIES
Electricity at Nkau/Sera	Rural Housing
Maintenance of access roads and provincial roads.	Sanitation
Proper running water	Fencing of Fields
	Need Police Station
WARD 13: HIGH PRIORITIES	WARD 13: MEDIUM PRIORITIES
Electricity	Mpharane High school
Maintenance of access roads and provincial roads and bridges	Multipurpose centre
Rural Housing	Gladstone, Tlhakanelo, Kholokoe bridges
	Mohapi, Mpharane, Mahareng, & Maslopha pre-schools
	Land rehabilitation
	Massive food production
	Shopping Centre
WARD 14: HIGH PRIORITIES	WARD 14: MEDIUM PRIORITIES
Maintenance of access roads and provincial roads and bridges.	Rural Housing
Electricity	Upgrading of the water scheme
Sanitation	Clinic

	Preschool
	Community hall
WARD 15: HIGH PRIORITIES	WARD 15: MEDIUM PRIORITIES
Proper running Water	Maintenance of access roads and bridges.
Electricity	Police station
Rural housing	Community halls
	Pre-schools
	Sheering shed
	Sports fields
WARD 16: HIGH PRIORITIES	WARD 16: MEDIUM PRIORITIES
Electricity	Maintenance of access roads and provincial roads and bridges.
Proper Running Water	Community Halls
Sanitation	Pre – schools
	Clinic & mobile clinic
	Scholar transport & AB350 Bus
	Job creation initiatives
	Youth development programmes
WARD 17: HIGH PRIORITIES	WARD 17: MEDIUM PRIORITIES
Proper running Water	Sanitation
Constructions of new access roads and bridges, Maintenance of access roads	Rural Housing
Electricity	Network Pole
	Pre school
	Community Hall
	Assistance with SMME funding
WARD 18: HIGH PRIORITIES	WARD 18: MEDIUM PRIORITIES
Electricity	Health Facilities
Constructions of new access roads and bridges, Maintenance of access roads, provincial roads and district roads.	Community Halls
Water and Sanitation	Job creation initiatives
	Rural Housing
	Sport fields
	Wattle removal programme
WARD 19: HIGH PRIORITIES	WARD 19: MEDIUM PRIORITIES
Middle income Housing	Maintenance of internal roads In residential areas, speed humps.
Proper running water	Maintenance of the sewerage system
Street lights	Youth centre and indoor sports centre
	Arts and culture theatre
WARD 20: HIGH PRIORITIES	WARD 20: MEDIUM PRIORITIES
Proper running water	Sanitation
Constructions of new access roads and bridges, Maintenance of access roads, provincial roads and internal streets.	Electricity
Sidewalks and speed humps	Street lights

	Rural housing
	Job creation initiatives and SMME Support
	Programmes to deter substance abuse and crime
WARD 21: HIGH PRIORITIES	WARD 21: MEDIUM PRIORITIES
Job creation initiatives	sanitation
Proper running water	Ploughing projects
Maintenance of access roads and provincial roads and bridges.	Sewing projects
	Compaction of dongas
	Implementation of access roads
	Recycling programme : plastics, bottles, tin, etc
WARD 22: HIGH PRIORITIES	WARD 22: MEDIUM PRIORITIES
Water	Disaster relief Housing
Electricity	Rural Housing
clinic	Piggery Projects
	Job creation initiatives
WARD 23: HIGH PRIORITIES	WARD 23: MEDIUM PRIORITIES
Electricity	Rural Housing
Water	Post office
Health facilities	Access roads (Emitshatshaneni and Mangolong)
	Community halls
	Sports field
	Satellite police station
	Pre-school
WARD 24: HIGH PRIORITIES	WARD 24: MEDIUM PRIORITIES
Water	Rural housing
electricity	Community Hall
Maintenance of access roads and provincial roads and bridges.	Sports fields
	Renovations of pre-schools
	Clinic
WARD 25: HIGH PRIORITIES	WARD 25: MEDIUM PRIORITIES
Electricity	Clinic
Water	RDP houses
Maintenance of access roads and provincial roads and bridges.	Play grounds
	Library
	Pre-schools (Ned village)
	High schools
WARD 26: HIGH PRIORITIES	WARD 26: MEDIUM PRIORITIES
Clinic	Constructions of new access roads and bridges, Maintenance of access roads, provincial roads and internal streets.
Electricity	Maintenance of sports stadium & community halls
Proper running Water	Reactional facilities for youth
	Job creation initiatives and SMME support programmes

CHAPTER 3: STRATEGIC FRAMEWORK

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

3.1 DEVELOPMENT STRATEGY

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

3.1.1. MUNICIPALITY VISION

Matatiele Local Municipality has adopted the following vision;

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

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

3.1.2. MISSION STATEMENT

Matatiele Local Municipality’s mission is:

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

3.1.3 CORE VALUES

The values of Matatiele Local Municipality are:

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

3.1.4 KEY STRATEGIC PRIORITIES

In working towards this Vision set out above, the council of Matatiele local municipality has identified six key strategic priorities:

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

Development strategy for Matatiele Municipality is based on the notion of developmental local government as introduced in the Constitution, and given effect in terms of various pieces of legislation establishing local government structures. This compels that the planning process should be aligned to the developmental agenda of the government, taking into considerations the development plans and strategies from national and Provincial spheres of government.

The diagram below indicates the alignment of the these six key priorities, with the strategic priorities from the Provincial Growth and Development Plan (2014 -2030) as well as the Medium strategic framework (2014-2019)

MEDIUM TERM STRATEGIC FRAMEWORK (2014 - 2019)

- **Strategic Priority 1:** speed up economic growth and transform the economy to create decent work and sustainable livelihoods
- **Strategic Priority 2:** massive programmes to build economic and social infrastructure
- **Strategic Priority 3:** a comprehensive rural development strategy linked to land and agrarian reform and food security
- **Strategic Priority 4:** strengthen the skills and human resource base
- **Strategic Priority 5:** improve the health profile of society
- **Strategic Priority 6:** intensify the fight against crime and corruption
- **Strategic Priority 7 :** build cohesive, caring and sustainable communities
- **Strategic Priority 8:** pursue regional development, African advancement and enhanced international cooperation
- **Strategic Priority 9:** sustainable resource management and use
- **Strategic Priority 10:** Build a developmental state, including improving of public services and strengthening democratic institutions. build cohesive, caring and sustainable communities



EASTERN CAPE PROVINCIAL GROWTH AND DEVELOPMENT PLAN (2014 -2030)

- Redistributive, inclusive and spatially equitable economic development and growth - prioritising investments in, and the development of, rural regions to address need and structural deficiencies, as well as tap potential.
- Quality Health - fundamental to human functionality and progress.
- Education, Training & Innovation - pivotal to human development, societal well-being and a regenerative, self-sustaining civilisation.
- Vibrant, cohesive communities - with access to decent housing, amenities and services.
- Institutional Capabilities - important to underpinning the developmental agency of both state and nonstate institutions.



MLM: KEY STRATEGIC PRIORITIES: 2012-2017

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

3.1.4 ORGANISATIONAL STRUCTURE

Matatiele Local Municipality (EC441) is a Category B Municipality as determined by the Demarcation Board in terms of Section 4 of the Municipal Structures Act 1998. The Municipality functions under the Collective Executive system consisting of nine (9) Executive members of whom one is the Mayor. The Council consists of 52 Councillors including the members of the Executive Committee, the Speaker, the Chief Whip and nine Traditional Leaders. Of the 52 Councillors, 26 are Ward elected Councillors. The Council has six (6) standing committees which are chaired by Portfolio Heads.

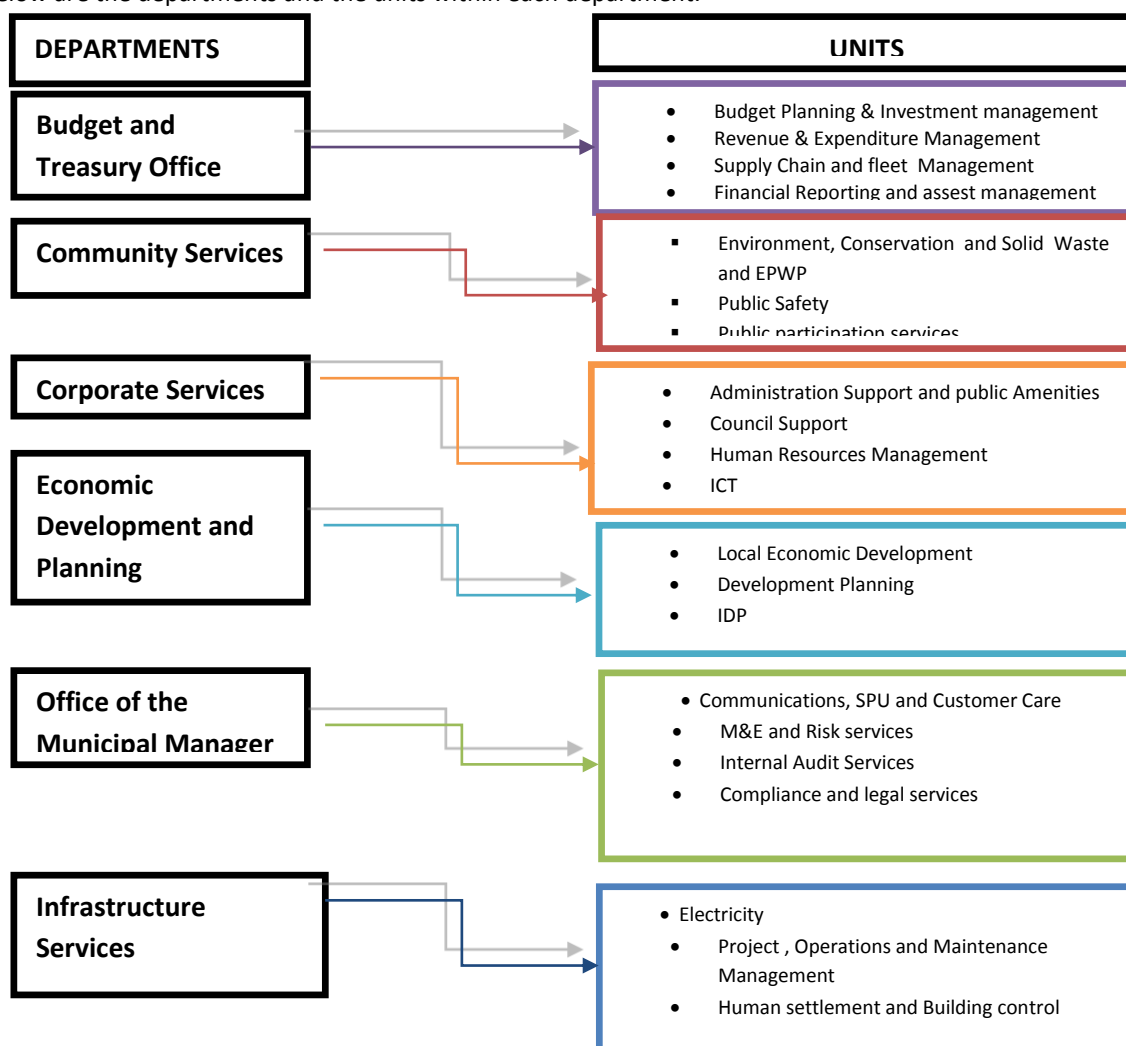
The six (6) portfolios of the municipality are as follows:

- Budget and Finance – Portfolio Head: Cllr. P.M Stuurman
- Community Services – Portfolio Head: Cllr. M.M Mbobo
- Corporate Services – Portfolio Head: Cllr. N.Mshuqwana
- Local economic Development – Portfolio Head: Cllr. N. A Nkukhu
- Infrastructure –Portfolio Head :Cllr. S. Mngenela
- Communications and Special Programmes Unit- Cllr: N. Ngwanya

3.1.5 MUNICIPAL ADMINISTRATION

The Municipality’s organisational structure comprises three hundred and thirty six (375) positions within six (6) departments and twenty one (21) units. The management comprises of the Municipal manager, 5 General Managers (2 vacant).Matatiele Local Municipality has four offices located in the following areas, i.e Maluti, Matatiele Civic Building, EDP offices and Cedarville.

Below are the departments and the units within each department.



3.1.6 STAFF PER DEPARTMENT AND COSTING AS PER THE STAFF ESTABLISHMENT

EMPLOYEES ON CONTRACT

DEPARTMENT	UNITS IN THE DEPARTMENT	NUMBER OF POSTS PER DEPARTMENT	NUMBER OF VACANT POST PER DEPARTMENT	COST OF VACANT POSTS
Budget and Treasury	<ul style="list-style-type: none"> Budget Planning & Investment Management Financial Reporting & Assets Management Revenue & Expenditure Management Supply Chain and Fleet Management 	41	06	R 1,833,841.90
Community Services	<ul style="list-style-type: none"> Environment Management and EPWP Public Participation Services Public Safety 	108	12	R 4,597,539.55
Corporate services	<ul style="list-style-type: none"> Admin Support & Public Amenities Human Resources Management ICT 	59	07	R 1,480,485.49
Economic Development and Planning	<ul style="list-style-type: none"> Local Economic Development Development Planning IDP 	25	05	R 1,255,739.43
Infrastructure Services	<ul style="list-style-type: none"> Electricity Project, Operations and Maintenance Management Human Settlement and Building Control 	116	05	R 963,227.11
Office of the Municipal Manager	<ul style="list-style-type: none"> Communications, SPU and Customer Care Internal Audit Services M&E and Risk Services Compliance and Legal Services 	24	03	R 1,219,607.25
TOTAL		375	38	R 10,130,833.48

Position	Department	Length of contract
The General Managers	Corporate Services , Community services, Budget and Treasury, Infrastructure services, Economic development and Planning, Office of the Municipal Manager	5 Year Contract
Middle Managers	Corporate Services , Community services, Budget and Treasury, Infrastructure services, Economic	5 Year Contract

	development and Planning, Office of the Municipal Manager	
Chief Labour Relations Consultant	Corporate Service Department	2 Years
Project Coordinator	Infrastructure Services Department	3 Years
EPWP Coordinator	Community Services Department	3 Years
EPWP Programme Implementation Officer	Community Services Department	3 Years
EPWP Programme Implementation Officer	Community Services Department	3 Years
Data Capture	Community Services Department	3 Years
Coordinator Plant Management	Infrastructure Services Department	2 Years

MUNICIPAL POWERS AND FUNCTIONS

The powers and function for Matatiele local Municipality as well as Alfred Nzo District Municipality are indicated in the table below:

FUNCTION	MATATIELE LM	ALFRED NZO DM
Air pollution	X	
Building regulations	X	
Electricity reticulation	X	
Fire Fighting	X	X
Local Tourism	X	X
Municipal airports and Aerodrome	X	
Municipal planning	X	X
Municipal Health Services		
Municipal Public Transport	X	
Pontoons and Ferries		X
Storm water	X	
Trading regulations	X	
Water (potable)		X
Sanitation		X
Billboards and the display of adverts in public places	X	
Cemeteries, Crematoria and funeral parlous	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	X	
Street lighting	X	
Traffic and parking	X	

3.2 KEY DEVELOPMENTAL PRIORITIES: PRIORITIES, OBJECTIVES AND STRATEGIES

A municipal/Council Strategic planning session was held on 7- 11 February 2016 to formulate immediate and future development Objectives, Priorities, Targets, strategies and Key Performance Indicators to address the developmental issues and to budget accordingly as identified through community needs analysis. Taking into consideration the limited resources and the scope of service delivery backlogs, priorities' objectives as well as strategies were formulated to address the developmental issues, as per the assessment of the current situational analysis. The subsequent discussion is linked directly to the findings on the Situational Analysis and taken further to realise the developmental vision of the municipality. The focus is intended to achieve appropriate and sustainable delivery of services and create an enabling framework for social and economic development.

PRIORITIES, OBJECTIVES AND STRATEGIES

KPA	Priorities	Objectives	Demand	TARGET	KEY PERFORMANCE INDICATOR	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Service Delivery and Infrastructure	Maintenance of existing community facilities	To ensure that existing community facilities are maintained	Maintenance and repairs of all community facilities needing repairs	Maintenance and Repairs of 5 community halls by 30 June 2017	Number of community halls maintained by set date	3 community halls maintained in 2015-16 FY	Number of community facilities identified per routine assessments (Bad State)	Use of in-house staff and service providers	Cedarville Town hall (26) Madimong comm. Hall (03), Mafube Comm. Hall (08) and Zibi Mayor Comm. Hall (24)	R 800 000.00	Corporate services: admin support & public amenities
				Maintenance and Repairs of 10 Community Pre Schools by June 2017	Number of Pre Schools maintained by set date	3 Pre Schools maintained for the 2015-16FY	Number of community facilities identified per routine assessments (Bad State)	Use of in-house staff and service providers	Malubalube (02), Zanovuyo (03), Siyakhula projects (20),	R100 000	Corporate services: admin support & public amenities
				Chemicals, uniform, Routine maintenance and repairs of swimming pool throughout the year	Weekly maintenance done and Repairs done by set date	Maintenance reports done weekly for 2015-16 FY	Rusting water and leakage at the swimming pool.	Use of in-house staff for maintenance, use of service provider for the repairs and service of pumps to be done	Swimming pool maintenance and repairs (19)	R 300 000.00 R 100 000.00 R 100 000.00	Corporate services: admin support & public amenities
				Maintenance and Repairs of 3 Sports fields by 30 June 2017	Number of Sports fields maintained by set date	2 sports fields maintained in 2015/16 FY	Number of Sports fields identified per routine assessments	Use of service providers	Thandanani Stadium (20), North End Stadium (19) and Cedarville Stadium (26)	R 100 000.00	Corporate services: admin support & public amenities

KPA	Priorities	Objectives	Demand	TARGET	KEY PERFORMANCE INDICATOR	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
				Monthly routine maintenance and repairs of community facilities, toilets and fencing by 30 June 2017	Number of facilities maintained and repaired monthly by set date	Community facilities as per the asset register	Number of community facilities identified per routine assessments	Conduct routine assessments of facilities to identify facilities needing maintenance	Routine maintenance and repairs of halls, preschools, public toilets, and sports fields	R 800 000.00 R 200 000.00 R 60 000.00 R 150 000 .00	Corporate services: admin support & public amenities
Basic Service Delivery	Supply fire, rescue and disaster services	To provide immediate response when fire, disaster	Rescue, Fire and Disaster management	Purchase of BA Compressor by 30 June 2017	Equipment purchased by set date	No BA compressor	required Compressor	Acquire equipment from service provider	Purchase of BA Compressor	R100 000.00	Community Services : public safety
				upgrade the fire station by 30 June 2017	Upgrade complete by set date	Aerodrome building	The existing structure needs update	Convert aerodrome to fire station	Upgrade fire station Fencing of aerodrome	R250 000.00 R50 000.00	Community Services : public safety
				Purchase of 2 rescue vehicles by 30 June 2017	Number of vehicles purchased by set date	Bakkie and fire engine currently used	Lack of adequate rescue vehicles	Acquire 2 vehicles	Purchase of rescue vehicles	R500 000.00	Community Services : public safety
				Maintenance and service of fire hydrants in Matatiele, maluti. and Cedarville by 30 June 2017	Number of hydrants serviced and maintained by set dates	Functional fire hydrants in the areas	Servicing of hydrants	Conduct routine maintenance of fire hydrants	Maintenance and service of fire hydrants	R100 000.00	Community Services : public safety

KPA	Priorities	Objectives	Demand	TARGET	KEY PERFORMANCE INDICATOR	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Service delivery & infrastructure	Testing of vehicles and people	To provide adequate services for testing of vehicles and people (driving)	Improved service on testing and licencing	To test 12000 people and vehicles for licenses by 30 June 2017	Number of vehicles and people tested	Approximately 9000 people and vehicles tested	Increasing number of people and vehicles yearly	Utilise the new facilities and staff to improve services: for drivers licences	Testing for drivers licenses and vehicle licencing	operational	Community Services : public safety
Service delivery & infrastructure				licensing and registration of new and existing vehicles by 30 June 2017	Number of vehicles licencing and registration	Approximately 7000 vehicles licenced	Increasing number of people and vehicles yearly	Utilise the new facilities and staff to improve services	Testing of vehicles and people for licences	operational	Community Services : public safety
Service delivery & infrastructure	Road traffic safety	To improve road traffic safety	Road worthiness of vehicles within the municipality area	Systematic stopping and checking of vehicles as per Dep. Transport guideline by 30 June 2017	Number of cars stopped and checked per guide lines	Minimum 15 cars stopped per day by each traffic officer	Routine checking of vehicles	In house traffic officers to conduct operations	Systematic stopping and checking of vehicles	Operational	Community Services : public safety
Service delivery & infrastructure	Road traffic safety	To improve road traffic safety	To deter reckless driving behaviour on the road	Conduct daily routine patrols in the Municipal area by 30 June 2017	Number of patrols conducted	Daily patrol	Improved visibility in areas outside the CBD	Conduct day and night shifts Issuing of sect 56 and 341 fines In- pounding of vehicles	Routine patrols within the municipality areas	Operational	Community Services : public safety
Service delivery & infrastructure	Environmental Management	Provide accommodation to tourists at Mountain Lake	1 cottage	To build two bedroom cottage at mountain lake by June 2017	cottage structure	1 cottage	3 cottages	Construction of 1 Cottage using service provider	Mountain Lake cottage	R1500 000 0	Community Services: environment, conservation & solid waste

KPA	Priorities	Objectives	Demand	TARGET	KEY PERFORMANCE INDICATOR	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Service delivery & infrastructure	Promotion of environmental management and conservation	To rehabilitate erosion in the Nature Reserve	1 hectare	To rehabilitate donga erosion in the Nature Reserve by June 2017	Size of area rehabilitated	One hectare has been rehabilitated	1 hectares of damaged area	Construction of gabions through assistance of EPWP Personnel	Donga rehabilitation	R250 000	Community Services: environment, conservation & solid waste
Service delivery & infrastructure	Environmental Management and Conservation	To fence the Cedarville commonage	7 kilometres	To construct 7 kilometres of fence in the Cedarville commonage by 30 June 2017	Number of kilometres	19km	Commonage not total fenced	Construction of the fence through assistance of EPWP Personnel	Cedarville Commonage Fencing	R250 000	Community Services: environment, conservation & solid waste
Service delivery & infrastructure	Environmental Management and Conservation	To establish 20km of fire breaks in Matatiele Nature Reserve	20km	To establish 20km of firebreaks in the Nature Reserve by 30 June 2017	Number of kilometres	None	20km	Establishment of fire breaks through assistance of firefighting team.	Fire breaks establishment	DEDEAT Funding(R500 000)	Community Services: environment, conservation & solid waste
Service delivery & infrastructure	Environment and Waste management	To curb illegal dumping sites in Matatiele	Elimination of illegal dump sites	To identify and eradicate illegal dumping sites by 30 June 2017	Monthly reports	08 illegal dumps in Matatiele and one in Cedarville	None	By-law enforcement and conducting awareness programmes	Control of illegal dumping	R 100 000	Community Services: environment, conservation & solid waste

KPA	Priorities	Objectives	Demand	TARGET	KEY PERFORMANCE INDICATOR	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Service delivery & infrastructure	Environment and waste management	To promote good waste management practices	10 waste skip bins and 2 Skip loader trucks	To place skip bins in the illegal dump areas by 30 June 2017	Number of skip bins	24 skip bins	15 skip bins	To source and place bins in the illegal dump prone areas	Illegal dump control	R3000 000	Community Services: environment, conservation & solid waste
Service delivery & infrastructure	Environment and Waste Management	To promote good waste management practices	To reduce the amount of waste landing into the landfill site	Construction of a Waste buy Back centre by 30 2017	Constructed Buy-Back centre structure	There is an existing licenced landfill site	None existence of recycling facility	The construction of Waste Buy-Back centre	Waste Buy-Back Centre	R2000 000	Community Services: environment, conservation & solid waste
Service delivery & infrastructure	Environmental and waste Management	To promote good waste management practices	Waste removal in CBD	To clean and remove waste in the CBD by 30 June 2017	Number of days	CBD Waste removal	None	To use service providers to collect refuse	Waste removal	CRR	Community Services: environment, conservation & solid waste
Service delivery & infrastructure	Environmental and waste Management	To promote good waste management practices	Waste removal in the residential areas	To remove waste in the residential areas by 30 June 2017	Number of days	Cedarville, Maluti and Matatiele Towns	None	To use service providers to collect refuse	Waste removal	CRR	Community Services: environment, conservation & solid waste
Service delivery & infrastructure	Promotion of environmental management and conservation	To provide and maintain adequate recreational park	Public Recreational park	To maintain recreational park by 30 June 2017	Number of parks	Open spaces and gardens in Matatiele	Recreational park	To maintain recreational parks and gardens	Park management	R50 000	Community Services: environment, conservation & solid waste
Service delivery & infrastructure	Cemetery Management	To provide adequate burial services	Management of cemeteries	To provide adequate cemetery management by 30 June 2017	Number of graves dug	3 cemeteries	None	To use service providers	Cemetery management	R2000 000	Community Services: environment, conservation & solid waste

KPA	Priorities	Objectives	Demand	TARGET	KEY PERFORMANCE INDICATOR	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Service delivery & infrastructure	Environmental and waste Management	To promote good waste management practices	Grass cutting in the CBD and residential areas	To cut and remove grass in ward 01, 19, 20 and 26 by 30 June 2017.	Number of reports compiled by set date.	Cedarville, Maluti, Harry Gwala, Mountain View and CBD	None	To use service providers to conduct grass cutting.	Grass cutting in the CBD and residential areas	R 3 675 000.00	Community Services: environment, conservation & solid waste
Service delivery & infrastructure	Environmental Management and conservation	To improve road infrastructure in the in the Landfill site	1.5 kilometres	maintain the landfill site access road by 30 June 2017	Number of km maintained by set	1.5 kilometres	1.5 kilometres	To utilize the municipal plant to maintain the road	Maintenance of Landfill access road	R 25 000.00	Community Services: environment, conservation & solid waste
Service delivery & infrastructure	Environmental Management and conservation	To improve road infrastructure in the Nature reserve	10 kilometres	Maintain the nature reserve road by 30 June 2017	Number of km maintained by set	10km	10km	To utilize the municipal plant to maintain the road	Maintenance of nature reserve access road.	R 60 000.00	Community Services: environment, conservation & solid waste
Service delivery & infrastructure	Ensure that the one external audit is carried out annually by an approved environmental consultant	To ensure that the landfill site is managed to the require standards	Audit of the land fill site	Conduct a landfill audit report by 30 June 2017	Date of the Landfill Audit report	Current land fill site has been conducted	N/A	To conduct a Landfill Audit	Landfill Audit	R 1 575 000.00	Community Services: environment, conservation & solid waste
Service delivery & infrastructure	Sports fields	Ensure that sporting facilities are available in communities	05 Sports fields	Construction of sports centre in Matatiele by 30 June 2017	Sport facility completed by set date	04 number	04 number	Utilise MIG allocation	Matatiele Sports Centre	R5 800 000	Infrastructure Service Department:P O&MM
Service delivery & infrastructure	Roads	Ensure accessibility to all communities of Matatiele Local Municipality	28km	28.1km of access roads constructed by 30 June 2017	Virgin roads upgraded to gravel roads	637.2km	774.8km	Utilise Equitable Share and MIG allocation	Kamorathaba – Tsepisong AR-ward 03 (3.8Km)	R2 445 302	Infrastructure Service Department:P O&MM
									Manase AR-ward 02 (2.4 Km)	R2 200 422	

KPA	Priorities	Objectives	Demand	TARGET	KEY PERFORMANCE INDICATOR	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
									Zazingeni-Mazizini AR-ward 04 (6.5Km)	R3 453 399	
									(Mangopeng AR & bridge-ward142.7Km)	R2 420 000	
									Soloane AR-ward24 (4.4Km)	R3 080 742	
									Khaue AR-ward25 (2.5Km)	R2 137 500	
									Sandfontein AR-ward26 (5.8Km)	R2 402 902	
Service delivery & infrastructure	Surfaced Roads	Ensure that gravel roads in all 03 towns of Matatiele Local Municipality are upgraded to tarred roads	Completion of Construction of roads rolled over from 2016/17	10km of surfaced roads constructed by 30 June 2017	Gravel roads upgraded to tar roads	49.88km	625.4km	Utilise MIG allocation	Maluti Internal Streets Phase 3, Matatiele Internal roads (CBD & Area C)	R1 925 000	Infrastructure Service Department: P O&MM
				15.1 km of access roads constructed by 30 June 2017	Virgin roads upgraded to gravel roads	637.2km	774.8km	Utilise Equitable Share and MIG allocation	Sijoka AR-ward 10 (6.5Km)	R5 613 356	Infrastructure Service Department: P O&MM
									Mehloloaneng AR-ward 16 (8.6Km)	2 230 000	
Service delivery & infrastructure	Bridges	Ensure that communities are accessible	05 -Bridges	02bridges constructed by 30 June 2017	Bridges constructed	09 bridges	04 bridges	Utilise Equitable Share and MIG allocations	Lagrange Pedestrian Bridge Thlakanelo Culvert bridge	R4 Million (2M each)	Infrastructure Service Department: P O&MM
Service delivery & infrastructure	Market	Promote LED	Market	01 market constructed by 30 June 2017	Constructed Market by set date	01 market	1 market	Utilise MIG allocation	Fresh Produce Market-Phase 2	R4 090 600	Infrastructure Service Department: P O&MM
Service delivery & infrastructure	Kerbing and Channelling	To ensure that roads and assets are maintained	15000m of kerbing and channelling	Install 3000 m of kerbing and channelling by 30 June 2017.	Number of Meters of kerbing and channelling done by set date	11450m	3550m	Use in house staff , equitable share and own plant	Kerbing, Cement and quarry material for Matatiele, Cedarville and Maluti towns.	R 500 000	Infrastructure Service Department: P O&MM

KPA	Priorities	Objectives	Demand	TARGET	KEY PERFORMANCE INDICATOR	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Service delivery & infrastructure	Maintenance of all storm water drains and pipes.	To ensure that all communities are protected against flooding	1500m of pipes 50 000m of drains	Install 600m of pipes and 10 000m of drains excavations by 30 June 2017.	Number of Meters of pipes and drains excavations installed by set date	1290.3m 22863.7m	209.7m 27136.3m	Procurement of pipes and installations by TLB and in-house staff 10 000m drainage excavations by in-house staff and TLB	Concrete storm water pipes installation in the CDB and driveway pipes at various places in Matatiele, Cedarville and Maluti. Drainage excavations in Maluti, Cedarville and Matatiele.	R 200,000.00	Infrastructure Service Department:P O&MM
Service delivery & infrastructure	Maintenance of all surfaced roads.	To ensure that existing surfaced roads are maintained.	50 000m ² of surfaced road maintenance	15 000m ² of surfaced road maintenance by 30 June 2017.	Number of Square meters maintained by set date	24305.7m ²	25694.3m ²	Procurement of the material and application thereof using in-house staff and own plant.	Pothole repairs and verge tarring in Matatiele CBD, Maluti and Cedarville.	R500,000.00	Infrastructure Service Department:P O&MM
Service delivery & infrastructure	Maintenance of all gravel roads.	To ensure that existing gravel roads are maintained.	250 Km of gravel road to be maintained and rehabilitated	27.8 Km of roads to be maintained and rehabilitated by 30 June 2017.	Number of Kilometres maintained and rehabilitated by set date	927.53 Km	283.83 Km	Use own plant and equitable share funding	Maintenance and rehabilitation of gravel roads in the following wards(21, 25, 11, 12, 13,18,22,2,6,8 and 9	R 800,000	Infrastructure Service Department:P O&M
Service delivery & infrastructure	Eradicate electricity backlog in rural areas	To provide households with basic electricity by 30 June 2017	18294	611 connections done by 30 June 2017	Number of connections done by set date	No electricity in villages	18294	Utilize funding INEP	Rural electrification	R 80 000 000.00	Infrastructure Services: Electricity
Service delivery & infrastructure	To provide additional electrical capacity in town	Increase capacity by building a new substation	5MVA	To complete a new substation by 30 June 2017	Completed new substation by set date	NMD exceeded. No capacity available for expansion	5MVA	Utilise funding INEP	New substation		Infrastructure Services: Electricity
Service delivery & infrastructure	To provide security lighting in low cost housing developments	Provide security lighting by means of high mast lights	5 high mast lights	To install 5 high mast lights by 30 June 2017	Number of high mast lights installed by set date	No security lighting in low cost housing developments	21 High mast lights	Utilise funding CRR	High mast lights	R 1 500 000.00	Infrastructure Services: Electricity

KPA	Priorities	Objectives	Demand	TARGET	KEY PERFORMANCE INDICATOR	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Service delivery & infrastructure	Replace old/obsolete infrastructure	Replace overhead line with underground cable in Taylor and Williams streets	Replace overhead line in two streets	Replace overhead line with underground cable in Taylor and Williams streets by 30 June 2017	Overhead line replaced with underground cable in Taylor and Williams streets	Obsolete distribution infrastructure	N/A	Utilise CRR funding	Replace overhead line in Taylor and Williams streets	R 500 000.00	Infrastructure Services: Electricity
Service delivery & infrastructure	Maintain MV and LV distribution system	Ensure continuity of electricity supplies to consumers.	Extend the life cycle of infrastructure	maintenance of distribution system by 30 June 2017	Number of maintenance schedules completed by set date	Ongoing maintenance	N/A	Utilise CRR funding	Mains	R 700 000,00	Infrastructure Services: Electricity
Service delivery & infrastructure	Maintain MV distribution buildings	Keep buildings in good condition	Extend the life cycle of infrastructure	maintenance of distribution system on municipal buildings by 30 June 2017	Number of buildings repaired by set date	Ongoing maintenance	N/A	Utilise CRR funding	Buildings	R 50 000.00	Infrastructure Services: Electricity
Service delivery & infrastructure	Repairs to streetlights	Ensure streetlights are working	Lighting	Repair street light by set date by 30 June 2017	Number of complaints received by set date	990 streetlights	N/A	Utilise CRR funding	Streetlights	R 200 000.00	Infrastructure Services: Electricity
Service delivery & infrastructure	Replace old/obsolete infrastructure	Replace Ring Main Unit at swimming pool	Obsolete RMU	Replace Ring Main Unit at swimming pool by 30 June 2017	Number of RMU's replaced by set date	Obsolete distribution infrastructure	N/A	Utilise CRR funding	Replace RMU	R 150 000.00	Infrastructure Services: Electricity
Service delivery & infrastructure	Maintenance of Electrical Infrastructure	Improve maintenance by procuring test equipment	Procure test equipment	Procure test equipment (Ductor tester; Protection relay tester) by 30 June 2017	Test equipment procured by set date	Inadequate test equipment	N/A	Utilise CRR funding	Tools and Equipment	R 900 000.00	Infrastructure Services: Electricity

KPA	Priorities	Objectives	Demand	TARGET	KEY PERFORMANCE INDICATOR	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Basic service delivery and infrastructure	Phase 2 of Fresh Produce	To support local businesses and hawkers to access fresh produce,	01 number	01 number of fresh produce constructed by 30 June 2017	facilities completed by set date	Phase 1 completed	01 number	Utilise MIG allocation	Matatiele Fresh Produce	R250 600.00	Infrastructure Service Department: human settlements
Basic service delivery and infrastructure	Office Landscaping	Beautification of Public offices	01 number	01 number of landscaping completed by 30 June 2017	Landscaping completed by set date	No landscaping done	01 number	Utilise CRR allocation	Matatiele Office landscaping	R 500 000.00	Infrastructure Service Department: human settlements
Basic service delivery and infrastructure	Electrical Depot Office	Provide office space for Electrical Unit	01 number	01 number Electrical Depot Office completed by 30 June 2017	Electrical Depot Office completed by set date	No Electrical Depot Office	01 number	Utilise CRR allocation	Matatiele electrical depot (addition to BTO).	R1000 000.00	Infrastructure Service Department: human settlements
Basic service delivery and infrastructure	Council Chamber's and Offices	Provide office space for Councillors	01 number	Council Chamber completed by 30 February 2017	Council Chamber completed by set date	Insufficient office space	01 number	Utilise CRR allocation	Matatiele Council Chamber's	R18500 000.00	Infrastructure Service Department: human settlements
Basic service delivery and infrastructure	Indigent Support	Identify and support households that are indigent in a municipal jurisdiction.	Provision of indigent support to beneficiaries	Supply 12 613 registered approved indigent beneficiaries by 30 June 2017	11700 to be approved by 30 June 2017	12 613 Indigent applicants on the register. 11700 beneficiaries currently receiving the support through Grid and Non Grid Energies.	2 200 are not benefiting due to insufficient funds	Invite indigent people per ward through ward clerks and ward councillors, complete the application forms, do a verification of those forms and if approved then supply with free basic service.	Provision and Supply of free basic services to Indigent Beneficiaries.	12 000 000	BTO – Revenue Management Unit.
Basic Service Delivery and infrastructure	Municipal Annual Procurement Plan	Preparation of integrated Procurement Plan	Approved Procurement Plan to control and manage municipal	To have an approved Procurement Plan by 31 July 2017 Implementati on Quarterly	Approved procurement plan by set date	Approved Procurement Plan – 2016/17	Rolled over projects due to delays on procurement of services to	Prepare a plan that is in line with the approved budget and SDBIP.	Procurement Plan Management & Implementation	operational	BTO:SCM unit with departmental units

KPA	Priorities	Objectives	Demand	TARGET	KEY PERFORMANCE INDICATOR	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
			procurements of goods and services	of 80% of the approved procurements by 30 June 2017.			implement such projects				
Basic Service Delivery and Infrastructure	Roll over application	Ensure that an application is done and submitted to National Treasury on amount not spent in the 2015/2016 financial year.	Spending of funds for the projects from previous year.	Approved roll-over application from national treasury by 31 October 2016	Approved roll-over application from national treasury by set date.	2014/2015 roll-over approved by national treasury	None	Accounting of Retention funds monthly for all projects properly as per MFMA Circular. PMU to develop & update Retention Schedule monthly.	Unspent Grants Management.	R15 000	Budget and Treasury: Budget and financial reporting
Basic Service Delivery & Infrastructure	SMME Support – Agriculture infrastructure	To provide agriculture infrastructure – grain storage facilities	Need for grain storage facility	Construction of a grain storage facility by 30 June 2017	Constructed facility by set date	Available maize producers	Shortage of maize storage facilities	Appoint a service provider	Silo facility (phase 2)	R 1 000 000	Economic Development and planning :LED

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Institutional Transformation and Development	The development and implementation of Staff Establishment.	To plan, design and provide a sustainable human capital establishment.	Human capital needs of the organisation	Approval of a Staff Establishment by 30 June 2017	Approved staff Establishment by set date	2015/16 approved Staff Establishment.	Not all departmental human capital needs are met.	To utilise both internal and external resources for attainment of this objective	Development of staff Establishment	R 50 000	Corporate Services: human resources

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Institutional Transformation and Development	Employment of appropriately qualified Human Capital	Ensure quality human resources for the Municipality	Filling of post vacant as per the approved staff	100% Filling of budgeted vacant post (2016/17) by 30 June 2017	Percentage of posts filled as planned by set date	Budgeted posts on the staff establishment	Vacant post on the establishment	Facilitate recruitment and selection processes.	Filling of budgeted vacant posts	Operational	Corporate Services: human resources
Municipal Institutional Transformation and Development	Capacitated Human Capital	To Capacitate, develop, manage and maintain municipal human capital.	Need for the municipal work force to be trained	28 training programs to be rolled out by 30 June 2017	Number of trainings to be rolled out by set date	Twenty (25) training programs done in 15/16	Improve capacity through skills development	Utilization of service providers and in house trainings	Training of employees and councillors	R1 200 000.00	Corporate Services: human resources
			Provide study assistance for employees and councillors	100% payment of approved study tuitions for 2016/17 by 30 June 2017	Percentage of tuitions paid by set date	Tuition paid for 10 people in 2015/16	Increasing number study assistance request	Advertise for submission of study assistance request. Facilitate sitting of training committee meetings.	Payment of approved study tuitions for 2016/17	R150 000.00	Corporate Services: human resources
Municipal Institutional Transformation and Development	Human Capital development plan	To develop an annual workplace skills plan(WSP)	Capacity building for human capital	Approval of WSP and Submission to Local Government SETA by 30 April 2017	Approved WSP by set date	Municipal Institutional Transformation and Development	Human Capital development plan	To develop an annual workplace skills plan(WSP)	Capacity building for human capital	Operational	Corporate Services: human resources
Municipal Institutional Transformation and Development	Human Capital development plan	Implementation of EE ACT,no.55 of 1998 as determined by	Compliance with the EE ACT	Annual EE Plan reviewed by 31 December 2016	Reviewed plan by set date	2015/18 EE Plan	Annual review of plan	EE committee Utilise internal and external resources	Review of the EE Plan	Operational	Corporate Services: human resources

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
		the Department of Labour		Employment Equity Report submitted By 15 January 2017	Report submitted by set date	Submitted report to DoL on 5 January and 2015/18 EE Plan	Annual submission of the EE Report	Utilise the EE Plan and staff establishment	Submission of Employment Equity Report to Department of Labour (DoL)	Operational	Corporate Services: human resources
Municipal Institutional Transformation and Development	To have a conducive working environment	To capacitate staff on HR Policies	Improved performance by staff	Workshop six (6) municipal departments on HR policies done by 30 June 2017	Number of municipal departments that received workshops on HR Policies by set date	Reviewed HR policies	No workshop on HR policies conducted	Workshops to be conducted by HR unit	Performance Enhancement Workshops	operational	Corporate Services: human resources
				Workshop six (6) municipal departments on labour relations issues done by 30 June 2017	Number of municipal departments that received workshops on HR Policies by set date	Labour relations policy and other legislations	No workshops conducted on labour relation issues	Workshops to be conducted by HR unit	Workshops on labour relation issues	operational	Corporate Services: human resources
Municipal Institutional Transformation and Development	Leave management	Ensure compliance BCEA, no 79 of 1997	Efficient leave management	Monthly Administration of leave for employees by 30 June 2017	Number of monthly reports on leave management	Leave management policy	Improve leave management system	Electronic management of leave Monthly reports on leave	Administration of leave for employees	operational	Corporate Services: human resources
Municipal Institutional Transformation and Development	Employee and staff awards	To encourage and motivate employees and council working towards delivery of services in the municipality	Annual staff awards	To have recognition awards ceremony in by 31 December 2016	Number of employees and council members awarded	2015 awards ceremony held	none	Utilisation of internal and external resources	Staff recognition awards	R350 000.00	Corporate Services : Human Resources

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Institutional Transformation and Development	Employee health, safety, wellness and assistance programme	To provide a healthy, safe, secure and a productive work environment.	Healthy, safe ,secure and a productive work environment	To roll out four (4) educational awareness programmes on health ,safety and wellness for employees by 30 June 2017	Number of health, safety and wellness programmes rolled out by set date	Employee health and safety, workplace HIV/AIDS and EAWP policies in place	Absence of a conducive environment for effective management of health, safety and wellness issues	Utilisation of internal and external resources	Occupational health ,safety, wellness and employee assistance awareness programmes	operational	Corporate Services: human resources
				Establishment of OHS committee and safety Representatives by 30 June 2017	Established OHS Committee and appointed Safety Representatives appointed by set date	Existing committee and Reps appointed	Committee members and Preps need to be revived and trained annually	Utilisation of internal and external resources	Establishment of OHS committee and safety Reps	R 200 000.00	Corporate Services: human resources
				Conduct two (2) wellness programmes by 30 June 2016	Number of events conducted by set date	Employee health and safety, workplace HIV/AIDS and EAWP policies in place	Absence of a conducive environment for effective management of health, safety and wellness issues	Utilisation of internal and external resources	OHS and wellness day events	R450 000	Corporate Services: human resources
Municipal Institutional Transformation and Development	Efficient and effective implementation of governance system	To deliver an efficient and effective support to the functioning of the council and its committees	Compliance with the Rules and orders of the council	To facilitate the sitting of governance and oversight structures meetings in terms of the adopted annual calendar of meetings and Rules and Orders of the council by 30 June 2017	Number Of Meetings held as Per the Annual Calendar of meetings	Rules and Orders of Council Annual Calendar of meetings	Lack of adherence to the annual calendar of meetings and lack of a quorum at meetings	Implementation of annual calendar of meetings and monitoring of compliance with Rules and Orders of council	Facilitation of sitting of governance and oversight structures meeting meetings	Operational	Corporate Services : Admin support & public Ammenities

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Institutional Transformation and Development	Safe and Secure environment for municipal property and human resource	To provide safety and security for the Municipal property and human resources	Provision of security services to the municipal property and human resources	To monitor the provision security services on key municipal premises by 30 June 2017	Number of Monthly reports on the monitoring of provision of security services on key municipal premises	Service provider appointed	Sub-standard performance of the service provider	Use of security services to safeguard Municipal property and human resources	Safety and Security	R7 800 000	Corporate Services : Admin support & public Amenities
Municipal Institutional Transformation and Development	Satisfactory rendering of all auxiliary services to recipients	To coordinate provision of all auxiliary services within the Municipality	Provision of efficient and effective auxiliary services within the municipality	Monitor all auxiliary services within the Municipality by 30 June 2017	Number of quarterly reports on monitoring of all auxiliary services within the municipality	Appointed staff for rendering services and schedules	Untidy offices and misuse of messenger vehicles	Provision of the appropriate equipment and tools of trade to the employees	Monitoring of Auxiliary Services	Operational	Corporate Services : Admin support & public Amenities
Municipal Institutional Transformation and Development	Efficient and balanced ICT governance framework	To provide shared services to all users in all offices	Improved access to information	All users connected to the shared documents storage by 30 June 2017	Number of users connected by set date	Virtual Private Network (VPN) is in place	Users do not have access to the shared services	To configure VPN client to all municipal mobile computers to facilitate shared services	Shared document storage	operational	Corporate Services: ICT
Municipal Institutional Transformation and Development	Efficient and balanced ICT governance framework	To provide shared services to all users in all offices	A need for a provision of available services to users	100% functioning of Municipal Intranet and extranet by 30 June 2017	Percentage work done in establishing intranet and extranet by set date	Document sharing is made through emails	High redundancy and duplication of data	Establishment of Collaboration Workflows / Intranet	Municipal Intranet and extranet	R400 000	Corporate Services: ICT
Municipal Institutional Transformation and Development	Efficient and balanced ICT governance framework		Disaster Recovery Plan and Auditor General	To have an upgraded backup software by 31 December 2016	Upgraded backup software by set date	Standard version in place	To have back up software with full replication capabilities	To upgrade backup software from standard version to enterprise version	Upgrading of Veeam Replication Software to Enterprise	R150 000	Corporate Services: ICT
Municipal Institutional Transformation and Development	Efficient and balanced ICT governance framework	To provide shared services to all users in all offices	Permanent provision of linking of municipal offices	To have Traffic Offices connected to ICT Infrastructure through optical	Established ICT infrastructure connected to Traffic Offices by set date	There is VPN connection to Traffic Offices	VPN link	To link Traffic Offices to the entire Municipal ICT Infrastructure	Traffic Fibre Link	R500 000	Corporate Services: ICT

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
				fibre cable by 30 June 2017							
Municipal Institutional Transformation and Development	Efficient and balanced ICT governance framework	To provide shared services to all users in all offices	Secure and safe access to information and ICT Infrastructure	To have a reliable Data storage for Surveillance Cameras in the server room by 30 June 2017	Reliable Data storage established by set date.	Surveillance Cameras are isolated in offices	To have all Surveillance videos secure and accessible in one central place	To establish managed and archive all surveillance data in the municipality	Incorporation of Surveillance Cameras in all Municipal property	R400 000	Corporate Services: ICT
Municipal Institutional Transformation and Development	Effective and reliable user support environment	To provide shared services to all users in all offices	A need for responsive services	To maintain a fully functional help desk system by 30 June 2017	Functional help desk by set date	Incident Management Policy is in place	There's no call logging Management software system	Deployment of Operations and Service Manager Software	End-user computing support and Server Administration	200 000	Corporate Services: ICT
Municipal Institutional Transformation and Development	Secure and proper record-keeping and paperless work environment	To create a well-structured records and information management system	A well-structured records and information management environment and Electronic archiving	Monitoring of the Adopted File Plan by 30 June 2017.	Reports on workshops of the File Plan	File Plan adopted by Council as per CR 912/29/04/16	Lack of adherence to filing of information	Application of the latest information and records management technology	Records and Information Management	Operational	Corporate Services: ICT
Municipal transformation	National building regulation enforcement	To provide sustainable development and revenue enhancement	50 plans submitted and processed	To have 50 plans submitted and processed by 30 June 2017	Number of plans submitted and processed by set date	44 plans submitted and processed for the 2015/16Fy	200 notices	Done in house	Building enforcement	Operational	Infrastructure Service Department: human settlements
Municipal Institutional Transformation and Development	Cascade PMS to all levels	Improve monitoring of individual performance of employees	Performance Plans for Task Grades below 16	Signed Performance Plans for Task Grade 14-10 employees by 30 September 2016	Signed performance plans by set date	Task Grade 14-12 Plans signed in 2015/16 FY	PMS not cascaded down to lower levels of employment	- ensure that Plans are signed by the employee and the immediate manager	Signing of Performance Plans for Task Grade 14 – 10 Employees	Operational	Office of the Municipal Manager: M&E and Risk
				Quarterly performance reviews for Task Grade 14-10	Number of quarterly reports	Mid-year and Annual Performance Assessment	- facilitate quarterly assessments for	Quarterly performance Review for Task	Operational	Corporate Services: human resources	

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
				employees by 30 June 2017		s for 2015/16 FY		task grade 14 – 10 employees	Grade 14 – 10 Employees		
Municipal transformation and Development	Capacity building	To improve systems	2 trainings to be conducted	To have 2 trainings in quality assurance by June 2017	Number of trainings conducted by set date	Skills audit conducted in 2015/16 FY	3 trainings	Funded by human settlement	Capacity building	Operational	Infrastructure Service Department: human settlements
Municipal transformation and development	National building regulation enforcement	To provide sustainable development and revenue enhancement	50 plans submitted and processed	To have 50 plans submitted and processed by 30 June 2017	Number of plans submitted and processed by set date	44 plans submitted and processed for the 2015/16Fy	200 notices	Done in house	Building enforcement	Operational	Infrastructure Service Department: human settlements
Municipal Institutional Transformation and Development	Payroll administration	Ensure proper efficient payroll administration for the ,municipality	Monthly payment of salaries& benefits	12 monthly payroll reports for salary payments	Monthly payment of salaries by the prescribed date	Monthly payments of salaries and benefits	N/A	Payment of salaries on a monthly basis	Payroll administration	Operational	BTO: Revenue and expenditure unit

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Submission of monthly reports as per section 71 of MFMA	Ensure that we fully comply with MFMA – with regards to reports that need to be submitted.	12 reports per year submitted to Management Team	Submission of monthly (Section 71) reports to National Treasury, Provincial Treasury and mayor on the 10 th working of every month	Number of Section 71 reports submitted by set timeframe.	Monthly submission	None	Extract of Section 71 Reports from the Financial System and submit to National Treasury by the 10 th working day of the following month	Reports submitted to National Treasury as required to National and Provincial i.e. section 71, 72	operational	Budget and Treasury Office: Budget planning & financial reporting

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Submission of quarterly reports as per section 52 (d) of MFMA	Ensure that we fully comply with MFMA – with regards to reports that need to be submitted.	4 reports per year submitted to Management Team	Submission of quarterly reports (section 52d reports and withdrawal report) National Treasury, Provincial Treasury by the 10 th working of each quarter	Number of reports submitted by set timeframe	Quarterly reports	None	Extract quarterly reports from the financial system and submit to National Treasury by the 10 th working day of the following month.	Reports submitted to National Treasury as required to National and Provincial i.e. quarterly reports section 52 (d) of the MFMA	operational	Budget and Treasury Office: Budget planning & financial reporting
Municipal Financial Viability	Submission of banking details as per section 8 of MFMA	Ensure that we fully comply with MFMA – with regards to reports that need to be submitted.	One banking details submitted on an annual basis to National Treasury.	One annual banking details to be reported to National Treasury by 01 July 2016	Number of report submitted by set date	Bank account completed forms on an Annually basis	None	Extract the annual banking details form from the National Treasury website, complete it and send it back before 01 st July 2016.	Reports submitted to National Treasury as required to National and Provincial i.e. annual details of bank accounts	operational	Budget and Treasury Office: Budget planning & financial reporting
Municipal Financial Viability	Submission of quarterly reports as per section 52 (d) of MFMA	Ensure that we fully comply with MFMA – with regards to reports that need to be submitted.	4 reports per year submitted to Management Team	Submission of quarterly reports on withdrawal to National Treasury, Provincial Treasury by 30 June 2017	Number of reports submitted by set date	4 Withdrawal report submitted on a Quarterly reports in 2015/2016 financial year	None	Extract quarterly reports from the financial system and submit to National Treasury by the 10 th working day of the following month.	Reports submitted to National Treasury as required to National and Provincial i.e. withdrawal report	operational	Budget and Treasury Office: Budget planning & financial reporting

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Submission of monthly reports	Ensure that we fully comply with MFMA – with regards to reports that need to be submitted.	Submit 12 monthly reconciliations to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury	12 monthly reconciliations to be submitted to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury by the 10th working day of the following month.	Number of submitted monthly reconciliation by set timeframe	Submitted Bank reconciliation monthly basis to National Treasury.	none	Extract of financial information to reconcile from the financial system by the 10 th working day and report to relevant committees.	Completion of recons on a monthly basis and adherence to MFMA	operational	Budget and Treasury Office: Budget planning & financial reporting
Municipal Financial Viability	Submission of monthly reports	Ensure that we fully comply with MFMA – with regards to reports that need to be submitted.	Submit 12 monthly investment reports to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury	12 monthly investment register to be submitted to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury by the 10 th working day of the following month.	Number of monthly investment registers submitted by set timeframe	Submitted Investment register to National Treasury on a monthly basis	none	Request the bank statements from the bank to reconcile to the investment register by the 10 th working day and report to relevant committees.	Completion of recons on a monthly basis and adherence to MFMA	operational	Budget and Treasury Office: Budget planning & financial reporting

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Loan Register	Ensure that loans that were taken are being serviced	Servicing of taken loans and reporting to Management Team, Standing Committee, EXCO, Council and National Treasury.	12 reports on Repayments of loans taken and reported to Management Team, Standing Committee, EXCO, Council, National and Provincial Treasury by the 10 th working of the following month.	Number of reports on loan repayments by set timeframe.	Statement from the funder	none	Request the bank statements from the bank to reconcile to the investment register by the 10 th working day and report to relevant committees.	Completion of recons on a monthly basis and adherence to MFMA	operational	Budget and Treasury Office: Budget planning & financial reporting
Municipal Financial Viability	Submission of monthly financial statements as per section 122 of MFMA	Fully compliance with the requirements of the MFMA.	Submit monthly Financial Statements to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury	12 monthly financial statements to be submitted to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury by the 10 th working day of the following month.	Number of submitted monthly financial statements by set dates	12 report for financial year 15-16	None	Extract information from the financial system and complete the monthly financial statement by the 10 th working day of the following month.	Completion of financial statements on a monthly basis and adherence to MFMA	operational	Budget and Treasury Office: Budget planning & financial reporting

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Multi-year budget as per section 28 of the MFMA	Ensure that the municipality reports on the reviewed or adjusted budget as per expenditure pertains as at 31 st December 2016	Preparation of Adjusted budget in line with section 28 of the MFMA	Prepare and Submit adjusted budget to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury by the 28 th February of each year	Adjusted budget by submitted to Management Team, Standing Committee, EXCO, and Council by set date	2016/17 approved Budget	None	Review approved budget (mid-year performance) and identify which projects need to be adjusted. Obtain changes of projects from the relevant departments.	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office: Budget planning & financial reporting
Municipal Financial Viability	Multi-year budget as per section 21 (b) of the MFMA	Ensure that the municipality reports on the tabled budget process plan for 2017/2018	Submit Time schedule to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury	Budget Process Plan (One time schedule) submitted to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury by for the next financial year 10 months before start of new financial year	Submitted Process Plan to Management team, Standing Committee, EXCO, Council and National and Provincial Treasury by set date.	Submitted 2016/17 Time schedule to Management Team, EXCO, Standing Committee, Council and National and Provincial Treasury.	None	Develop a plan that will guide the municipality on how the 2017/2018 MTERF budget will followed as per the MFMA.	Ensure Budget process plan is approved	operational	Budget and Treasury Office: Budget planning & financial reporting

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Multi-year budget as per section 21 of MFMA	Ensure that the municipality reports on the tabled draft budget	Submit tabled annual budget to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Submit tabled draft budget that is aligned to the IDP 90 days before the start of a new financial year to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Tabled and submitted draft budget to Management Team, Standing Committee, EXCO, Council, National and Provincial Treasury by set date.	Submitted 2016/17 tabled budget to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury on the	None	Obtain inputs from the municipal departments by 31 st January 2017, stakeholder, and table it to council. Once tabled to Council then need to be sent to treasury (NT & PT) within 5 working days after it has been tabled to Council.	Adherence to municipal council policy and MFMA	Operational	Budget and Treasury Office: Budget planning & financial reporting
Municipal Financial Viability	Multi-year budget as per section 24 of MFMA	Ensure that the municipality reports on the tabled draft budget	Submit tabled annual budget to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Submit Approved budget that is aligned to the IDP to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury by 30 June 2017.	Approved and submitted budget to Management Team, Standing Committee, EXCO, Council, National and Provincial Treasury by set date	Submitted 2016/17 tabled budget to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury on the	None	Submit the Budget to Management Team, Standing Committee, EXCO and to the Municipal council for approval and when approved submit to National and Provincial Treasury	Adherence to municipal council policy and MFMA	Operational	Budget and Treasury Office: Budget planning & financial reporting

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Multi-year budget as per section 23 of the MFMA	Ensure that the municipality holds the public participation as per MFMA.	Community engagement on municipal budget processes	One Budget Community Outreach held by 30 April 2017	Number of public meetings held by set date	Budget Community Outreach held on 11 – 15 April 2016	None	Obtain the tabled budget and invite the community to make inputs on the plans of the municipality of the following financial year.	Adherence to municipal council policy and MFMA	R200 000	Budget and Treasury Office: Budget planning & financial reporting
Municipal Financial Viability	Multi-year budget as per section 22 of the MFMA	Ensure that the municipality holds the public participation as per MFMA.	Submit tariff setting to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Submit the tariff setting 30 days before the start of the new financial year to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Tabled and submitted tariff of charges by set date	Submitted tariff of charges to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	None	Obtain the tabled budget and invite the community to make inputs on the plans of the municipality of the following financial year.	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office: Budget planning & financial reporting
Municipal Financial Viability	Budget Control	Ensure that departments don't spend more than what they have budgeted for	Submit 12 monthly reports to Management Team by the 10 th working day of the following month.	Submit 12 monthly reports to Management Team by the 10 th working day of the following month.	Number of Monthly reports submitted to Management Team by set timeframe.	Submit the 12 monthly reports to Management Team.	None	Extract the monthly income and expenditure spending from the financial system and submit to the head of departments and managers by the 10 th working day of the following month.	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office: Budget planning & financial reporting

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Annual Financial Statements	Ensure that the municipality is able to fairly produce its annual financial statements	Preparation & Submission of Fairly Presentable Annual Financial Statements for Audit Purposes.	Submit GRAP compliant Annual Financial Statements to Management Team, Audit Committee, Auditor-General, National and Provincial Treasury by the 31 st August 2016.	Submitted GRAP Compliant Annual Financial Statements to Management Team, Audit Committee, Auditor-General, National Treasury and Provincial Treasury by the set date.	Preparation of monthly interim financial statements for Internal Audit Review. Preparation of Mid-term Financial Statements with WPF for Internal Audit Review.	None	Preparation of monthly reconciliations for all GL control Accounts. Quarterly Fixed Assets Physical Verifications & Updated FAR. Preparation of monthly interim financial statement.	Preparation of Annual Financial Statements with no misstatements.	R2 000 000	Budget and Treasury Office: Budget planning & financial reporting
Municipal Financial Viability	Audit Management	Ensure that the municipality is able to fairly produce its annual financial statements	Clean operating governance	Achieve a Clean Audit Opinion issued by the Auditor-General and submit it to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury by 30 November 2016	Achieved Clean Audit Opinion by set date	Achieved Clean Audit Report with no other matters in 2014/15 FY.	None	Enforcement of compliance to council policies, municipal legislations & regulations. Development & Implementation of Audit Action Plan with Audit Committee. Monthly Financial Statements.	Clean Audit.	R4 000 000	Budget and Treasury Office: Budget planning & financial reporting

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Compliance with SCOA regulations	Implementation of and adherence to SCOA regulations	Compliance to SCOA	Appointment of Approved FMS Vendor as per SCOA regulations; and Upgrading of Systems from Non-SCOA to SCOA approved Systems by 30 June 2017	Appointed FMS Vendor and upgraded systems by set date	SCOA Steering Committee. Council Approved SCOA plan.	None	Extract the circulars from National Treasury, Council approves the relevant plans of SCOA. Identify which systems are SCOA compliant. Procure the SCOA compliant financial system. Go live on SCOA on the 01 st July 2017	SCOA Regulations	R3 000 000	Budget and Treasury Office: Budget planning & financial reporting
Municipal Financial Viability	Improved Compliance with SCM Regulations & Council policies	Ensure that the monthly Reports are prepared and submitted to Management Team Meeting (MTM) and Council. Identification and prevention of Irregular Expenditure. SCM Implementation report to Council.	Prevention and elimination of irregular expenditure through fully compliance with SCM prescripts. Proper maintenance of deviation procurements with valid reasons.	Prepare and Maintain 12 Irregular expenditure reports submitted to Management Team Meeting (Mtm), 4 Quarterly reports to STANCO, EXCO and the Council by June 2017	Number of reports submitted by set date	SCM monthly Reports, Deviation register & irregular expenditure register.	Prior year's irregular expenditure.	Update the deviation register; contract register; bid awards register; quotation register. Review process of the procurement plan.	Irregular expenditure reports deviation register and scm reports	operational	BTO: Supply Chain Management Unit.

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Movable & Immovable Assets Management	To ensure the maintenance of GRAP Compliant Updated Register and it's Reconciliation to General Ledger.	Updated Fixed Asset Register reconciled to general ledger by the 10 th of every Month.	4 quarterly reports on assets physical verification done by 30 June 2017	Number of Reports on physical verification of assets by set date	There is an Updated Fixed Asset Register for 2016/17	Identification of old Assets Omitted during development of GRAP compliant register.	Physical verification of movable and immovable assets and monthly updating of Assets Register 4 times a quarter.	Fixed Asset management.	R500 000	BTO: Supply Chain Management Unit
				4 quarterly reports on GRAP compliant Asset Register.	Number of reports on GRAP Compliant asset register by set date				reports on GRAP Compliant asset register		
				12 monthly reports on assets reconciliations to General Ledger by 30 June 2017	Number of reports on asset recon to general ledger by set date				reports on assets reconciliations		
Municipal Financial Viability	Maintenance of Service Providers contracts	To ensure that SLAs/contracts are in place for all awarded bids.	Proper maintenance of Service Level Agreements	To have signed contracts/ service level agreements for all the bids awarded with 30 days of award date by 30 June 2017	Percentage of SLA'S / contracts signed within 30 days of award date by set date	Contract register is in place	Service agreements/ contracts for all the awarded bids are in place.	Obtain appointment letter for relevant bids, prepare the SLA's and have them signed the Municipal Manager.	Maintenance of Service Providers contracts	None	BTO: Supply Chain Management Unit.

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Fleet Management Services	To ensure that the municipal fleet policy is adhered to.	Proper maintenance of fleet management system	To manage and control the fleet of the municipality by ensuring that the policy is adhered to 30 June 2017	Submission of fleet report on a monthly basis to Management Team on utilization of fleet.	Fleet management system.	None	Upon receipt of trip authority, extract forms to check the condition of vehicles and issue out the vehicle to the relevant department.	Fleet asset management system.	Operational	BTO: Supply Chain Management Unit.
Municipal Financial Viability	Outstanding Debtors Reduction	Reduction Debt to be within ageing of 60 days.	Report debtors ageing on a monthly basis to Management Team Meeting (MTM), Treasury and on a quarterly basis to standing committee, Exco and Council.	Reduction of the debt by R5 M by 30 June 2017	Amount of debt reduced by set date Debtor's reduction by 5%.	R 77,2 M as at 31 Dec 2015	R77,2 M debt outstanding	Training of current staff on implementation of the debt collection and credit control policy procedures & customer care management Appointment of debt of collectors Seek assistance from Eskom for areas not supplied by municipality – electricity.	Debt Collection & Reduction	500 000.00	BTO – Revenue Management Unit
Municipal Financial Viability	Reconciliation of debtors	Align the Age Analysis with the General Ledger – ensure that there are no variances	12 monthly Reconciliations	Reconciliations Done on a monthly basis by 30 June 2017	Number of monthly debtor's reconciliations.	Monthly Reconciliations are done monthly.	N/A	Extract the General Ledger from the financial system and balance it to the source document.	Debtors Reconciliations	operational	BTO – Revenue Management Unit.

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Indigent Support	Establish Free Basic Services Steering Committee.	monitoring of indigent support	Functioning Free Basic Services Steering Committee by 30 June 2017	Date of establishment of the committee	FBS Steering Committee not properly functioning	None	Formulation of a team that includes Ward Councillors, Ward Committees and ward Clerks.	Free Basic Services Steering Committee	operational	BTO – Revenue Management Unit.
Municipal Financial Viability	Charge interest on outstanding debt	Encourage customers that owe municipal services to make payment before their debt incurs interest	Report to (MTM) on a monthly basis. Report to Treasury on a monthly basis. Report to Standing committee on a quarterly basis.	Levying of interest on outstanding debtors by 30 June 2017	Amount of interest levied on set date	Interest is charged on arrear accounts	N/A	Identify the accounts that have not been paid, charge interest as per the procedures of the policy.	Charging of interest on arrear accounts	operational	BTO – Revenue Management Unit
Municipal Financial Viability	Electricity Vending – smart metering installation & Management	Ensure that electricity meters are remotely managed and controlled.	Report to Management Team (MTM) on a monthly basis on progress.	Replacement of 3500 non-smart meters to smart – grid meters by 30 June 2017.	No of meters installed.	Non Smart Meters installed in the Matatiele area where electricity is supplied by the municipality.	Increased level of meter tempering increasing the line-losses.	Entering to Collaboration agreement with SANEDII & Support of DoE. Development of management & monitoring backroom. Meter Management Dashboard	Smart metering installation	R2 500 000	BTO – Revenue Management Unit
Municipal Financial Viability	Debtors Data Cleansing	Ensure that the data of debtors is up to date	Report to Management Team (MTM) on a monthly basis on progress.	To do data cleansing of debtors by 30 June 2017	No of customers statements issued with no re-turns to municipality.	Lack of Customers files with limited information.	The current data is not up to date and has gaps.	Appoint the service provider through the procurement processes the service provider to do data cleansing.	Data Cleansing	R500 000	BTO – Revenue Management Unit

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Billing of accounts	To facilitate efficient billing of accounts each month	Monthly billing of accounts	Billing done end of each month and posting of 7000 accounts delivered by the 10 th of each month by 30 June 2017	Date of billing and posting	7000 accounts	none	Billing and posting of accounts	Billing	R80 000.00	BTO – Revenue Management Unit
Municipal Financial viability	Tourism development	To coordinate and monitor the functioning of the Mountain lake chalet	Tourism development for economic growth	Running of the existing chalet & fly-fishing activities at the lake by 30 June 2017	Number of bookings made at chalets	Occasionally booked facility at community services department	Lack of tourism development	In-house Hospitality Management	Managing mountain lake chalet	R 100 000	Economic Development and planning :LED
Municipal financial viability	Survey of Municipal land	Surveying and evaluation of municipal properties for disposal of municipal land	Compliance with the MFMA requirements and also need to alienate municipal land leased by the government entities	50 Municipal land parcels surveyed and evaluated by 30 June 2017	SG diagrams of municipal land by set date	Land Audit and GIS	Loss of revenue from land utilised by government entities	Appointment of Land Surveyor	Survey of Municipal Land	R300 000.00	EDP: Development Planning

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Local economic development	Job Creation	To create 650 jobs in the 2016/17 financial year	650 beneficiaries to be contracted	650 beneficiaries for Operation Rea Hloekisa by 30 June 2017	560 beneficiaries to be identified and contracted	468 EPWP beneficiaries in 2015/2016	Employment opportunities for unskilled people	Create EPWP jobs	Operation Rea Hloekisa	R 2 250 000 .00(MLM) R 1 790 000.00 (DPW)	Community Services : EPWP

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Local economic development	Municipal EPWP Policy and Guidelines	To raft new EPWP policy	Policy and Guidelines for the running of the Programme	Draft phase 3 Municipal EPWP Policy and Guidelines by 30 June 2017	phase 3 Policy and Guidelines Drafted for EPWP by set date	Phase 2 EPWP policy		Done in-house	EPWP Policy and Guidelines	Operational	Community Services:EPWP
Local economic development.	Capacity building of unemployed youth	To equip youth with adequate skills to attain employment and entrepreneurship	Young people in need of skills	To roll out learnership /apprenticeship programmes/ skills programmes for unemployed in the municipality by 30 June 2017	Number of young people trained by set date	Youth policy	High numbers of unemployed youth in the municipality	Update data base, collaborate with local institutions	Leanership programmes / Apprenticeship/ skills programmes	R5000 000.00	Corporate Services: human resources

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMAN CE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBL E DEPARTMEN T
Local Economic Development	Tourism development	To identify tourist attractions around Matatiele	Tourism development for economic growth	Conduct Tourist Attraction Audit study by 30 June 2017	Documented tourist attraction Audit by set date	Tourism sector plan	Lack of tourism development	Appointment of the service provider	Tourist attraction audit Study	R 350 00 000	Economic Development and planning :LED
Local Economic Development	Tourism development	Development of crafters	Tourism development for economic growth	Registration and Provision of Mobile stands for exhibitions	No of crafters registered with Mobile stands	Crafters are scattered, they display and trade at Tourism	No Tourism Products	Consultation Meetings with crafters and appointment of service provider.	Crafters Product Development	R200 000	Economic Development and planning :LED

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMAN CE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBL E DEPARTMEN T
				and day to day flea market by 30 June 2017		related events on invitation					
Local Economic Development	Destination Marketing	To market Matatiele as a destination of choice	Need to increase the number of tourists visiting Matatiele	To host the Matatiele Music Festival by June 2017	Festival hosted by set date	Matatiele Music Festival hosted	Lack of Investment attraction and no growth in visitor statistics	Appointment of the Service Provider and Forge partnerships with the related government Stakeholders	Matatiele Music Festival Event,	R 3 000 000	Economic Development and planning :LED
Local Economic Development	Destination Marketing	To Market Matatiele as a Destination of choice	Need to increase the number of tourist visiting Matatiele	To host Mehloing heritage event by June 2017	Event hosted by set date	Mehloing Hiking trail	Decrease in the number of beds filled	Team up with implementation with Mehloing Organisers	Mehloing heritage Event	R150 000	Economic Development and planning :LED
Local Economic Development	Destination Marketing	To market Matatiele as a Destination of choice	Need to increase the number of tourists visiting the area	To Host Ced Matat Heritage Race by June 2017	Event hosted by set date	Ced Matat heritage Race	no tourists visiting the area	Team up with the implementation with Ced Matat Heritage Race	Ced – Matat Heritage Race	R60 000	Economic Development and planning :LED
Local Economic Development	Destination Marketing	To Market Matatiele as a Destination of choice	Need to increase the number of tourists visiting the area	To host Matat fees by June 2017	Event hosted by set date	Matat Fees event	No tourists visiting the area	Team up with implementation with Matat Fees organisers.	Matat Fees	R150 000	Economic Development and planning :LED
Local Economic Development	Destination Marketing	To market Matatiele as a destination of choice	Need to brand Matatiele as a Tourism Destination	To host Tourism month celebration event by 30 June 2017	Tourism celebrations hosted by date	Tourism month celebrations hosted for two years	There is no distinct tourism branding For Matatiele as A Destination	Consultation Meeting and Execution with Tourism Stakeholders	Tourism month celebrations	R150 000	Economic Development and planning :LED

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMAN CE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBL E DEPARTMEN T
Local Economic Development	Destination Marketing	To market Matatiele as a destination of choice	Need to attend Exhibition and brand Matatiele as a Tourism Destination	To support Tourism product owners to showcase products at the Tourism Indaba and Grahamstown Arts Festival by 30 June 2017	Number of Tourism product owners marketing in the event	Tourism indaba is hosted as an annual event	Lack of marketing opportunities for tourism product owners in Matatiele	Investment attraction/Marketing	Tourism product owners support	R 100 000	Economic Development and planning :LED
Local Economic Development	Destination Marketing	To market Matatiele as a destination of choice	Updated Tourism Material because of constant change in tourism industry	Review and re design tourism brochure promotional material BY 30 June 2017	Tourism Promotional material designed	An existing Tourism brochure	Outdated information in the tourism brochure	Appoint a service provider	Tourism Branding Material	R150 000	Economic Development and planning :LED
Local Economic Development	Institutional arrangement	To have a structure in place that will be responsible for marketing of the area	It is a requirement by law to have such a structure in place	Siting of the LTO meetings By 30 June 2017	Number of meetings held	R56 Local Tourism Organization	No alignment of objectives between R56 and the Municipality	Consultative meetings with the Provincial/district tourism bodies	Matatiele Local Tourism Organization	R 100 000	Economic Development and planning :LED
Local Economic Development	LED SMME/Cooperative support	To support Cooperatives with training.	Need to support Cooperatives with training	To train sixty SMMEs and Co-operatives	Number of cooperatives trained by date	Sixty Registered Cooperatives	60 enterprises need training	Capacity building to Cooperatives	Training of cooperatives	R 350 000	Economic Development and planning :LED

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMAN CE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBL E DEPARTMEN T
				by 30 June 2017							
Local Economic Development	SMME Support - informal Sector	Infrastructure support for Informal Sector	Need for informal sector trading infrastructure	To construct hawker stalls for informal traders by 30 June 2017	Completed hawker stalls by date	Informal trading policy in place	Poor infrastructure supporting the informal sector	Appoint a service provide	Construction of Hawker Stalls	R 1 000 000	Economic Development and planning :LED
Local Economic Development	SMME/COOP Funding Support	To assist local SMMEs and Coops with funding support	Need for SMME and Co-operative entrepreneur development	Provide SMME and Cooperative funding support by June 2017	Number of Coops and SMMEs assisted with funding support by June 2016	Database for local SMMEs and Coops	Insufficient funding support of local SMMEs and Cooperatives	Identify projects in rural areas	Funding support to local SMMEs and Cooperatives	R 1 000 000	Economic Development and planning :LED
Basic service delivery and infrastructure	SMME Support – Agriculture infrastructure	To provide agriculture infrastructure – grain storage facilities	Need for grain storage facility	Construction of a grain storage facility by 30 June 2017	Constructed facility by set date	Available maize producers	Shortage of maize storage facilities	Appoint a service provider	Silo facility (phase 2)	R 1 000 000	Economic Development and planning :LED
Local Economic Development	SMME Support: crop production.	To support SMMEs in crop production	Need for massive food production	To support the pre-planting to harvesting of 50 hectors by 30 June 2017.	Number of hectares planted by set date	1000 hectares planted by DRDAR and World Vision	Insufficient support to SMMEs in crop production	Appoint a service provider	Cropping programme Legumes (beans)	R 800 000	Economic Development and planning :LED

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Local Economic Development	SMME Support	To provide security for arable lands.	Need to fence 3 000 hectors of arable land.	To fence 40 hectors of productive arable land by 30 June 2017	Number of fenced hectares by set date	1000 hectares fenced by DRDAR	2000 hectors of arable land	Use local labour – EPWP/Community members/Beneficiaries	Fencing of productive arable land	R 400 000	Economic Development and planning :LED
Local Economic Development	Poultry Production	To support poverty relief initiatives	High % poverty in rural areas	To support Poultry Cooperatives to supply an abattoir for food security by 30 June 2017	Constructed Facility by set date	Availability registered Poultry Cooperative's	Insufficient support to Poultry Cooperatives in Broiler packaging	Appoint a service provider	Poultry Production	R 2 800 000	Economic Development and planning :LED
Local Economic Development	SMME support on Agriculture and Forestry sectors	To support forestry	Need to develop Communal Forestry Programme	Provide existing Cooperative funding support by June 2017	Number of projects assisted by set date	Existing Afforestation programme in 8 wards	Need financial support for forestry enterprises	Identify projects in rural areas	Support four communal Forestry Cooperatives	R 200 000	Economic Development and planning :LED
Local economic development	Marketing of the Municipality	To promote and market the Municipality as the destination of choice	Attract Tourist and investors	Develop and adopt a Marketing Strategy Action Plan by 30 September 2016	Developed and Adopted Marketing Strategy Action Plan by set date	Marketing Strategy in place	There is no Marketing Action Plan	Conduct a workshop session for inputs to the action plan	Marketing Strategy Action Plan	R400 000.00	Office of the Municipal Manager : Communication Unit

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Spatial Rationale	Land availability for Residential development	To provide land for low income and middle income residential development	Residential sites in Cedarville and Matatiele	Township Establishment approved by 30 June 2017	Complete Township Register by set date.	2014 SDF.	High demand for middle income residential sites	Future spatial planning - Appoint service provider	Planning & Survey - Cedarville Middle Income township.	200 000.00	EDP: Development Planning
				Township layout adopted by Council by 30 June 2017	Township layout adopted by set date.	2014 SDF.	High demand for middle income residential sites	Future spatial planning- Appoint service provider	Planning & Survey – Matatiele Middle Income township (Opp Area C).	150 000.00	EDP: Development Planning
Spatial Rationale	Land availability for Commercial and Industrial Development	To provide land for Commercial and industrial development	Commercial and industrial sites in Maluti, Cedarville and Matatiele	Township layout adopted by Council by 30 June 2017	Township layout adopted by set date.	2014 SDF.	High demand for commercial sites	Future spatial planning - Appoint service provider	Planning & Survey – Maluti, Cedarville and Matatiele Commercial township	300 000.00	EDP: Development Planning
Spatial Rationale	Ensure full compliance with the Town Planning Scheme by 2017	To process rezoning applications within days of receipt	Process rezoning applications within 60 days	Process rezoning applications within 60 days	Number of days (Turnaround time) for processing applications	60 day turnaround time	None	Keep register updated to monitor turnaround time	Processing of rezoning applications within 60 days	Operational	EDP: Development Planning
Spatial Rationale	Town Planning Scheme compliance	To process subdivision applications within 60 days turnaround time	Processing of subdivision applications within 60 days	Processing of subdivision applications within 60 days	Number of days (Turnaround time) for approval of Subdivision applications	60 day turnaround time	none	Keep register updated to monitor turnaround time	Processing of subdivision applications within 60 days	Operational	EDP: Development Planning

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Spatial Rationale	Town Planning Scheme compliance	To process special consent use applications within 60 days turnaround time	Processing of special consent use applications within 60 days	Processing of special consent use applications within 60 days	Number of days (Turnaround time) for approval of special consent applications	60 day turnaround time	none	Keep register updated to monitor turnaround time	Processing of special consent use applications within 60 days	Operational	EDP: Development Planning
Spatial Rationale	Town Planning Scheme Compliance	Enforce compliance with the Town Planning Scheme by 2017	Need to manage town planning contraventions	Compliance notices served within one week of identification	Number of days (Turnaround time) to issue notices.	Conducted site inspections, LUMS By-Law	Town Planning Scheme Contraventions (illegal land uses)	Register served compliance notices and Keep register updated to monitor turnaround time	Serving of compliance notices within one week of identification.	Operational	EDP: Development Planning
Spatial Rationale	Updating of Land Audit and GIS Data set	Ensure that the cadastral information is updated for future use (base information)	Updating of Land Audit and GIS Data set	Updated Land Audit and GIS Data set by June 2017	Updated Land Audit and GIS Data set by set date	2013 Matatiele Land Audit	Outdated Land Audit and GIS Data set	Appoint service provider	Land Audit and GIS Update	R200 000.00	EDP: Development Planning
Spatial Rationale	Disposal of Municipal land	Ensure full compliance with the Land and Lease Disposal Policy, SCM Policy and MFMA	Improve turnaround time for Assessing land sale and lease applications	Seating of 4 meetings for Asset Disposal Forum by 30 June 2017	Number of meeting held by set date	Land Sale Applications	Processing of land sale applications	Seating of Asset Disposal Committee once a quarter	Seating of 4 meetings for Asset Disposal Forum	Operational	EDP: Development Planning
Spatial Rationale	Outdoor advertising	To Monitor compliance with the	Illegal signage	Enforce compliance with the outdoor	Number of days (Turnaround time) to	Outdoor advertising signage By-Law in Place	Out Door Advertising Contraventions	Use service provider	Management of Outdoor advertising	Operational	EDP: Development Planning

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
		Advertising By-Law		advertising By Law by 30 June 2017.	approve applications						
Spatial Rationale	Outdoor advertising	To process outdoor advertising applications within 60 days turnaround time	Processing of outdoor advertising applications within 60 days	Processing of outdoor advertising applications within 30 days	Number of days (Turnaround time) for approval of outdoor advertising applications	60 day turnaround time	none	Register served compliance notices and Keep register updated to monitor turnaround time	Processing of outdoor advertising applications within 60 days	Operational	EDP: Development Planning

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Good Governance and public participation	Enhanced internal and External Communications	To have an approved and implanted Municipal Communication Strategy Action Plan	Access to Information	Reviewed Communication Strategy Action Plan and adopted by Council by 30 September 2016	Adopted Communication Strategy by set date	Communication strategy	None	Develop Communication strategy, action plan and conduct workshop	Development of Communication strategy, Action Plan and implementation	R50 000.00	Office of the Municipal Manager : Communications, SPU & Customer care
	Intergovernmental Relations (IGR) & Stakeholder engagement	To promote Coordinated planning of service delivery projects within the Municipality	Coordinated Planning	Conduct 4 IGR meetings by 30 th June 2017	Number of meetings held by set date	IGR ToR	None	Coordinate stakeholder engagements and IGR forum meetings	IGR Forum meetings and stakeholder engagements	R35 000.00	Office of the Municipal Manager : Communications, SPU & Customer care

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
	Mayoral Imbizo	To promote engagements between communities and the Municipality	To eliminate community service delivery protests	To conduct 4 mayoral Imbizo and adopt 4 projects by 30 June 2017	Number of Mayoral Imbizos conducted & projects adopted by set date	4 Mayoral Imbizos & 3 adopted projects	None	Develop a community engagement plan	Mayoral Imbizos, adopt a project campaign	R45 000.00	Office of the Municipal Manager : Communications, SPU & Customer care
				To attend 4 project visits, launch and handovers by 30 June 2017	Number of projects visited by set date	10 Project visits done	None	Develop concept document	Attend project launch, handover and visits	R45 000.00	Office of the Municipal Manager : Communications, SPU & Customer care
	Coordinate, market and brand Municipal Events	To ensure proper coordination marketing and branding of municipal events	Coordinated and well marketed Municipal Events	Reviewed Municipal calendar of events and marketing of Municipal events adopted by Council by 30 September 2016	Adopted calendar of events by set date	Calendar of Events	None	Submission of departmental events and consolidation	Review of 2016/2017 Municipal calendar of events	R35 000.00	Office of the Municipal Manager : Communications, SPU & Customer care
Good Governance and public participation	Information dissemination	To promote access to information	Limited information to uplift socio economic standards of communities	Host 2 information sharing sessions on migration related issues	Number of Information sharing session held by set date	Two information session	None	Develop concept documents	Africa Day event & Heritage Day event	R30 000.00	Office of the Municipal Manager : Communications, SPU & Customer care

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Good Governance and public participation	Integration of Migrants to local Communities	To ensure a smooth integration of migrants with local communities	Embrace diversity and tolerance in communities	Coordinate quarterly meeting for the migration Panel and migration advisory committee by 30 June 2017	Number of migration Panel and migration advisory meeting held by set date	Migration desk MoU with UNDP Terms of reference	None	Facilitate logistics for the meetings	Quarterly sitting of migration advisory committee and migration advisory panel	R 170 000.00	Office of the Municipal Manager : Communications, SPU & Customer care
				Coordinate 12 community dialogues by 30 June 2017	Number of dialogues held by set date	12 dialogues	None	Liase with councillors and traditional leaders	community dialogues		Office of the Municipal Manager : Communications, SPU & Customer care
				Coordinate 08 school visits by 30 June 2017	Number of school visits held by set date	8 visits held	22 high schools	Conduct visits in high schools	School visits		Office of the Municipal Manager : Communications, SPU & Customer care
				Registration of 100 migrants on the data base by 30 June 2017	Number of new registered by set date	148 registered migrants	Unregistered migrants in the municipality	Registrations done through walk-in, distribute forms to CDW'S, ward committees, councillors and traditional leaders	Registration of migrants on the migration Data base.		Office of the Municipal Manager : Communications, SPU & Customer care
Good Governance and public participation											

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Good Governance and Public Participation	Improve process for Complaints management and handling of petitions	Improve turnaround time and procedures for the handling of complaints and petitions	Improving efficiency in complaints management and handling of complaints	Establishment of complaints management committee by 30 September 2017	Established committee by set date	Complaints management system	No complaints committee in place	Development of terms of reference,	Establishment of Complaints management committee	operational	Office of the Municipal Manager : Communications, SPU & Customer care
				Establishment of customer care direct hotline by 30 June 2017	Customer care direct hotline established by set date	Customer care office line in place	No direct customer care hot line	Utilize ICT unit support	Installation of customer care line, advertising of the hotline	R20 000	Office of the Municipal Manager : Communications, SPU & Customer care
				Conduct annual customer satisfaction survey by 30 June 2017	Survey conducted by set date	2016 customer care survey	None	Utilize external service provider	2016 customer care survey	R100 000	Office of the Municipal Manager : Communications, SPU & Customer care
				100% Management of complaints and petitions by 30 June 2016	Percentage of received, referred and resolved complaints and petitions by set date	Customer care policy and public participation and petitions plan in place	none	Complaints management system	Monitoring of presidential hotline, suggestion boxes, walk-ins and written complaints and petitions	Operational	Office of the Municipal Manager : Communications, SPU & Customer care

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department	
Good Governance and Public Participation	Protection of Children's rights	To Lobby and advocate for Development issues affecting children	intensification of support for early childhood development	4 CAC meetings by 30 June 2017	Number of CAC meetings held by set date	Children Strategy	A continuous abuse of children's rights	Lobby and advocate for the rights of children	Children Advisory Council meeting	R 20 000.00	Office of the Municipal Manager : Communication s, SPU & Customer care	
				Assist 4 ECDCs by 30 June 2017	Number of ECDC's assisted by 30 June 2017.	Children Strategy	Absence of funded ECDC's disadvantaging underprivileged children	Create platforms for children to learn and develop skills that will contribute positively in their development.	ECDCs assistance	R40 000.00	Office of the Municipal Manager : Communication s, SPU & Customer care	
Good Governance and public participation	Protection of Elder person's rights	To facilitate and coordinate elderly empowerment initiatives	Intensification of support for Elderly person's rights	4 Elderly forum Meetings by 30 June 2017	Number of Elderly forum meetings held by set date	Older persons forum; older person's strategy; good working relation with relevant stakeholders	A continuous abuse of Older person's rights	Lobby and advocate for the rights of Older persons	Elderly forum meeting	R10 000.00	Office of the Municipal Manager : Communication s, SPU & Customer care	
				Eradication of Elderly abuse	4 campaigns on Elderly rights by 30 June 2016	Number of awareness campaign on Elderly rights held by set date	Older Person's strategy, Elderly forum	Lack of access to support system for vulnerable and abused older persons; people do not speak out about abuse	To raise awareness about Older person's rights through campaigns	Awareness campaign	R 20 000.00	Office of the Municipal Manager : Communication s, SPU & Customer care
				Increased levels of physical activity	1 golden games' event by 30 June 2017	Number of Golden Games events held by set date	Older persons forum; older person's strategy; good working	Lack of coordination of elderly activities	Support elderly people with resources and host a sporting event.	Golden games	R70 000.00	Office of the Municipal Manager : Communication s, SPU & Customer care

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
						relation with relevant					
good governance and public participation	Protection of Older person's rights	To facilitate and coordinate elderly empowerment initiatives	Intensification of support for Elderly person's development	2 elderly project to be assisted by 30 June 2017	Number of elderly project assisted by set date	Older person's forum, elderly strategy	Absence of funded Elderly projects.	To empower Older person's through economic initiatives	To facilitate assistance for 2 Elderly projects	R20 000.00	Office of the Municipal Manager : Communications, SPU & Customer care
	Women empowerment, protection of women's rights as humans rights and ensure gender equality.	To facilitate and coordinate women and men empowerment initiatives	Eradication or elimination of gender based violence	04 awareness campaigns on GBV by 30 June 2017.	Number of awareness campaigns on GBV held by set date	Women empowerment strategy, women's forum, good working relation with relevant stake holders	Lack of access to support system for vulnerable and abused women; people do not speak out about abuse	To raise awareness about women's rights as humans rights	GBV Awareness campaigns	R20 000.00	Office of the Municipal Manager : Communications, SPU & Customer care
good governance and public participation	Women empowerment, protection of women's rights as humans rights and ensure gender equality	To facilitate and coordinate women empowerment initiatives	Decreased number of women who suffer from Chronic illnesses	4 Women's Health awareness campaigns by 30 June 2017	Number of campaigns held by set date	Women empowerment strategy, women's forum,	High levels of ignorance and lack of access to information around health issues	To raise awareness about women and men specific issues	Women's Health awareness campaigns	R20 000.00	Office of the Municipal Manager : Communications, SPU & Customer care
good governance and public participation	Women empowerment, protection of women's rights as humans rights and ensure gender equality.	To facilitate and coordinate women and men empowerment initiatives	High levels of employable, skilled and literate women.	4 Women led projects assisted by 30 June 2017	Number of Women led projects assisted by set date	Women empowerment strategy, women's forum, good working relation with relevant stake holders	Implementation of policies by all stake holders	To empower women through economic initiatives	To facilitate assistance for 04 projects	R50 000.00	Office of the Municipal Manager : Communications, SPU & Customer care
good governance	Women empowerment, protection of	To facilitate and coordinate women and men	Eradication or elimination of gender based	04 Women's forum meetings by 30 June 2017	Number of Women's forum	Good working relation with	Implementation of policies by all stake holders	To raise awareness about human's rights	Women's forum revival	R10 000.00	Office of the Municipal Manager :

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
and public participation	women's rights as humans rights and ensure gender equality.	empowerment initiatives	violence and Decreased number of men who suffer from diseases like diabetic, high blood pressure etc.		meetings held by set date	relevant stakeholders		and about women specific issues	and conduct 04 meetings		Communication s, SPU & Customer care
Good Governance and Public Participation	Youth development	To Lobby and advocate for Development issues affecting youth and children	Intensification of awareness about the dangers of drug abuse, teenage pregnancy and committing crime.	4 Awareness Campaigns on dangers of drug abuse, teenage pregnancy and committing crime by 30 th June 2017	Number of awareness campaigns on dangers of drug abuse, teenage pregnancy and committing crime held by 30 June 2017	Youth Development Strategy Youth Council in place	A high rate of youth using drugs and engage in criminal activities	Raise awareness about dangers of drug and substance abuse, teenage pregnancy and committing crime among young people	Awareness campaigns	operational	Office of the Municipal Manager : Communication s, SPU & Customer care
Good Governance and Public Participation	Youth development and protection of Children's rights	To Lobby and advocate for Development issues affecting youth and children	Sports, arts and cultural initiatives	4 Sport Activities, 4 Arts and Cultural Activities by 30 June 2017	Number of sporting and Arts Cultural activities held by set date	Youth Development Strategy Sport confederation Council in place	Indifference/lack of interest of young people in societal issues.	Host and Invite Youth participation in sport, arts and cultural activities	Sports, arts and cultural development.	R30 000.00	Office of the Municipal Manager : Communication s, SPU & Customer care
Good Governance and Public Participation	Youth development and protection of Children's rights	To Lobby and advocate for Development issues affecting youth and children	Increased levels of literacy within the Municipality	3 skills development programmes by 30 June 2017	Number of Skills development programmes by set date	Youth Development Strategy *Good Working relationship with the DOE *consistent good performance in matric results	Low levels of literacy amongst young people	Empowerment of youth through education	Skills development - capacity building.	R 130 000.00	Office of the Municipal Manager : Communication s, SPU & Customer care

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
good governance and public participation	Rights of Disabled people	To promote and protect the rights of disabled people	Eradication of stigma and discrimination	4 advocacy initiative programmes conducted by 30 June 2017	Number of advocacy initiative programmes conducted by set date	Disability forum, Disability strategy	Stigma and discrimination	To use Commemoration of National and international days as tools to create awareness	Advocacy for PWDs Facilitation of the provision of assisting devices	R80 000.00	Office of the Municipal Manager : Communications, SPU & Customer care
good governance and public participation	Rights of Disabled people	To Lobby and advocate for Development issues affecting people with disabilities	Increased levels of literacy for PWDs	20 people with disabilities trained by 30 June 2017	Number of people with disabilities trained by set date	Disability forum Disability strategy	Significant number of unskilled PWD	Partnership with Rehabilitation centres	Skills development	R 80 000.00	Office of the Municipal Manager : Communications, SPU & Customer care
good governance and public participation	HIV/AIDS Management	To coordinate HIV/AIDS Management initiatives	Eradication of stigma, discrimination and creation of access to ARVs	8 HIV/AIDS awareness campaigns By 30 June 2017	Number of HIV/AIDS awareness held by set date	HIV/AIDS strategy	High rate of stigma, discrimination and a minimal access to ARVs	To use Commemoration of National and international days as tools to create awareness	HIV/AIDS awareness campaigns	R 10 000.00	Office of the Municipal Manager : Communications, SPU & Customer care
good governance and public participation	Women empowerment and protection of Elder person's rights HIV/AIDS Management	To coordinate HIV/AIDS Management initiatives	Increased access to the healthcare and other services.	4 LAC Meetings by 30 June 2016	Number of LAC meetings held by set date	LAC; MANOP (Support group network structure).	Significant number of ARV Defaulters	Lobby and advocate for an increase and accessibility to ARV for all the infected in need.	LAC meetings	R 10 000.00	Office of the Municipal Manager : Communications, SPU & Customer care
good governance and public participation	HIV/AIDS Management	To coordinate HIV/AIDS Management initiatives	Increase number of support groups	8 Support group in 26 wards by 30 June 2017	Number of support groups trained by set date	HIV/AIDS strategy & LAC	Significant number of wards without support groups	To expand the scope the municipal support group to include the establishment of support groups at ward level.	Support group trainings	R10 000.00	Office of the Municipal Manager : Communications, SPU & Customer care
Good governance and public participation	Supply fire, rescue and disaster services to all 26 wards	To provide immediate response when fire, disaster and accidents occur	Rescue, Fire and Disaster management services for	Conduct 8 awareness campaigns on disaster, fire by 30 June 2017	Number of campaigns conducted by set date	Awareness campaigns done in certain wards	Need to educate people on disaster and fire	Conduct community meetings and public initiatives in schools	Awareness campaigns on disaster and fire	Operational	Community services: Public safety

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
			entire MLM area								
Good Governance and Public Participation	Submission of reviewed policies.	Ensure that we fully comply with MFMA – with regards to reports that need to be submitted.	Reviewable of budget related policies and submit to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Annual review of eight (8) Budget policies within the legislative prescripts of MFMA, MSA, MPRA and NT Guidelines by 30 June 2017	Number of reviewed policies by set date	Submitted and reviewed policies to National Treasury.	None	Review of policies based on the amended circulars and other legislative requirements on an annual basis.	Budget related management policies	operational	BTO: Budget and financial reporting
Good governance and public participation	Pound management	To ensure efficient management of the municipal pound	Pound management	Conduct 8 awareness programmes on animal & stock control	Number of programmes conducted by set date	There are no educational programmes on animal & stock control	Lack of awareness on animal control	Conduct community meetings and villages	Awareness programmes on animal & stock control	Operational	Economic Development and Planning: LED
Good governance and public participation	Pound management	To ensure efficient management of the municipal pound	Pound management	Development of pound management policy by 30 June 2017	Adopted policy by set date	There is no existing policy for managing Pound	Lack of Proper record keeping and management of the Pound	Prepare the policy in-house, workshops for staff on the policy	Development of Pound management policy	Operational	Economic development & planning: LED
Good Governance and Public Participation	Submission of reviewed policies.	Ensure that we fully comply with MFMA – with regards to reports that need to be submitted.	Reviewable of budget related policies and submit to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Annual review of eight (9) Budget related policies within the legislative prescripts of MFMA, MSA, MPRA and NT Guidelines by 30 June 2017	Number of reviewed policies by set date	Submitted and reviewed policies to National Treasury.	None	Review of policies based on the amended circulars and other legislative requirements on an annual basis.	Budget related management policies	operational	BTO: Revenue & Expenditure management

AKP	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Good Governance and Public Participation	Governance Issues: Internal audit	To maintain a clean audit opinion	Clean administration	To hold four OCA meetings after receiving AG audit report by 30 June 2017.	Number of OCA meetings held by set date	Unqualified Audit opinion (clean audit)	Matters of emphasis and previous audit opinions	OCA to sit four times. Internal audit will monitor the implementation of the audit action plan.	Operation Clean Audit	N/A	Office of the Municipal Manager : Internal Audit
	Governance Issues:	To submit credible Annual financial statements to AG.	Credible Annual financial statements.	AFS to be audited by 31 August 2016 and Interim statements to be audited by 28 February 2017	Audited AFS and interim financial statements by set date	2015/16 AFS and 2016/17 Interim Financial Statements Audits	None	Audits to be performed twice annually	Financial Statements Audits	R 425 000.00	Office of the Municipal Manager : Internal Audit
Good Governance and Public Participation	Governance Issues: Internal audit	To ensure independent assurance and consulting activities designed to add value and improve the organisations operations.	Compliance with laws and regulations	Two charters approved 1 Jan 2017 One Annual Audit Plan approved by 31 July 2016.	Approved Charters by set date Approved Annual Audit Plan by set date	Plans and charters in place.	Late approval of internal audit plan and charters.	All charters and Plans to be reviewed.	Review Policies, Plans and Strategy	1 250 000	Office of the Municipal Manager : Internal Audit
	Governance Issues: Internal audit	To strengthen internal controls	safeguard municipal assets	Four quarterly Internal Control tool submissions to COGTAEC. 48 annual spot checks by 30 June 2016.	Number of Internal Control tool submissions by set date; and number of spots checks done by set date	Internal Control tool and Spot checks	none	Four quarterly Internal Control tool submitted to COGTAEC. 48 spot checks performed at different departments	Spot checks and monitoring internal control tool.	operational	Office of the Municipal Manager : Internal Audit

AKP	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
	Governance Issues: Internal audit	To improve efficiency and effectiveness.	credible internal audit reporting system	Procurement of Audit Reporting software by 30 th June 2016	Procured Audit Reporting software by set date	None	None	To benchmark with other users (three municipality's and other government agencies)	Internal audit software	MSIG	Office of the Municipal Manager : Internal Audit
Good Governance and Public Participation	Governance Issues: Internal audit	To improve efficiency and effectiveness	Compliance, Financial and performance reporting	Four quarterly Dashboard Reports submitted to Auditor General (AG) on the first working day after the end of each quarter	Number of Dashboard Reports submitted to the AG by set timeframe	Dashboard Reports	none	Four quarterly Dashboard Reports submitted	Dashboard Reports	operational	Office of the Municipal Manager : Internal Audit
Good Governance and Public Participation	Governance Issues: Internal audit	To improve efficiency and effectiveness.	Functional internal audit unit	Employment of permanent staff by June 2017	Permanent staff employed by set date	Non-functional unit	One permanently employed staff, three interns and one manager	To have a functional internal audit unit	Internal Audit Staff	Operational	Office of the Municipal manager : Internal Audit
Good governance & Public Participation	Development of a credible IDP	To develop a credible and implementable IDP for the period 2017-2022	Development of 5-year IDP	Development of the 5-year IDP for 2017/22 by 31 May 2017	Adopted IDP by set date	Credible and Adopted IDP	None	Implementation of the IDP Process Plan	-IDP/Budget Process Plan -IDP Steering Committee and Rep Forums -IDP community Outreaches	R1700 000.00	Economic Development and Planning :IDP

AKP	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
									-Strategic Planning sessions - stakeholder meetings Advertisements on Media -Website Uploads notice boards		

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Good governance & Public Participation	Effective Performance Management	To ensure the Municipality has a functional Organisational Performance Management System	Monitoring and Evaluation of PMS	Approved 2017/18 SDBIP by 30 June 2017	Approved SDBIP by set date	Approved 2016/17 SDBIP	None	Conduct SDBIP workshop and Compilation of SDBIP	-Approval of Municipal SDBIP	R500 000.00	Office of the Municipal Manager: M&E and Risk Management
Good governance & Public Participation	IDP Development and Performance Management		Performance agreements and plans	Section 56 and Middle Managers Performance Agreements and Plans signed and submitted to CoGTA EC by 30 August 2016	Signed Performance Agreements and Plans submitted by set date	Signed Performance Agreements and Plans	None	Development of Performance Agreements for Municipal Manager, General Managers and Middle Managers	Development of Performance Agreements of Municipal Manager, GM's and Middle Managers	Operational	

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Good governance & Public Participation	IDP Development and Performance Management		Submission of Quarterly Performance reports to council	4 Quarterly reports adopted by council by 30 June 2017	Number of quarterly reports adopted by set date	-PMS Framework -PMS Policy -PMS Audit Charter	None	Timely Submission of quarterly reports to council	4 Quarterly Reports	Operational	Office of the Municipal Manager: M&E and Risk Management
Good governance & Public Participation	IDP Development and Performance Management	To ensure the Municipality has a functional Organisational Performance Management System	The Inclusion of Council in the Municipal Performance Management System	PMS Induction Workshop for Councillors by 31 January 2017	Number of PMS Induction workshops conducted by set date	PMS Framework, Charter and PMS Audit Charter	None	PMS Induction Workshop	Council Induction Workshop	Operational	Office of the Municipal Manager: M&E and Risk Management
Good governance & Public Participation	IDP Development and Performance Management		Mid-term Performance report	Mid-Term performance report adopted by council by 25 January 2017	Mid-term report adopted by set date	Adopted 2015/16 Mid-term report by council	None	Compilation of the Midterm Report -Capacity building - Mid-term Budget and Performance Workshop	- Adoption of Mid-Term Performance Report	Operational	Office of the Municipal Manager: M&E and Risk Management
Good governance & Public Participation	IDP Development and Performance Management		Revision of the SDBIP	Revised 2016/17 SDBIP approved by 28 February 2017	Revised SDBIP approved by set date	Approved 2015/16 SDBIP	None	Compilation of the Revised SDBIP	Revised 2016/17 SDBIP	Operational	Office of the Municipal Manager: M&E and Risk Management
Good governance & Public Participation	Effective Performance Management	To ensure the Municipality has a functional Organisational Performance	Annual and Mid-term Performance Assessment for all managers	Annual performance Assessment of Section 56 and Middle Managers held	Mid-term and Annual Performance Assessment held by set date	2015/16 Performance Assessments	None	Coordination of Performance Assessments	-Mid-Term Performance Assessments for MM, GM's and Middle Managers	Operational	Office of the Municipal Manager: M&E and Risk Management

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
		Management System		by 30 September 2016					-Annual Performance Assessments for MM, GM's and Middle Managers		
				Mid-term Performance assessment of Section 56 and Middle Managers held by 31 March 2017							
Good governance & Public Participation	Effective Performance Management	To ensure the Municipality has a functional Organisational Performance Management System	Municipal Annual Report	2015/16 Annual report adopted by 30 March 2017	Adopted Annual Report by set date	2014/2015 Annual Report adopted by council	None	Consolidation of the Annual Report	Annual Report adopted by council	Operational	Office of the Municipal Manager: M&E and Risk Management
Good governance and Public Participation	Efficient and effective Municipal risk management	To render effective Municipal risk management	Assessment and management of risk	Review risk management policies and Plan by 30 June 2017	Adopted reviewed risk management policy and plan by set date	Risk management policy and plan in place	Reviewed Risk management policy , plan and one workshop on risk management	use of internal and external legal resources	Review Risk management policies, plans and strategies	Operational	Office of the Municipal Manager: M&E and Risk Management
Good governance and Public Participation	Risk assessment and management			Development and adoption of Completed risk register and 4 report on Monitoring of risk register by 30 June 2017	Date of adoption of risk register Number of reports done on risk monitoring	Risk register in place	Register and management focused on key risk exposure	use of internal and external legal resources	-Conduct risk management workshop -Development of risk register -Develop risk report (action plans) -Monitoring of taxonomy risk identification register	Operational	Office of the Municipal Manager: M&E and Risk Management

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT	
	Efficient and effective Municipal risk management	To render effective Municipal risk management	Effective management of risk	Establish risk management committee and Quarterly sittings of committee by 30 June 2017	Date of establishment and number of committee sitting by set date	Developed Terms of reference	No Risk management committee	Identify role players	Establish committee Quarterly sittings of committee	R10 000.00	Office of the Municipal Manager: M&E and Risk Management	
	Efficient and effective Municipal risk management	To render effective Municipal risk management		Establishment of 4 Risk appetite and tolerance statements by 30 June 2017	Number of risk statements by set date	Risk management register	Meagre Identification of risk appetite and tolerance	Utilise register to monitor and review risk	Risk appetite and tolerance statement	Operational	Office of the municipal manager:M&E and Risk Management	
	Efficient and effective Municipal risk management	To render effective Municipal risk management		Monitoring of information security controls and 12 monthly reports by 30 June 2017	Number of monthly reports on Monitoring of information security controls done by set date	ICT Strategy	None	Checking of firewall logs, review of system admin logs	Monthly monitoring of information security controls	Operational	Office of the municipal manager:M&E and Risk Management	
	Efficient and effective Municipal risk management	To render effective Municipal risk management		Acquisition and Installation of the Risk Management software by 30 June 2017	Date of software acquisition and installation	Manual formulation of register and use of Microsoft excel	No risk management software	Request the software from COGTA	Risk management software	Operational	Office of the municipal manager:M&E and Risk Management	
	Efficient and effective Municipal risk management	To render effective Municipal risk management		Determination of the risk maturity model biannually by 30 June 2017	Number of reports done on the Risk maturity model	Level 2 on the maturity model	Improve to level 3 and 4 level	Conduct the risk maturity model assessment on National treasury website	Risk maturity model twice year.	Operational	Office of the municipal manager:M&E and Risk Management	
	Efficient and effective Municipal risk management	To render effective Municipal risk management		Identification of actual occurrences or near misses that may threaten municipality's performance	Monitoring of combined risk assurance plan and 4 reports by 30 June 2017	Number of incidents recorded by set date	Risk management plan	Lack of monitoring of the risk assurance plan	Identification of occurrences and threats	Compile the risk occurrence plan and monitoring of the plan	Operational	Office of the municipal manager
Good governance and Public Participation	Proper contractual management and consistent	To provide effective legal drafting and contract		Contractual Management	100% Vetting of contracts and Development of	Percentage of Vet contracts and developed Contract register	Contracts and lease agreements and	No standard contract drafting in place	Use of legal services unit	Vetting and Contract Register	Operational	Office of the Municipal Manager: compliance and legal services

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT	
	legal environment	management services for the Municipality		Contract register by 30 June 2017		procurement plan are in place						
Good governance and Public Participation	Legally compliant acts of the Municipality and the public	To foster compliance with legal requirements Of the law	Compliance With The Prescripts Of The Law	To have drafted and reviewed four (4) by-laws vetted by 30 June 2017	Number By-laws vetted by the set date	Draft By-laws in place	By-laws drafted and vetted by department not brought to legal services for vetting	Use of legal services unit	Vetting of by-laws	Operational	Office of the Municipal Manager: compliance and legal services	
Good governance and Public Participation	Effective legal protection of the Municipal interests	To provide an effective litigation services in defending the interests of the Municipality	Defending the interests of the municipality	12 monthly report on Administration and management of litigation cases against and or instituted by the municipality	Number of reports on cases against and instituted by the municipality	external referral of litigation matters	Litigation administration and management	Use of internal and external legal resources	Administration and management of litigation cases	Operational	Office of the Municipal Manager: compliance and legal services	
Good governance and Public Participation	Compliance with by-laws	To manage enforcement on compliance with By-laws	Contravened by-laws enforcement	100% Enforcement of Notices received on Contravened by-laws by 30 June 2017	Percentage of notices enforced on contravened by-laws	Contravention enforcement on by-laws	Lack of enforcement on contravened by-laws	use of internal and external legal resources	Enforcement on contravened by-laws	Operational	Office of the Municipal Manager: compliance and legal services	
Good Governance and Public Participation.	Establish Mechanisms for effective and efficient public participation within the municipality.	To promote Community participation in decision making processes within the Municipality	Implementation of the Integrated service model (ISDM)	Facilitate the Establishment of 26 War rooms in the municipality by 31 December 2016	Number of War rooms established by set date	There are ward fora established per ward	No war rooms established	Integrated other stakeholders to the current Ward for a to establish war rooms	Establishment of War rooms in each ward.	operational	Community services: public participation services	
				Develop calendar of meetings for the War rooms by 31 January 2017	Completed calendar by set date				Integrated war room meeting schedules per ward	War room calendar of meetings	operational	Community services: public participation services
				Prepare 6 consolidate War room reports by 30 June 2017	Number of reports compiled by set date				Consolidate monthly war room reports per ward	Consolidated War room reports	operational	Community services: public participation services

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
	Improve Engagement of community in Municipal Affairs	To provide access for community to participate in municipal programmes and affairs	Increase public participation programmes and engagements	Coordinate public participation programmes and engagements for the Mayor's, and speakers office by 30 June 2016	Public engagements and programmes held by set date	Public participation programmes, imbizo's information dissemination	none	Use of Public Participation structures to disseminate information and staff coordination of meetings.	Community meetings, Imbizo's, stakeholder engagements, public education, mayoral outreaches	R45 000	Community services: public participation services
Good Governance and Public Participation	Coordinate workshops for various Portfolios of public participation drivers	Effective and efficient functioning of Ward committee for public participation drivers	Establishment of 260 new ward committees	Adopted framework and process plan for establishing ward committees by 31 July 2016	Adopted framework and process plan by set date	10 ward committees per ward for 2015/16 financial year	260 new ward committees established	Production of materials including forms and consultation	Process plan and framework for establishment of new ward committee	R10 000	Community services: public participation services
				Facilitate 2 Orientation workshops for ward committees and councillors BY 31 December 2016	Number of workshops held by set date		Orientation workshops for new councilors and ward committees	Assistance from COGTA EC for drafting the plan and facilitating workshops on rules and responsibilities of ward committees, ISDM AND public participation Plan	Orientation Workshops for new councilors and ward committees	R100 000.00	Community services: public participation services
Good Governance and Public Participation	Efficient and balanced ICT governance framework	To provide effective and efficient ICT governance	Compliance with the DPSA ICT governance framework	To have an approved phase 2 of ICT governance framework by 30 June 2017	Number of approved ICT governance framework by set date	ICT General Control Framework in place	Completed phase 2 of ICT Governance Framework	Use of internal and external resources and submit the frameworks to council for approval.	Implementation of Municipal Corporate Governance of ICT Policy Framework: Phase 2	operational	Corporate Services: ICT
Good Governance and Public Participation	Efficient and balanced ICT governance framework		Compliance with DPSA governance framework	To have 4 ICT Steering Committee sitting according to schedule by 30 June 2017	Number of meetings by set date	Established ICT Steering Committee	ICT Steering Committee charter is in place	Quarterly sitting of the ICT Steering Committee	ICT Steering Committee	operational	Corporate Services: ICT

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Good governance and public participation	Environment and Waste management	To conduct Awareness campaigns to Matatiele Communities	Waste management awareness	To conduct 8 waste management awareness to 4 yards receiving waste services by 30 June 2017	Reports and Pictures	26 awareness campaigns	None	Conducting awareness	Waste Management Awareness	None	Community Services: Environment, solid waste & EPWP
Good governance and public participation	Destination Marketing	To market Matatiele as a destination of choice	There is a need for global marketing	Develop a Tourism Web page by 30 June 2017	Develop a Tourism Website page that will be a link to the Municipal Website	There is an Existing Matatiele Local Municipality website	Limitations reaching the Global Markets	Assisted by ICT	Tourism Website page	R 00.00	Economic Development and planning :LED

CHAPTER 4: INTERGRATION OF PLANS

4.1 SECTOR PLANS

The municipality has a number of key plans and frameworks for which are key in the implementation of developmental programmers, and thus should be read in conjunction with this IDP revision. The following frameworks and plans are a requirement for the municipality. This chapter details the sector plans for the municipality.

4.1.1 Spatial Development Framework

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

Keeping in line with the Matatiele Municipality Spatial Development Framework Review, the following list of Municipal Policies and Guidelines will apply to all settlement planning and Land Use Management processes within Matatiele Municipality.

- ▶ *No development should take place on land within the 1 in 100 year flood line. In certain cases, exemption may be granted for development up to the 1 in 50year flood line;*
- ▶ *Development is prohibited on slopes steeper than 15% (or 1m : 6m), with exemptions in certain cases being permitted for development on slopes up to 18% (or 1m : 5m) or more (but not for public-funded housing development);*
- ▶ *Engineering Geotechnical reports should be undertaken prior to planning of new areas for settlement/development; and*
- ▶ *Wherever possible mitigation steps should be taken to prevent informal settlement development within 1: 100 year flood areas. Where such settlement has occurred, appropriate steps should be taken to clear the area and secure it from future settlement.*

4.1.1.1 Spatial Analysis

Settlement Patterns

- **Urban settlement:** comprises of three towns Cedarville, Matatiele and Maluti.
- **Administrative areas:** Serves as a basic spatial unit in the greater part of the Eastern Cape rural landscape
- **Dispersed rural settlements:** Municipal Area comprises of 249 dispersed rural villages occurring in small pockets of settlements within traditional authority areas.
- **Commercial farmlands:** The space that commercial agriculture occupies is characterized by widespread farm homesteads and clusters of farm workers accommodation (farm dwellers).
- **Settlement density:** low-density settlements with an average density of 46.8 persons per km².

Current Land Use

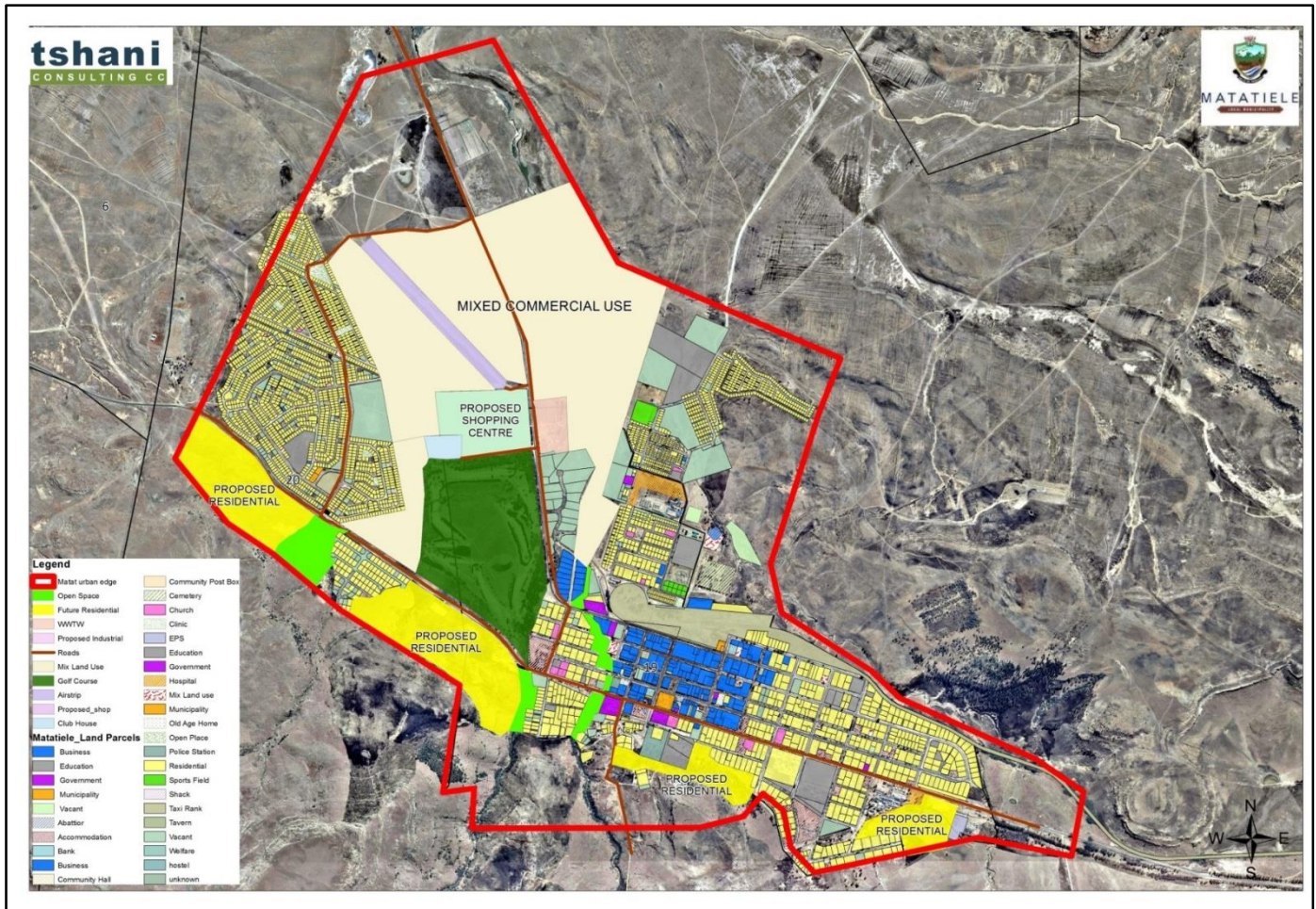
Current land use pattern has evolved in response to the settlement pattern, rural character of the municipality, applicable planning policies and land use management practices. A Land use pattern includes the commercial agriculture mainly to the east and west of Matatiele town. There are areas that are conserved and protected,

which include natural ecological state and should remain as core areas for conservation of protective species. Rural villages with residential occurring in the form of a grid with sites being relatively equal in size.

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

LAND USE PROPOSAL IN MATATIELE:

Figure 13: long-term land use proposals for Matatiele Town: source – SDF 2014



LAND USE PROPOSALS IN CEDARVILLE

Figure 14: long-term land use proposals for Cedarville Town: source – SDF 2014



Access and Movement

Matatiele Municipality has a general good and well established road system comprising of provincial, district and local access roads, there is no operational railway running through the area. Small landing strips exist in Matatiele and Cedarville. Public transport is provided mainly through taxis, buses and vans.

Spatial Economy

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

Natural Environment

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

Physical Environment

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

Biodiversity

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

Water Resources

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

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

4.1.1.2 Key Spatial Issues

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

Spatial Planning Strategies

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

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

Spatial Restructuring

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

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

Hierarchy of Development Corridors

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

community such as Caba/Mdeni, Afzondering, Outspan, Queens Mercy, kwaQili and Thaba Chicha /Sijoka.

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

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

- **Primary Development Corridors**

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

- **Secondary Development Corridors**

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

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

- **Tertiary Corridors**

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

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

Geographic Information Systems (GIS)

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

4.1.2 Comprehensive Infrastructure Plan

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

Electrification Plan

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

Storm Water Plan

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

Integrated Transport Plan

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

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

4.1.3 Integrated Waste Management Plan (IWMP)

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

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

i. Current Waste Categories and Characteristics

- **General domestic waste:** This consists of paper, plastic, metal, glass, put rescibles / food waste, garden refuse and building rubble.

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

ii. Waste Collection

Refuse is collected at least once a week in 5395 households in ward 1, 19, 20 and 26. Approximately 86% of the households do not have access to refuse collection, mainly in rural areas. Domestic and commercial waste tends to be collected together, mingled and is transferred to the landfill site.

Waste recycled or minimization

There is some evidence of limited recycling of cardboard in Matatiele LM. In addition, there is no measure of recycling of reasonable quantities of commercial, industrial, medical and hazardous waste generation in Matatiele Local Municipality.

Priority issues with regards to waste management

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

iii. Proposed Waste Management Objectives and Strategies for Priority Issues

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

V. Waste Management By-Laws

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

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

4.1.4 EPWP

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

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

- Nkhoesa Mofokeng
- Food For Waste
- Reahloekisa

4.1.5 LED Strategy

I. Introduction

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

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

II. Purpose and Objectives

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

The objectives are to:

- Capacitate the Matatiele Local Municipality staff in carrying out its LED mandate
- Develop a strategic implementation plan that outlines the strategies and activities that the municipality and other LED stakeholders can employ
- Facilitate the creation of an enabling framework for private and public sector investment

- Provide an overall economic assessment for Matatiele in order to identify sectors or areas of high economic potential
- Identify and estimate the cost of projects that will potentially contribute to the improvement of both Matatiele local Municipality's economic future and quality of life within the municipal area
- Provide guidelines for implementing LED projects in Matatiele Local Municipality and for monitoring and evaluating them
- Identify the roles and responsibilities of local stakeholders in LED
- Provide guidelines for the monitoring and evaluation of the strategy.

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

III. Situational Analysis

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

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

IV. Strategic Framework for LED intervention

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

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

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

V. Implementation of the Strategy

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

- Identification of prioritized actions and projects for implementation
- From the prioritized list of projects a set of key anchor projects has been developed for the implementation by the stakeholders;
- An implementation schedule is devised from the key projects identified indicating responsibilities and resource requirements;
- Identification of monitoring and evaluation criteria that would be used to assess progress in terms of the implementation of the LED Strategy;
- Project Implementation Guidelines.

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

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

Stakeholder Involvement and Community Participation

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

▶ **LED Forum/Local Action Team (LAT)**

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

Forum includes the following:

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

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

4.1.6 Customer care Management

With regards to Customer care, Matatiele Local municipality has the objective to provide a reliable, responsive, competent, accessible, courteous, multi operational, affordable quality service and to treat consumers with empathy at all times under all circumstances, also to define a customer care framework to ensure loyalty and participation of customers into the objective of the municipality. A community liaison officer has been appointed to deal with community relations and customer care. There is a customer care policy which has been adopted to guide the processes and procedures with regards customer care and complaints management.

The policy address the aims of BATHO-PELE principles and the municipality is committed to the provision of high quality relevant services in an open and responsive manner and will ensure the strategy is delivered to a standard that is user-friendly and efficient. The Municipality is also linked to the Presidential Hot Line, monitored by the Community Liaison Officer. Customers use written and verbal means of conveying their concerns, using such as Walk-ins and suggestion books and boxes.

The municipality currently has an adopted Customer Care Policy which set out following Objectives:

1. *To restore and promote the culture of paying for services rendered and used, through a fair and equitable customer care policy;*
2. *To protect the Municipal services users, paying for services and to encourage those not paying to do so in the interest of sustainable service delivery;*
3. *To define a manageable customer care framework to ensure enrolling of consumers into the objectives of the municipality;*
4. *To meet customer's needs with efficiency, effectiveness, fairness and courtesy;*
5. *To provide a friendly service, demonstrating respect and sensitivity;*
6. *To demonstrate our commitment to equality and diversity;*
7. *To recognize and respond to customer's particular needs;*
8. *To deal with customer's requests and enquiries accurately, promptly, and efficiently;*
9. *To respect customer's confidentiality;*
10. *Making effective referrals to other departments/institutions;*
11. *Offering an explanation if the municipality is unable to can't answer one's requests/enquiries;*
12. *Making effective use of Information Technology (IT) and web services;*
13. *Establishing service standards and monitoring our performance; and*
14. *Welcoming customer's feedback.*

4.1.7 Communication Strategy

Matatiele Local Municipality has an adopted communication strategy (2011) which has been reviewed in the (2015/2016) financial year. For the local sphere to fulfil its mandate effectively, the need for a consultative, democratic, integrated, participatory and developmental communication becomes central to the developmental agenda of local government in line with the local government turn-around strategy (LGTAS). A national effort has been initiated by SALGA, CoGTA and Gcis to develop a system of local government communication which will ensure effective and coordinated communication between the three spheres of government.

The main objectives of communication are:

- To promote transparency in the municipality
- To enhance maximum public participation
- To empower communities with information

To communicate successes in service delivery

- To coordinate internal and external communication
- To build good working relations with traditional leaders, NGO's, CBO's, FBO's and other civil society structures.
- To ensure compliance to communication policy and protocol

To brand and market the municipality

In line with the Batho Pele Principles the following are the communication Objectives:-

- *To Promote Transparency in the Municipality*
- *To Enhance Maximum Public Participation*
- *To Empower Communities with Information*
- *To Communicate Successes in Service Delivery*
- *To coordinate internal and external communication*
- *To build good working relations with traditional leaders, NGO's, CBO's, FBO and other civil society structures.*
- *To ensure compliance to communication policy and protocol*
- *To brand and market the municipality*

Communication environment has Positive Perceptions including business opportunities, tourism potential, cleanest town and clean audit reports. Public Perceptions on the other hand involve slow service delivery, lack of quick feedback to people's needs, politicians are only interested in people's votes - politicians are more with power struggle than service delivery, lack of local economic development support from the municipality, nepotism, high crime rate, poverty, corruption and poor public participation of NGO's, CBO's and FBO's.

Media relations with local and national needs to be strengthened through:-

- *Minimal coverage on electronic and print*
- *Municipal support on local print media is still a challenge.*
- *Maximum utilization of community radio*

III. Communication Channels

The following channels of communication are used to communicate to the public, stakeholders, customers etc.: EXCO Outreach Programmes, Traditional Councils, School Governing Bodies, Electronic and Print Media, Posters, Brochures, Banners, and Fliers, Information Days, Civil Society Organizations, Municipal Billboards, Loud Hailing, Municipal Staff, Municipal Website, SMS, News Letters, Public Participation Outreaches, Constituency Offices, Distribution Points, Council Meeting, Local Communicators Forum

4.1.8 Inter-Governmental Relations

The Matatiele Local Municipality has a an IGR Forum, guided by the terms of reference compiled during the workshop held conducted with the assistance of the Department of Local Government and Traditional Affairs. The IGR forum is chaired by the municipal Manager and consists of the Senior Management from Various Sector Department. The forum Meetings are held quarterly. Sector departments should also be involved in the IDP process from the first phase to ensure that their programmes and projects are included in the IDP document. IGR Forum Meetings and IDP Rep Forum meetings are used as platforms for information sharing and progress reporting on all programmes planned and implemented in the local municipality. Sector Plans are also prepared and reviewed in line with IDP development and review process and such plans should form the basis for initiating and guiding development within the municipality and further assist the municipalities in having credible IDPs.

Stakeholders

The main purposes of the external communication is to inform stakeholders of MLM with policy and legislative matters of the Municipality , its IDP, PMS Municipal Programmes of service delivery , information about campaigns, best practices, issues. Two way communications is prompted in order to obtain feedback so that MLM convey relevant information that meets the needs of the communities. The following are the stakeholders within the municipality;

- *Women's Forum*
- *Business Organization*
- *Community Organization*
- *Faith Based Organization*
- *NGO's*
- *Traditional Leaders*
- *Youth Forums*
- *Labour Forums*
- *Political Organizations*
- *Ratepayers*
- *Hawkers Association*
- *Sector Departments*

Below is the stakeholder registers, detailing some of the stakeholders:

NAME OF ORGANISATION	CONTACT PERSON	CONTACT NUMBERS
IMBUMBA YA MAKHOSIKAZI	MRS SIBI	083 678 0021
MATATIELE RETIRED TEACHERS(MARTA)	MR LESAOANA	076 724 9187
NAFCOC	MR NONJINGO	073 556 2813
DISABILITY FORUM	MR PHOOKO	072 9898 507
COSATU	MR KORTJAAS	078 358 4920
MASIBUMBANE HAWKERS ASSOCIATIONS	MR RORISANG MOOROSI	073 497 2951
MATATIELE RATE PAYERS AND BUSINESS ASSOCIATION	MR VINCENT, MR HAVISIDE AND MR MOHOTO	083 5572214
SANANCO	NOMAWETHU SOMDAKA	083 398 0699
MEHLODING TOURISM TRUST	MR Lesia Simon	078 285 0999
MATATIELE FARMERS ASSOCIATION	MR Mohapi	083 582 7398
COUNCIL OF CHURCHES	Rev. Setlaba Rev. Qobo	071 204 7743 079 493 6455
UNCEDO TAXI ASSOCIATION	MR DLOMO	073 135 0231
DRAKENSBURG TAXI ASSOCIATION	MR MOTHIBEDI	082 680 0577
FARMERS UNIONS : GRAIN SA NERPO	CLLR MONGOATO MR MOHAPI	082 770 4710 083 582 7398
BUS ASSOCIATION	MR V.S. MBOBO	083 561 1646
PAKISTAN & INDIAN COMMUNITY	CHAIRPERSON MR SHAHID MUHAMMAD	072 3402189
IMFUYO FARMERS ASSOCIATIONS	MR THOBILE MFENE	079 265 7721/082 796 6313

CERDAVILLE FARMERS ASSOCIATIONS	MR KENNY BIGGS	

4.1.9 Social Cohesion

Matatiele Local Municipality is committed to promoting social initiatives that enhance the uplifting and empowering of communities through social cohesion. The municipality has amongst other initiatives, annual events which are geared towards improving and empowering communities.

4.1.10 Performance Management System

The Department of Co-operative Governance and Traditional Affairs, (CoGTA) defines Performance Management as "... a strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact." This system will therefore ensure that all leaders, managers and individuals in a municipality are held accountable for their actions, which should bring about improved service delivery and value for money.

For a PMS to be successful it is important that:

- Top management and the council drive the system.
- There is a clear understanding and appreciation of its value by all stakeholders.
- Middle Managers are trained and take responsibility for performance management.

Performance management in a municipality is a two way communication process between the municipality and the community that is making use of the municipal services. The performance of the municipality is then measured against specific standards and priorities which have been mutually developed and agreed upon during the IDP process. Performance management is potentially the area of management that can make the most significant contribution to organisational performance.

The system should be designed in such a way that it improves strategic focus and organisational effectiveness through continually seeking to improve the performance of the municipality as a whole.

In compliance with the basic requirement of Chapter 6 of the Municipal Systems Act (2000), Matatiele Local Municipality has an adopted PMS framework and Policy for implementing Performance Management System (PMS). The PMS model that is used by Matatiele is 5-year Municipal Scorecard, with an annual SDBIP. The framework recommended this Model because it is a conceptual framework that provides guidance as to what aspects of the municipality's performance should be measured and managed.

The model has proved useful in performance management for it provides balance, simplicity, mapping of inter – relationships and alignment to the Integrated Development Planning processes of the municipalities. The model also prompts municipal organizations to take a balanced view in terms of how it measures and manages its performance. It prevents bias by ensuring that performance measurement does not heavily rely on one facet of performance (i.e. financial viability), but rather encapsulates a multi – perspective holistic assessment of the municipality's performance. It is considered simple because it covers all key areas of performance within the municipal organization.

The municipality facilitates the implementation of this framework on an on – going basis as a tool to meet the targets that are outlined on the municipal objectives and priorities as entailed in the comprehensive Integrated Development Plan (IDP). The Service Delivery and Budget Implementation Plan (SDBIP) is prepared on an annual basis to monitor the implementation of the IDP and Budget in the immediate term. The SDBIP captures the IDP capital projects and other municipal operational activities which have been resourced with funding and human capital for the current financial year and set the measurable annual and quarterly targets for Council to be able to monitor development on the ground versus what has been planned.

It is also through the SDBIP that Matatiele Management reports to the Municipal Council in a structured manner (i.e. Monthly and Quarterly) and the performance of the Municipal Manager and Section 56 Managers is thus monitored. The Municipal Manager is directly responsible for the Performance of the municipality as such the

IDP and PMS Unit are located within the Office of the Municipal Manager. The key units that mainly assist the Municipal Manager with PMS can be briefly discussed as follows:

IDP, Monitoring and Evaluation Unit (PMS) – this unit is responsible for the development and review of the Municipal Integrated Development Plan, compilation of the Service Delivery and Budget Implementation Plan, consolidation of the SDBIP quarterly reports for Council, Mid – Year Budget and Performance Report, Annual Performance Report and co – ordination of the Strategic Planning Session.

Budget and Treasury (Financial Reporting) – this office is responsible for monitoring the municipality's performance in terms of financial expenditure in line with the IDP, Budget and SDBIP. This also includes consolidation of monthly and quarterly financial reports that are part of the SDBIP quarterly reports, Midyear Report and Annual Financial Statements.

In addition to the above the municipality also considers additional PMS functions to the Internal Audit Unit and the External Audit Committee. These functions can be briefly outlined as follows:-

Internal Auditing and Risk Reserves– the Risk and Audit Services Unit has been established in terms of Section 165 of MFMA, which states that each municipality each entity must have an internal audit unit. The Unit has a Manager, Chief Audit Officer, Chief Risk Officer, 2 Interns. An Internal Audit is a co-sourced function.

The Internal unit of a municipality municipal entity among other issues:

Prepare a risk-based audit plan and an internal program for each financial year

Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relation to:

- Internal Audit
- Internal Controls
- Accounting procedures and practices
- Risk and risk management
- Performance management
- Loss control and Compliance with the MFMA, Annual DORA and any other applicable legislation

Independent Advisory (Audit Committee) – *The Audit Committee has been appointed, council-Resolution No: CR456/11/10/2013, in terms of Section 166 of the MFMA as an independent advisory body.*

Each municipality and each municipal entity must have an audit committee, subject to subsequent (6)

(1) advises the municipal council, the political office bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity on matters relating to:

- (a) Internal financial control and internal audits*
- (b) Risk Management*
- (c) Accounting policies*
- (d) The adequacy, reliability and accuracy of financial reporting and information*
- (e) Performance management*
- (f) Effective governance*
- (g) Compliance with MFMA, the DORA and any other applicable legislation*
- (h) Performance evaluation and*
- (i) Any other issues referred to it by municipality or municipal entity*

4.1.11 HIV/AIDS Strategy

The Matatiele Local Municipality guided by SALGA and AMICAALL Policy Framework for municipalities respond to HIV/AIDS challenge, facilitated the establishment of a multi-sectoral AIDS council. The Municipality has an adopted HIV/AIDS strategy which has been reviewed in 2013/2014. This document is the product of that engagement and it is organised according to six sections which are:

Section 1: Municipal Situational analysis: the Matatiele multi-sectoral plan focuses on issues that are critical in developing the multi-sectoral municipal response to HIV and AIDS. The Municipal HIV/AIDS multi-sectoral plan analyses different socio-economic conditions that drive the spread and impact of the HIV and AIDS pandemic in our communities.

The Municipal situational analysis focuses on the following:

- *Municipal geographic location*
- *Municipal Socio-economic profile*
- *Access to basic services and health care services*

Section 3: Policy and Legal framework for municipal response to HIV and AIDS: this section of the strategy document provides a policy framework for municipality's response to HIV/AIDS. The document focuses on the National and International prescripts.

Section 4: HIV Prevalence and impact on the municipality: in this section of the strategy document we map out the landscape of the pandemic within the municipality. The landscaping traces the HIV prevalence in the provinces, district and local. As part of this landscaping we also look at some of the factors that contribute towards the spread of the pandemic. The second part of this section focuses on the impact of the pandemic in the livelihood of the communities and it focuses on:

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

Section 5: Matatiele Local Municipality HIV and AIDS strategy: in line with the national strategic framework, the Matatiele multi-sectoral strategic plan has set its broad objectives as to:

- *Reduce the rate of infection of HIV and AIDS*
- *Reduce the impact of the HIV and AIDS on individuals, families, communities and the broader society by ensuring improving access to treatment care and support and service delivery targeting the infected and affected.*

This section is organised into three focus areas which are:

- *Prevention, education and awareness*
- *Treatment, care and support*
- *Care and support for orphaned and vulnerable children*

In each of these three focus areas the Matatiele Municipality HIV and AIDS strategic plan document outline:

- *The broad goal*
- *Problem analysis*
- *Available services*
- *Gap analysis between the available services and needs*
- *Outputs needed and approach towards the implementation.*

Section 6: Structural arrangements and co-ordination of the municipal response: this last section of the strategic documents focuses on the establishment and function of the local AIDS council. The document outlines the structures, roles and responsibilities and what it needs to ensure effective co-ordination and implementation of multi-sectorial response.

4.1.11 Municipal Public Accounts Committee (MPAC)

S79 Committee reporting directly to Council. Municipality had an "Oversight Committee" as prescribed by the MFMA for the conclusion of the Annual Reporting Process. The MPAC has been established and in early stages of executing its duties.

MPAC Members:

- Cllr T.V. Mongoato (Chairperson)
- Cllr S Mavuka
- Cllr V.M. Mlandu
- Cllr J.Z. Munyu
- Cllr L. Shemane
- Cllr S. Baba
- Cllr N.B. Nkomo
- Cllr N.N. Ndukwana
- Cllr Z. Bono

4.1.12 Audit and Compliance

The scope of work of the Internal Audit function is to determine whether the municipality's risk management, control and governance processes, as designed and represented by management, are adequate and functioning in a manner to ensure:-

- *That risks are appropriately identified and managed;*
- *That interaction with the various governance groups occurs as needed;*
- *That significant financial, managerial, and operating information is accurate, reliable, and timely;*
- *That employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;*
- *That resources are acquired economically, used efficiently, and adequately protected;*
- *That programs, plans, and objectives are achieved*
- *That quality and continuous improvement are fostered in the municipality's control process.*
- *Those significant legislative or regulatory issues impacting the municipality are recognized and addressed appropriately.*
- *Effective, efficient and transparent governance / administration*

Matatiele Local Municipality has an Audit Committee. The Audit committee operates in terms of accepted terms of Reference for the Audit Committee as set out in the appointment letters subject to the provisions of Section 166 of the MFMA. In particular the Committee emphasises that its overall objective is to ensure that good corporate governance is observed and practiced by the Municipality. In particular the purpose is to assist the Council in the course of the Council fulfilling and achieving its developmental objectives which are to deliver a quality service to ratepayers, service consumers and stakeholders utilizing minimum resources, while creating and bringing about a self-sufficient municipality.

4.1.13 The Audit committee

The Audit Committee is responsible for all issues as outlined in Section 166 of the MFMA. This committee serves also as the Performance Audit Committee.

The members of an Audit committee are as follows:

Advocate Andrew Duminy	Chairperson
Ms SJK Earl	Member
Ms N Thipa	Member
Ms TW Tsabo	Member
Ms MS Panicker	Member

4.1.13.1 Audit Outcomes Opinions for the last three financial years

Opinion	Financial Year	Audit Finding
Unqualified Audit Opinion	2012/2013	<i>Impairment loss</i>
		<i>Electricity distribution</i>
		<i>Pre-determined objectives</i>
		<i>Restatement of corresponding figures (Irregular Expenditure)</i>
		<i>Achievement of planned targets</i>
		<i>Annual Financial Statements, performance and Annual report</i>
		<i>MFMA additional disclosure</i>
		<i>Procurement and contract management</i>
		<i>Unauthorised, irregular and wasteful expenditure</i>
		<i>Leadership – management did not perform an adequately detailed review on the financial statements and the annual performance report prior to their submission for audit</i>
		<i>Governance – Internal Audit and Audit Committee did not adequately discharge their responsibilities as set out in legislation and as result material adjustment in the annual financial statements were made as well as lack of oversight responsibility regarding compliance with laws and regulations.</i>
Unqualified Audit Opinion	2013/2014	<i>Electricity distribution losses</i>
		<i>Impairment loss</i>
		<i>Unauthorised Expenditure</i>
		<i>Financial statements, performance and Annual Report</i>
		<i>Procurement and Contract Management</i>
		<i>Expenditure Management</i>
		<i>Leadership – the municipality did not have detailed standard operating procedure relating to performance objective for all departments.</i>
		<i>Financial and performance management – there was not adequate monitoring and review of compliance with applicable laws and regulations.</i>
		<i>Governance – there was no separation of functions between the risk management and internal audit units, which increased the risk of impairing the unit's independence.</i>
Unqualified Audit Opinion (with matters of emphasis but no material findings) Clean Audit Opinion	2014/2015	<i>Electricity distribution losses</i>
		<i>Impairment loss</i>
		<i>Irregular expenditure</i>

4.1.13.2 Audit Plan

The purpose of this plan is to set out the nature, role, responsibility, status and authority of the Internal Audit function within the municipality and to outline the scope of the internal audit. The Audit Committee accepted the conclusions of the Auditor-General on the Annual Financial Statements for the year ended 30 June 2015. The municipality developed and an action plan (*Operation keep the clean audit*) and is implementing the action plan to address the findings raised.

4.1.13.3 Compliance Auditing

Compliance Auditing is performed after the internal controls have been evaluated and is defined as test of controls with the objective to express an opinion that is satisfactory, needs improvement, or unsatisfactory on the achievement of the control objectives of each significant system.

4.1.13.4 Performance Auditing

The promotion of economy, efficiency and effectiveness depends on adequate overall management arrangements for planning, budgeting, authorisation, control and evaluation of the use of resources. Whereas accounting officers are responsible for the implementation of proper functioning of such overall management arrangements, the responsibility of performance audit is to confirm independently that these measures do exist and are effective and report to the management and the Audit Committee on these issues.

4.1.13.5 Information Systems Review

A high level review of the Information system controls to obtain an understanding of the control environment, to support the audit risk assessment and to ensure that proper IS controls are in place in such a way as to ensure that IS supports the business objectives and process of the organization.

4.1.13.6 Fraud Prevention

The identification and prevention of fraud is clearly the responsibility of management. Internal Audit function is well qualified to assist management to identify the main fraud risks facing the Organisation and to design appropriate controls that could help minimize the effects of the risks.

Accountability - The Internal Audit function, in the discharge of its duties, shall be accountable to the Audit Committee to:-

- *Provide annually, an assessment on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risk in the areas set forth under the mission and scope of work;*
- *Report significant issues related to processes for controlling the activities of the organization including potential improvements to those processes;*
- *Periodically provide information on the status and results of the annual audit plan and sufficiency of the division resources; and*
- *Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance security, legal, external audit).*

Independence - To provide for the independence of the Internal Audit function, it reports to the Accounting officer administratively and operationally to the Audit Committee periodically.

Responsibility - The Internal Audit function has responsibilities amongst others to develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Audit Committee for review and approval as well periodic updates. It also has a responsibility to implement the annual audit plan as approved, including as appropriate any special task or projects requested by the management and the Audit Committee.

Authority - There are no restrictions placed upon the scope of internal audit's work. Members of the internal audit function engaged on internal audit work are entitled to receive whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of the organization.

External Auditors - The External Auditors will be notified of the activities of Internal Audit in order to minimize the duplication of audit effort. This will be accomplished by a compulsory meeting between Internal and External Audit to discuss the annual internal and external audit plans.

Strategic Internal Audit Plan - Internal audit will in consultation with management prepare a three year rolling internal audit plan to the Audit Committee for approval. The plan should set out the recommended scope of their work in the period.

Operational Internal Audit Plan - Internal audit will in consultation with management present an annual internal audit operational plan to Audit Committee for approval. The plan should set out the recommended scope of their work in the year.

Reporting - The Internal Audit function will carry out the work as agreed, report the outcome and findings to the management, and will make recommendations on the action to be taken. The details will be copied to the relevant line management, given a maximum response period of two weeks. A follow up report will be issued to the managers of the affected section three months after the main report enquiring about the progress made regarding the corrective measures taken as a result of the audit. On a quarterly basis the Internal Audit will submit an Executive Report to the Audit Committee. The process of drafting annual financial statements and the ensuing audit will take up at least 6 months of the financial year between July and December.

Standard of Audit Practice- the Internal Audit function will meet or exceed the Standard for Professional Practice of Internal Auditing of The Institute of Internal Auditors, provided that sufficient resources have been allocated. A full time resource will be available to Matatiele Local Municipality in ensuring the proper implementation of systems and controls at the Municipality.

4.1.14 Fraud Prevention Plan

The Municipality has an adopted Fraud Prevention Plan. The purpose is to ensure that the Matatiele Local Municipality has a successful, efficient and transparent system of financial and risk management and internal control. It is committed to fighting fraudulent behaviour at all levels within the organization.

The policy of the Municipality is zero tolerance to fraud and corruption. In addition, all fraud and corruption will be inspected and followed up by the application of all remedies available within the full extent of the law and implementation of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of the Municipality. It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their managers.

The Municipality encourages the members of the public or providers of goods and/or services who suspect fraud and corruption to contact any member of management, the Municipal Manager, the Speaker, the Mayor and/or the chairperson of the Audit Committee. For issues raised by employees, ratepayers, members of the public or providers of goods and/or services, actions taken depend on the nature of the allegation.

The matters raised will be screened and evaluated and may be subsequently:

- *Investigated internally*
- *Directed to the law enforcement agency*

Any fraud and corruption committed by any employee or any other person will be practiced by a thorough examination and to the full level of the law, consider the following:

- *In case of employees, taking disciplinary action within a reasonable period of time after the incident.*
- *Instituting civil action to recover losses;*
- *Initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency; and*
- *Any other appropriate and legal remedy available embarrassed*

a) Components of the plan

The main principles of this plan are based on and aligned to the LGTAS including the following:

- *Creating a culture which is ethical and intolerant to fraud and corruption:*
- *Deterrence of fraud and corruption;*
- *Prevention of fraud and corruption which cannot be deterred;*
- *Detection of fraud and corruption;*
- *Investigating detected fraud and corruption;*
- *Taking appropriate action in the event of such irregularities, e.g. disciplinary action, recovery of losses, prosecution, etc. and*
- *Applying sanctions that include blacklisting and prohibition from further employment.*

b) Approach to Fraud Prevention

Steps of approaching fraud prevention:

- *Organizational focus*
- *Focus on employees including management*
- *Focus on other stakeholders*
- *Enforcement*
- *Implementation*

4.1.15 Risk Management Plan

The management of risk is the process by which the Accounting Officer, Chief Financial Official and the other senior management of the municipality will proactively, purposely, and regularly, but at least annually, identify and define current as well as emerging business, financial and potential risks and identify appropriate, business and cost effective methods of managing these risks within the municipality, as well as the risk to stakeholders.

The purpose of risk assessment is to provide management with an assessment of the risk profile of the municipality. The risk analysis also provides an indication of the impact and likelihood of critical risks occurring that may prevent the Municipality from attaining the desired performance against strategic objectives. Before the start of a new financial year, a Risk Management workshop is held at which the annual Risk register new financial year is developed. The Risk register is monitored monthly and then departments report to the Internal Audit unit on a quarterly basis.

a) Risk Management Policy

Objective of the risk management policy

The objective of the risk policy is to ensure that a strategic plan is developed that should address the following:

- *An effective risk management architecture*
- *A reporting system to facilitate risk reporting: and*
- *An effective culture of risk assessment*

The Policy is used to ensure that risk management becomes the concern of line management and everyone in the Municipality and that risk management practices are consistent across the whole of the municipality.

A risk management committee for the municipality is established to oversee the implementation of the risk management Policy. The committee comprises of the following disciplines

- *The Municipal Manager and all General Managers*
- *Electrical services unit*
- *Public Safety unit*

The committee:

- *Ensure that the Risk Management Strategy is appropriate to the Municipality*
- *Convene and facilitate Risk Assessment workshops for the purpose of identifying, analysing and evaluating risks*
- *Prepare the Risk Profile of each Department*

- *Ensure that the Risk Assessment and Risk Profile is completed prior to the end of each financial year*
- *Oversee the implementation of the Strategy within the Organization to ensure that Departments identify, analyze and rate risks and furthermore implement the necessary control measures as prescribed by management to respond to risks identified*

b) Risk Management Strategy

- **Risk Identification and Evaluation**

Risks will be identified and related to the process objectives for each department. It is accepted that risks within the three categories are themselves subjected to further categorization. For instances, within the High-risk category, it is accepted that some risks will be of a higher level than others, whilst all of them will be globally categorized as “high”.

- **Assessment of controls**

According to South African Auditing Standard, an internal control system” consists of all the policies and procedures (internal controls) adopted by management of an entity to assist in achieving management’s objective of ensuring, as far as it is practicable, the orderly and efficient conduct of its business, including adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. Controls are evaluated and rated as being strong, medium or weak. Non-existent controls are indicated as such in the assessment of controls.

Matatiele local municipality uses an internal control tool questionnaire, updated by the internal audit department and is submitted quarterly to local government.

- **Residual risks**

After documenting the activities; identifying, classifying and rating risks as well as identifying and rating the existing controls, the residual risks per activity, will be established. Residual risks are the risks that are identified after taking into consideration the effect and impact of direct control measures implemented as well as the impact of compensating control measures, relative to a risk identified.

- **Risk profile**

A risk profile will be maintained by Internal Audit reflecting all activities with a residual risk and shall categorize the residual risks into High, Medium and Low. The residual risks will be depicted in tabular form and the rating of residual risks will be indicated. Management shall identify the person/s responsible for the implementation of the control measure and time frame within which the control measure will be implemented.

- **Control Self-Assessment**

The final phase of the risk management strategy requires continuous monitoring and evaluating of the risk profile.

Management shall conduct a cost-benefit-analysis to establish whether the benefits of implementing a control measure exceed the costs thereof. If not, the effects of the risk should be carefully analysed and appropriate action taken.

- **Monitoring / Review**

The Manager shall, on a regular basis, but at a minimum on an annual basis, review the risks identified in the risk profile, with due regard of the impact of any compensating controls, and report to council on the effectiveness of the Risk management strategy. Accounting officer will coordinate an annual review of the effectiveness of this policy with the key managers in the municipality.

This annual review will take place immediately prior to the development of the annual business and integrated development plans so that it can have due regard to the current as well as the emerging risk profile of the business. Internal audit will monitor key controls identified in the risk management system as part of the annual audit plan developed in conjunction with the Accounting Officer and approved by the Audit Committee.

1.4.16 Employment Equity Plan

Matatiele Local municipality has adopted employment equity (2009 -2014) plan which is reviewed annually. The Matatiele Local Municipality is committed to the implementation of employment Equity to redress the legacy of past discrimination during which people were denied access to equal opportunities based on their race, gender, HIV/AIDS, marital status, sexual orientation, religion; ethnic/social origin, age and disabilities.

The objectives of the plan include the following:

These are based on the implementation of the affirmative action measures, elimination of unfair discrimination in employment policies, practices and working environment.

- Improve the Previous disadvantage group (PDG), race representation at senior management level from 0% to 20% and in terms of gender from 20% to 40%
- Improve the over/under-representation of people from designated groups in all occupational levels within Matatiele Local Municipality.

The strategy involved entails that through its Employment Equity Plan, Matatiele Local Municipality seeks to transform its workforce profile to be reflective of the country's demographics and to create an environment that is conducive to all people realizing their own potential. It is recognized that by managing all aspects of our diverse culture a significant contribution could be made to the ultimate objectives of improving the municipality's sustainability.

BARRIER	ACTION	RESPONSIBLE PERSON(S)	TIME FRAMES
<ul style="list-style-type: none"> ▪ Insufficient supply of technical skills among females – resulting in their poor representation throughout certain levels in the organization structure; 	<ul style="list-style-type: none"> • Develop skills development programmes for identified underrepresented individuals; • Specify the target group when advertising 	SDF GM:CS	Ongoing
<ul style="list-style-type: none"> ▪ Inadequate facilities for people with disabilities in certain areas; ▪ Under representation of women (100% male) ▪ Lack of training, development and advancement ▪ Selective recruitment by individuals, not following Recruitment policies and procedures ▪ Abuse of discretionary powers to hire, fire not following recruitment procedures ▪ Under representation of women (80% male) 	<ul style="list-style-type: none"> • Municipal facilities should be modified to cater for people with disabilities • The section must be inducted on all HR policies, • Structured training programmes aimed at the targeted group must be initiated by the department as soon as possible. • Salary structures must be verified with corporate services with immediate effect to redress the identified imbalances. 	GM: Infrastructure Services GM: Corporate Services Municipal Manager	Ongoing

	<ul style="list-style-type: none"> Departmental targets to be communicated and given to the line managers and supervisors for reference whilst proper recruitment procedures must be followed with immediate effect. 		
<ul style="list-style-type: none"> Lack of structured career pathing programmes resulting in poor career growth and succession in senior positions 	<ul style="list-style-type: none"> Customized structured training programmes developed and implemented as soon as possible 	SDF	On a monthly basis
<ul style="list-style-type: none"> Insufficient retention and succession opportunities 	<ul style="list-style-type: none"> Development of sufficient retention and succession opportunities; 	Municipal Manager CFO GM: Corporate Services GM: Infrastructure Services GM: EDP GM: Community Services	Ongoing
<ul style="list-style-type: none"> No induction programmes on the existing employment policies, which results in non implementation thereof; 	<ul style="list-style-type: none"> Population of HR component; Development and implementation of induction mechanisms 	GM:CS	Dec 2014
<ul style="list-style-type: none"> Recruitment of employees without following the applicable Recruitment and Selection Policies; 	<ul style="list-style-type: none"> Strict adherence to Municipality's Recruitment and Selection Policies, unless there is valid justification for deviations 	Municipal Manager GM:CS	Ongoing
<ul style="list-style-type: none"> Non-existence of fully capacitated Human Resource Unit, resulting in inadequate efforts being exerted towards meeting the objectives of the EE plan; 	<ul style="list-style-type: none"> Populate the HR component 	GM:CS	June 2015

4.4.17 Human Capital Retention Strategy

The Matatiele Local Municipality recognises that its most valuable asset is its human resources. A great deal of time and money is invested in the recruitment, training and development of employees and, as such every effort should be made to retain those employees. As a result, this Strategy has been developed to guide the Matatiele Local Municipality in attracting and retaining staff.

Staff retention is about finding the best employees for the job and finding ways of keeping these employees within Municipality. It involves a range of ideas and practices that should all be seen as interlinked. The focus is on attracting employees to join the organisation focusing on recruitment strategies and keeping those who are already employed, especially those with relevant qualifications. It also involves motivating the staff, covering both psychological aspects of the employees (their perception, their goals, and their behaviours) and operational aspects attached to the job or tasks for which they were appointed. It requires a management approach that takes all factors (both inside and outside the organisation) into account.

The purpose of the Staff Retention Strategy is:

- To allow Council to effectively retain their staff by providing information on staff retention and some possible staff retention techniques.
- To prevent the loss of competent staff from the Municipality that can have an adverse effect on service delivery
- To attract and retain competent staff
- To retain key staff members whose services are regarded as critical to achieve the vision and mission of the Municipality.
- To identify individual's potential for assuming a higher degree of responsibility.
- To help develop a skills base for succession planning
- To provide internship and learnerships to occupations that is critical to the Municipality's strategic objectives.
- To create and sustain a pleasant humane working environment where employees are given the opportunity to thrive.

STAFF RETENTION TECHNIQUES

- **Scarce Skills**

Conducting of a skills audit to identify and classify the current skills needs and the future needs of the Municipality. Identification of scarce and critical skills on an annual basis. Where scarce/critical skills have been identified, an executing authority may set the salary for a post or an employee above the minimum notch of the salary scale indicated on the staff structure of Council. The process may also be initiated where an employee with scarce/critical skills and/or experience has received a higher job offer and the executing authority may give a counter offer to retain his/her service.

- **Employment Equity**

Employment Equity Act, 1998, requires every employer to retain and develop people from the designated groups. The municipality is currently experiencing difficulty in attracting women (in senior management positions) and people with disabilities (PWD).

- **Service Providers**

Every effort must be made to use the skills or create capacity within the municipality. Where the service providers such as consultants are used, comparison must be made to ensure that the service is fair, equitable, transparent, competitive and cost effective.

- **Encouraging Performance**

Flexible work arrangements should be introduced where the specific circumstances of the employee at that point in time requires it. Reward employees who are performing well so that those that are under performing can be motivated.

- **Morale Building**

Managers must lead by example, to achieve better results. Qualifications of employees must be valued by the institution and be rewarded accordingly. Employees must be given a chance to develop by trusting them with high profile responsibilities that match their job description/level.

- **Sense of ownership**

In order to boost confidence and inculcate independence, employees should be encouraged and motivated to work under less supervision Employees should be involved in decision-making processes, as such will create a

sense of ownership of what has been proposed/decided. Further, employees will do their best to achieve desired goals.

- **Performance Appraisal**

Performance appraisal is a two-way process; it includes the employer and employees as a tool to identify shortcomings and future development of employees.

- **Job Rotation**

Job rotation should be used as an important approach for achieving job satisfaction, making the job more challenging, enhancing skills and knowledge and ultimately assisting in building employee morale.

- **Performance Management and Development**

Each employee must have a performance agreement, which is cascaded from the departmental score card. The output must be specific and measurable with clear time frames for achievement. The performance must be assessed four times per financial year. The identified needs or shortcomings must be followed by the appropriate intervention/training.

- **Staff Development and Training**

Staff development and training embraces the formal and informal acquisition of knowledge, skills, attitudes, thinking and habits required of an employee to render quality service and secure him/her a rewarding career. Employees should be continually trained with relevant development programmes that put them on par with their peers in the job market and thereafter be supplied with the necessary modernized work-tools and be allowed space to practice the skills they have acquired.

- **Succession Plan**

A Succession Plan database should be compiled from the career discussion outcomes and should be in the custody of Corporate Services Department and kept confidentiality.

The Corporate Services Department should identify potential key competencies to be developed in the light of the identified succession plan positions.

Planning is fostering activities like job rotation to expose staff to the workings of the Municipality. This can assist in the identification of top performers and employees with potential

WORKPLACE SKILLS PLAN

Matatiele local municipality has The Workplace Skills Plan (WSP) which provide information on the Municipal current employment profile and to indicate the training interventions that have been planned for each financial year in order to develop the Municipal employees and councillors and to improve the municipality's performance. The municipality submits this plan to the LGSETA by 30 April of each financial Year.

The document also requests information on Skills Development circumstances so that Local Government Sector Education and Training Authority (LGSETA) can render assistance and support. The process of developing THIS Workplace Skills Plan includes:

- *The Training needs analysis through circulation of Skills Audit Questionnaires to all employees and councillors.*
- *Consolidation of all Skills Audit Questionnaires collected (compilation of Need Analysis Report and giving allowance to all Departments to prioritise trainings for each financial year through the Training Committee of the Matatiele Local Municipality)*
- *Compilation of Workplace Skills Plan(WSP) and Annual Training Report (ATR)*
- *Presentation of Workplace Skills Plan (WSP) and Annual Training Report (ATR) to the Training Committee*

Signing of Workplace Skills Plan (WSP) and Annual Training Report (ATR) by the relevant

LIST OF SECTOR PLANS

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

By-laws:

Bylaws	Budget & Treasury	Community services	Infrastructure services	Corporate services	Economic Development & planning
Credit control & debt collection By-Law	✓				
Credit management By-Law	✓				
Property rates By-Law	✓				
Keeping of Animals By-Law		✓			
Cemetery By-Law		✓			
Environmental By-Law		✓			
Law enforcement By-Law		✓			
Lease of halls By-Law		✓			
Library & information service By-Law		✓			

MLM Pound By-Law		✓			
Municipal commonage By-Law		✓			
Municipal taxi Rank By-Law		✓			
Nuisance By-Law		✓			
Swimming pool and spa baths By-Law		✓			
Waste management By-Law		✓			
Municipal Civic Honour By-Law				✓	
Electricity By-Law			✓		
Public Roads By-Law			✓		
Management of control of informal settlements By-Law			✓		
Outdoor Advertising and Signage By-Law					✓
Land Use Management Systems By-Law					✓

4.1.16 FINANCIAL PLAN

FIVE (5) YEAR FINANCIAL PLAN

Introduction

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

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

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

METHOD OF PREPARATION

The Budget was prepared according to the Zero Based Method. In terms of the method all votes and line items were reduced to zero and every amount allocated had to be motivated. General Managers were requested to hand their requests to the Chief Financial Officer for inclusion on the budget. The information was requested to reach the Chief Financial Officer by the 29 January 2016.

In terms of Section 24(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), hereafter called the MFMA, the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget. The views from the community on the tabled budget were considered (Section 22 of the MFMA).

OPERATING BUDGET

In terms of GRAP format Capital Grants receivable are included in the Operating Budget. Capital Expenditure is not included in the Operating Budget.

Operating expenditure is the day to day management items of the Municipality, i.e.:

Salaries and Wages, Repairs and Maintenance, Debt Servicing, Depreciation on Assets, Insurance, Electricity, Telephone, Subsistence and Travelling Allowances, Fuel etc. General Managers must manage their own budgets consulting with the Chairpersons of the Standing Committees and the Standing Committees where necessary.

Allocations per line item are done by the departments themselves, as long as they don't exceed the amounts allocated.

TOTAL OPERATING REVENUE BUDGET BY SOURCE 2016/17-2018/19

Details	APPROVED BUDGET 2015/16	ADJUSTMENT BUDGET 2015/16	BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/19
Property Rates	(34 365 483)	(34 365 483)	(36 427 412)	(38 609 620)	(44 713 063)
Service Charges	(54 444 926)	(54 444 926)	(57 614 450)	(58 018 371)	(58 442 488)
Rental Of Facilities	(769 126)	(769 126)	(773 876)	(805 354)	(109 974)
Interest Outstanding Debtors	(4 081 257)	(4 081 257)	(4 277 007)	(4 482 545)	(4 698 359)
Interest External Investments	(3 500 000)	(3 500 000)	(5 987 310)	(4 200 000)	(4 410 000)
Fines	(1 400 500)	(1 400 000)	(1 470 000)	(1 551 986)	(1 628 393)
Licences & Permits	(3 150 000)	(3 150 000)	(3 307 500)	(3 489 413)	(3 663 884)
Grants Operating	(183 173 200)	(189 597 169)	(177 381 600)	(190 192 600)	(198 702 230)
Grants Capital	(75 261 800)	(75 261 800)	(124 661 400)	(130 400 000)	(133 213 000)
Profit on Sale of Property	(3 823 500)	(3 823 500)	(15 000)	-	-
Other Income	(1 278 771)	(1 288 021)	(2 103 221)	(1 393 239)	(9 623 518)
TOTAL REVENUE	(365 248 563)	(371 681 282)	(414 018 776)	(433 143 128)	(459 204 909)
CAPITAL REPLACEMENT RESERVE	(50 187 601)	(50 987 601)	(29 385 000)	(32 670 000)	(34 303 500)
TOTAL REVENUE (Including CRR)	(415 436 164)	(422 668 883)	(443 403 776)	(465 813 128)	(493 508 409)

- Total revenue (Capital grants and capital replacement reserve inclusive) is R443,4 million in 2016/17 and increases to R493,5 million by 2018/19 due to increase in grants that will be received in the outer years.
- Revenue to be generated from property rates is R36.4 million in the 2016/17 financial year and increases to R41.7 million by 2018/19 which represents 9 per cent of the total operating revenue base of the Municipality and therefore remains a significant own funding source for the municipality. It remains relatively constant over the medium-term and a tariff increase has been factored in at 6 per cent, for the 2016/17 financial year.
- Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R57.6 million for the 2016/17 financial year and increasing to R58,4 million by 2018/19. For the 2016/17 financial year services charges amount to 14 per cent of the total revenue base. This growth can mainly be attributed to the increase in the bulk prices of electricity.
- Operating grants – operating includes the local government equitable share and other operating grants from national and provincial government. The percentage share of this revenue source increases each year and represents 43% of the 2016/17 total revenue budget.
- Capital grants - MIG and INEP included in the revenue budget represents 30 % of the 2016/17 revenue budget.

TOTAL OPERATING EXPENDITURE BUDGET BY TYPE 2016/17-2018/19

EXPENDITURE	APPROVED BUDGET 2015/16	ADJUSTMENTS BUDGET 2015/16	BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/19
Employee Cost	96 710 668	92 716 231	95 436 616	100 208 447	105 218 869
Cilr Remunerations	15 890 945	16 635 382	18 908 383	19 853 802	20 846 492
Depreciation	20 879 000	20 879 000	14 270 000	14 983 500	15 732 675
Repairs & Maint	10 465 500	10 384 415	11 242 080	11 804 184	12 394 393
Bulk Purchases	34 000 000	34 000 000	39 100 000	41 055 000	43 107 750
Contracted Services	19 956 369	18 269 369	24 408 000	25 628 400	26 909 820
Other Expenditure	58 818 779	64 041 864	55 619 355	58 400 323	61 320 339
Grants & Subsidies	20 632 850	26 749 876	19 115 600	20 071 380	21 074 949
Provisions	12 610 000	12 610 000	11 250 000	11 812 500	12 403 125
TOTAL OPERATING EXPENDITURE	289 964 111	296 286 137	289 350 034	303 817 535	319 008 412

The budgeted allocation for employee related costs for the 2016/17 financial year totals R95, 4 million, which equals 33 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2016/17 financial year. The 7 per cent has been maintained in the two outer years of the MTREF.

GRANTS & SUBSIDIES AS PER DORA ALLOCATION

In terms of the Revenue Act 2016 Matatiele Local Municipality will receive an Equitable Share of R170 266 000. This amount is always not enough to meet all the community needs on service delivery as is always utilised for the day to day operations of the municipality which some are strategic programs to deal with special programs in improving community welfare like gender, youth, indigent support, sport and recreation and many more as identified and approved by council through operational plans. The grants allocated to Matatiele for the 2016/17 is indicated as follows. Kindly note that these amounts are included in the revenue per source table as indicated on page 4.

CONDITIONAL GRANTS ALLOCATION FOR BUDGET 2016/17

GRANT/SUBSIDY DESCRIPTION	DORA 2015/16	DORA 2016/17
EQUITABLE SHARE	175 181 000	170 266 000
MIG	47 644 000	47 012 000
INEP	30 000 000	80 000 000
FMG	1 600 000	1 625 000
EPWP	1 780 000	1 790 000
MSIG	930 000	-
	257 135 000	300 693 000

CAPITAL BUDGET 2016/17-2018/19

Capital expenditure is the expenditure incurred on items used over a period of time longer than 12 months to generate future income.

Capital projects amounting to R154 046 400 have been included in this budget. Own sources available to fund these projects amount to R 29 385 000, MIG allocation for 2016/17 is R44 661 000, INEP will fund a sum of R80 million for electrification.

EXECUTIVE & COUNCIL

DESCRIPTION	APPROVED BUDGET 2015/16	ADJUSTMENTS BUDGET 2015/16	PROPOSED BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/19
FURNITURE & EQUIPMENT	315 000	65 000	-	-	-
	315 000	65 000	-	-	-

Remarks

The Executive & Council has not budgeted for any capital projects for the 2016/17 financial period.

BUDGET & TREASURY

	APPROVED BUDGET 2015/16	ADJUSTED BUDGET 2015/16	BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/18
SCOA IMPLEMENTATION	2 000 000	2 000 000	130 000	-	-
Upgrade of Revenue System	300 000	-	-	-	-
Shelving at Stores	-	100 000	-	-	-
Furniture & Equipment	-	200 000	-	-	-
	2 300 000	2 300 000	130 000	-	-

Remarks

Budget and Treasury has a total capital budget of R130 000 which is 1% of the total capital budget, that will be funded from the municipal reserves, this is to assist the department in systems upgrade for implementation of SCOA as per MFMA circular 8

CORPORATE SERVICES

DESCRIPTION	APPROVED BUDGET 2015/16	ADJUSTMENTS BUDGET 2015/16	PROPOSED BUDGET 2016/2017	BUDGET YEAR +2017/2018	BUDGET YEAR +2018/19
IT Equipment	1 476 101	2 071 510	30 000	-	-
Customer Care System	-	100 000		-	-
Website Upgrade	-	250 000		-	-
Furniture & Equipment	47 000	47 000	-	-	-
Routing of underground Fibre -Traffic	-	-	500 000	-	-
Outdoor Cameras	-	-	400 000	-	-
Collabration of workflows	-	-	400 000	-	-
Automated backup and disaster recovery system	-	-	150 000	-	-
	1 523 101	2 468 510	1 480 000	-	-

Remarks

- Corporate services has a total capital budget of R 1 480 000, this amount includes routing of underground fibre, outdoor cameras and collaboration of outflows which is 1% of the total capital budget, which will be funded from municipal reserves.

COMMUNITY SERVICES

DESCRIPTION	APPROVED BUDGET 2015/16	ADJUSTMENTS BUDGET 2015/16	PROPOSED BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/19
Construction of Landfill Cells	6 460 000	5 740 000	-	-	-
Commange Fencing 5km Matatielle	220 000	220 000	-	-	-
Refuse Bins	-	200 000	-	-	-
Test ground Surface	1 000 000	2 245 000	-	-	-
CCTV Camera	-	1 000 000	-	-	-
Parkhomes x 2	120 000	-	-	-	-
Land Cruisers x 1 with fire fighting equipment	600 000	-	-	-	-
Tractor 4x4	250 000	-	-	-	-
Carports for Emergency vehicles at Aerodrome	100 000	-	-	-	-
Rescue Equipment - BA Compressor	50 000	-	-	-	-
Landing lights for Aredrome	100 000	-	-	-	-
Main Gates entrance at Aerodrome	25 000	-	-	-	-
Break test machine for test station	250 000	250 000	-	-	-
Head lamp tester for testing station	15 000	15 000	-	-	-
Scuff Gauge for test station	25 000	25 000	-	-	-
Furniture & Equipment	102 500	102 500	-	-	-
Dash mounted HD Cameras for Emergency Vehicles	50 000	50 000	-	-	-
Rescue equipment (Ba Compressor)	-	-	100 000	-	-
Upgrade fire station	-	-	250 000	-	-
Traffic motorcycles with emergency equipment x 5	-	-	500 000	-	-
Thandanani Stadium	500 000	1 010 000		-	-
Furniture & Equipment	27 000	37 000			
Matatielle sports center [old rugby fields]	1 000 000	-	5 800 000		
Waste Buy-Back	-	-	1 000 000	-	-
	10 894 500	10 894 500	7 650 000	-	-

Remarks.

Community services has a capital budget of R7 650 000, inclusive of renovations of old Rugby field, construction of waste buy back centre , upgrade of the fire station, procurement of traffic motor cycles and emergency equipment .The allocated budget to the department is 5% of the total capital Budget. An amount of R 5 800 000 will be funded from MIG and the remainder of R 1 760 000 will be funded from municipal reserves.

ECONOMIC DEVELOPMENT & PLANNING

PROJECT	APPROVED BUDGET 2015/16	ADJUSTED BUDGET 2015/16	BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/18
Grain Storage	650 000	957 484	-	-	-
Hawker Stalls	-	450 000	-	-	-
Weigh-Bridge for Silo	700 000	700 000	-	-	-
Poultry Abattoir	-	-	2 800 000	-	-
Furniture & Equipment	-	-	30 000	-	-
	1 350 000	2 107 484	2 830 000	-	-

Remarks

Economic development and planning has a capital budget of R 2 830 000 for poultry abattoir, and furniture & equipment .The allocated budget to the department is 2% of the total capital budget, which will be funded from the municipal reserves.

ELECTRICAL PROJECTS

DESCRIPTION	APPROVED BUDGET 2015/16	ADJUSTMENTS BUDGET 2015/16	PROPOSED BUDGET 2016/2017	BUDGET YEAR +2017/2018	BUDGET YEAR +2018/19	SOURCE OF FUNDING 2016/17		
						CRR INSTITUTIONAL	CRR INFRASTRUCTURAL	INEP
Substation Golf Club	18 157 000	18 157 000	-	-	-	-	-	-
Christmas Decoration Lights	80 000	80 000	-	-	-	-	-	-
Rural Electrification & Sub Station	30 000 000	20 147 000	80 000 000	-	-	-	-	80 000 000
High Mast Lights	1 500 000	-	1 500 000	-	-	1 500 000	-	-
Crane Truck	1 400 000	1 400 000	-	-	-	-	-	-
Tools and Equipment	200 000	200 000	900 000	-	-	900 000	-	-
Replace (O/H) Woltemade & Taylor	1 000 000	200 000	500 000	-	-	-	500 000	-
Light delivery vehicles	500 000	500 000	-	-	-	-	-	-
Replace RMU	-	-	150 000	-	-	-	150 000	-
TOTAL TRADING SERVICES	52 837 000	40 684 000	83 050 000	-	-	2 400 000	650 000	80 000 000

Remarks

The electricity department has a capital budget of R 83, million, included in this budget is an amount of R80 million for Rural electrification & substation which will be funded from INEP and the amount of R3 050 000 will be funded from municipal reserves which includes installation of high mast lights and procurement of light motor vehicles & equipment. The allocated budget to the department is 54% of the total budget

HUMAN SETTLEMENTS

DESCRIPTION	APPROVED BUDGET 2015/16	ADJUSTED BUDGET 2015/16	BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/19
Computers x 5 & Printer	60 000	60 000	-	-	-
AO Plotter 3 in 1	200 000	200 000	-	-	-
Council Chambers	21 000 000	18 820 000	18 326 167	-	-
Community Halls	2 800 000	661 000	-	-	-
Industrial Sites Services	3 785 000	335 000	-	-	-
Transidor	-	400 000	-	-	-
Fresh Produce	3 838 366	3 338 467	2 350 600	-	-
Office landscaping	-	-	500 000	-	-
Electrical Depot	-	-	1 000 000	-	-
	31 683 366	23 814 467	22 176 767	-	-

Remarks

Human settlements has a capital budget of R22,1 million , included on the capital projects is the construction of Council chambers, Electrical depot that will be funded from municipal reserves, and R 2 350 600 for Fresh produce phase one that will be funded from MIG.

The allocated capita budget to the department is 15% of the total capital budget.

PROJECT MANAGEMENT

DESCRIPTION	APPROVED BUDGET 2015/16	ADJUSTED BUDGET 2015/16	BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/19
Matatiele CBD Internal Streets-Phase 1	5 677 075	6 791 151	1 154 687	-	-
Maluti Internal Streets -Phase 3	4 050 000	13 544 335	1 925 000	-	-
Matatiele Internal Streets Phase 2 Area C - Harry Gwala	6 814 672	3 571 337	641 638	-	-
Mnqayi Access Road	1 765 109	1 067 711	210 000	-	-
Masopha Access Road	380 000	162 118	-	-	-
Mahangwe Sport Field	1 748 772	1 232 951	167 852	-	-
Afsondering Sport Field	2 801 404	3 305 328	172 000	-	-
Nkau Sport Field	2 801 404	2 891 404	172 000	-	-
Majoro Sport Field	1 740 000	2 772 000	172 000	-	-
Epiphany Field	1 740 000	2 010 000	172 000	-	-
Lagrange Pedestrian Bridge	200 000	100 000	2 000 000	-	-
Tlakanelo Bridge	200 000	100 000	2 000 000	-	-
Mangopeng AR	200 000	100 000	2 420 000	-	-
Khau AR	200 000	-	2 137 500	-	-
Kamarathaba-Tseoisong AR	511 000	-	2 445 302	-	-
Soloane AR	1 200 000	-	3 080 742	-	-
Sandfontein AR	1 200 000	-	2 402 902	-	-
Mabheleni AR	200 000	100 000	-	-	-
Zazingeni -Mazizini AR	630 000	-	3 453 399	-	-
Manase	1 000 000	-	2 200 422	-	-
Mehloloaneng Access Road	2 864 000	1 064 000	2 230 000	-	-
Sijoka AR	2 000 000	3 111 000	5 613 356	-	-
Thotaneng AR	-	1 200 000	123 833	-	-
LED Offices	-	600 000	-	-	-
Nkululekweni Headwalls	-	-	50 000	-	-
Fresh Produce Phase 2	-	-	1 740 000	-	-
Roads & Bridges	-	-	-	47 880 000	50 552 350
	39 923 435	43 723 334	36 684 633	47 880 000	50 552 350

Remarks

The project management unit has a capital budget of R36 684 633, for the construction of access roads, bridges and sports fields. Projects amounting to R36 5210 800 will be funded from the municipal infrastructure grant and R173 833 will be funded from the capital replacement reserve.

SUMMARY CAPITAL BUDGET

DESCRIPTION	APPROVED	ADJUSTMENTS					CRR	CRR	
	BUDGET 2015/16	BUDGET 2015/16	BUDGET + 2016/17	BUDGET + 2017/18	BUDGET + 2018/19	MIG	INSTITUTIONAL	INFRASTRUCTURAL	INEP
MUNICIPAL GOVERNANCE AND ADMINISTRATION	4 613 101	5 178 101	1 610 000	-	-	-	1 610 000	-	-
COMMUNITY AND PUBLIC SAFETY	10 894 500	10 894 500	7 650 000	-	-	5 800 000	1 850 000	-	-
ECONOMIC AND ENVIRONMENTAL SERVICES	75 261 800	69 800 284	61 736 400	47 880 000	50 552 350	38 861 400	21 701 167	1 173 833	-
TRADING SERVICES	52 837 000	40 684 000	83 050 000	-	-	-	2 400 000	650 000	80 000 000
TOTAL CAPITAL PROJECTS	143 606 401	126 556 885	154 046 400	47 880 000	50 552 350	44 661 400	27 561 167	1 823 833	80 000 000

Remarks

The total capital budget is R 154 046 400 for the budget year 2016/17. The capital budget will be funded as follows:

DESCRIPTION	PROPOSED BUDGET 2016/17
MUNICIPAL INFRASTRUCTURE GRANT	44 661 400
CAPITAL INFRASTRUCTURE GRANT	29 385 000
INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME	80 000 000
	154 046 400

Capital funding from MIG is R44 661 400 which is 29% allocation to the total capital budget, the municipal reserve will fund 19% of the total capital budget; INEP will fund 52% of the total capital budget.

TOTAL BUDGET 2016/17-2018/19

DESCRIPTION	APPROVED BUDGET 2015/16	ADJUSTMENTS BUDGET 2015/16	BUDGET 2016/17	BUDGET YEAR + 2017/18	BUDGET YEAR +2018/19
TOTAL OPERATING EXPENDITURE	289 979 109	296 106 137	289 286 780	303 226 309	318 387 625
TOTAL CAPITAL BUDGET	143 606 401	126 556 885	154 046 400	47 880 000	50 552 350
TOTAL EXPENDITURE BUDGET	433 585 510	422 663 022	443 333 179	351 106 309	368 939 975
TOTAL REVENUE (Inc CRR)	-365 248 563	-371 681 282	-443 703 776	-442 418 379	-473 387 666

TARIFFS

All charges excluding electricity and Refuse are calculated to increase by 5% for the 2016/17 financial year, proposed to start 1 July 2016.

PROPERTY RATES

Property rates tariff is proposed to increase by 5% for the 2016/17 financial year as follows:

	Rate Randages /Rand Value – c/R	Ratio in relation to residential property
Farm property as defined in Section 8(2) (d)(i) and 8 (2) (f) (i) of the Act (being Farm property used for agricultural purposes and smallholdings used for agricultural purposes)	0.002324	1: 0.25

Agricultural property used predominantly for commercial and / or industrial purposes	0.011156	1:1.2
Smallholdings used predominantly for commercial and / or industrial purposes	0.011156	1: 1.2
Commercial / Business properties	0.011156	1: 1.2
Industrial properties	0.011156	1:1.2
Public Service Infrastructure properties	0.002324	1:0.25
Municipal properties	0.011156	1:1.2

ASSESMENT RATES

Residential First R55 000 exempt 35% Rebate	0.009123	5%
Vacant Land	0.019905	5%
Commercial 10% exempt	0.010948	5%
Government	0.019905	5%
Farms 65% rebate	0.002281	5%
Industrial 10% rebate	0.010948	5%
Municipal 100% rebate	0.010948	5%

ELECTRICITY

Electricity tariff is proposed to increase from 7.64 to 9% in terms of the guideline from the National Electricity Regulator of South Africa.

REFUSE REMOVAL AND OTHER TARIFF OF CHARGES

Refuse tariffs are proposed to increase by 7% and all other tariffs are proposed to increase by 5%.

Community/stakeholders comments

The municipality embarked on the public consultation process on draft budget in the month of April. Public notices were also issued to invite comments and suggestions from the communities And other stakeholders.

As at the time of this reporting and at the time of closing date for such comments and Suggestions, no written comments were received by the municipality.

During consultative meetings of the public to all wards, the comments in relation to Electrification and bad states of provincial roads and maintenance of access roads were made and These have been noted and considered towards the final budget preparation process.

Further comments and suggestions with frustrations by communities in relation to state of water And sanitation services were raised and the district municipality as the authority has been made Aware of such comments.

On proposed tariff of charges increases by 7%, communities and stakeholders, rate payers in Particular raised concerns on affordability and the gloom picture of economy and during the Finalization of the draft budget, 6% increase has been considered and the draft budget has been

adjusted as such. Only electricity charges will be above 7.64% due to approval by NERSA.
On budget related policies, no comments have been received from the public and stake holders.

CONCLUSION

Remarks

The operating expenditure budget has been decreased by 2% from adjustments budget of R296 million to budget of R289 million and this has been due to the 2016/2017 equitable share being reduced by National Treasury.

The capital budget has been increased by 22% from adjustments budget R126, 556, 885 to proposed capital budget of R 154 046 400 and this is mainly due to the R80 million that is allocated to the municipality for the electrification by DOE.

BUDGET RELATED POLICIES

As per MFMA requirements, every budget year the municipality is required to review all budget related policies and make amendments where necessary. Such amendments should be done in line with municipality's requirement and needs on implementation of service delivery. Policies should also be provided for public consultation and comments, suggestions should be sought from stakeholders before council approval.

The municipality has the following budget related policies with the proposed areas of amendments as tabulated below,

FINANCIAL STRATEGY

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

Revenue Raising Strategy

Outstanding debt amounts to R70, 8 million. Drastic steps must be implemented to have this amount reduced as it will eventually lead to cash flow problems. The target is that 90% of all billing must be collected.

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

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

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

Asset Management Strategy

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

- The implementation of an integrated asset management system. This programme will involve the investigation, identification and implementation of a suitable integrated asset management system. It will also include the capture of all assets onto this system, the maintenance of this system and the production of a complete asset register in terms of GRAP requirements.
- The implementation of the fixed asset infrastructure roadmap i.e. action plan. This plan will involve a status quo assessment of current infrastructure assets, the implementation of individual action plans within the roadmap and the development of individual infrastructure asset registers. This project is contingent on various departments maintaining their respective infrastructure asset registers and supplying all the necessary information to the Asset Management Section to enable the necessary infrastructure asset information to be included in the asset register in terms of GRAP requirements. The review and update of asset and risk insurance procedures and the renewal of the insurance portfolio. This programme will involve the identification of risks in conjunction with insurers and all Departments and the review and update of the asset and risk insurance procedure manual. It will also include the review of the existing insurance portfolio and the renewal of the insurance policy as per the renewal terms.

c) Capital Financing Strategy

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

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

d) Projected staff growth and costs

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

Financial Management Policies

General Financial Philosophy

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

The Budget and Finance Office has the following objectives:

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

Budget Policy

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

Tariff Policy

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

Property Rates Policy

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

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

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

Indigent Support Policy

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

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

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

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

Credit Control & Debt Collection Policy

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

Supply Chain Management Policy

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

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

- Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations;
- Broad Based Black Economic Empowerment Act No. 53 of 2003 and any applicable code of practice promulgated in terms of that Act; and

- LG Municipal Finance Management Act No. 56 of 2003, including the regulations relating to the prescribed framework for supply chain management.

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

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

Banking and Investment Policy

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

To provide effective cash management

To comply with Sect. 13 of the MFMA

Fixed Asset Management Policy

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

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

Transport Policy

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

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

The use by employees and councillors of official transport.

GRAP Framework Policy

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

Risk Management Policy

Define roles and responsibilities and outlining procedures to mitigate risks,

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

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

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

Comply with Sect. 62 and 95 of the MFMA.

Data Backup Policy

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

Cash Management Policy

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

Special Services Tariff Policy

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

Grant & Donation Policy

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

Donor Finance Policy

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

Procurement Policy

The objectives of this policy are as follows:

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

To clarify procurement definitions;

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

To outline the code of conduct of municipal staff.

Payment Policy

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

Virement Policy

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

Cash-up Policy

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

Cash Shortage Policy

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

Electricity Token Policy

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

Credit Card Policy

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

Entertainment / Refreshment Policy

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

Customer Incentive Scheme Policy

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

Strategy to improve Debtor Payment Policy

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

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

Consultants Policy

The objective of this policy is to provide the guidelines to all consultants on skills transfer.

Customer Care Policy

The objective of this policy is:

- ◆ To provide a reliable, responsive, competent, courteous, multi-optional, affordable quality service;
 - ◆ To define a manageable customer care framework;
 - ◆ To promote the culture of paying for services;
 - ◆ To protect Municipal services users who are paying; and
 - ◆ To encourage those not paying, to do so in the interest of sustainable services delivery.
- Aligned to Sect. 95 of the Municipal Systems Act

Fraud Prevention & Response Plan Policy

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

Debt Capacity Policy

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

Long-Term Financial Plan

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

Accounting Policies

Matatiele Local Municipality has always submitted its Annual Financial Statements in time to the Auditor General. Regrettably, qualified audit reports were received for the 2005/2006 and 2006/2007 financial years. The Budget and Treasury Standing Committee has addressed the matters that caused the qualifications and correctives steps have been implemented, which includes amongst others the strict adherence to policies. Hence, an Unqualified Audit Report was received for the 2007/2008, 2008/2009, 2009/2010, 2010/2011, 2011/2012, 2012/2013 and 2013/2014 financial years. For the year 2014/2015, a Clean Audit Report was received by the municipality from the office of the Auditor General. The first draft of Annual Financial Statements will be issued on 31st July 2016 for the comments on individual Audit Committee Members and Internal Audit team. The second draft will be issued on the 15th August 2016 for a meeting with the Audit Committee and Internal Auditors. The Final Annual Financial Statements will be issued by the 31st August 2016 to the office of the Auditor-General.

These accounting policies were adopted in the preparation of the Annual Financial Statements;

1. Basis of Presentation

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

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

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

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changing in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 18	Segment Reporting
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of Non-cash-generating assets
GRAP 23	Revenue from Non-exchange Transactions
GRAP 24	Presentation of Budget Information in Financial Statements

GRAP 25	Employee Benefits
GRAP 26	Impairment of Cash-generating assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 100	Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 105	Transfer of Functions Between Entities Under Common Control
GRAP 106	Transfer of Functions Between Entities Not Under Common Control
GRAP 107	Mergers

1. BASIS OF PRESENTATION (continued)

1.1 Changes in Accounting Policy and Comparability

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

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

The municipality changes an Accounting Policy only if the change:

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

1.2 Critical Judgements, Estimations and Assumptions

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

1.2.1 Revenue Recognition

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

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

1.2.2 Financial Assets and Liabilities

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

1.2.3 Impairment of Financial Assets

Accounting Policy on Impairment of Financial Assets describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in IAS 39: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment

of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in Note 7 to the Annual Financial Statements.

1.2.4 Useful lives of Property, Plant and Equipment

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

1.2.5 Impairment: Write-down of PPE and Inventories

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

Defined Benefit Plan Liabilities

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

Presentation Currency

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

Going Concern Assumption

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

Offsetting

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

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

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

GRAP 18 Segment Reporting - issued March 2005

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

GRAP 24 Presentation of Budget Information in Financial Statements

GRAP 103 Heritage Assets - issued July 2008

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

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

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

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

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

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

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

2. PROPERTY, PLANT AND EQUIPMENT

Initial Recognition

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

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

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

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

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

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

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

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

Subsequent Measurement

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

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

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

Depreciation

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

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

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

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

Improvements	25 - 30	Equipment	10 – 15
Recreational Facilities	15 - 30	Other Plant and	
Security	15 - 25	Equipment	2 – 15

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

Infrastructure Assets

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

Recognition of Property, Plant and Equipment.

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or Included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

Impairment

Impairment of Cash Generating Assets

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

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

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

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

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

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

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

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

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

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

Impairment of Non-cash Generating Assets

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

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined. The recoverable service amount of an asset or a non-cash generating unit is the higher of its fair value less costs to sell and its value in use.

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

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

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

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

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

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

Transitional Arrangements

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

2. INTANGIBLE ASSETS

Initial Recognition

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

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

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

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

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

Subsequent Measurement, Amortisation and Impairment

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

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

Derecognition

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

Transitional Provisions

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

4. INVESTMENT PROPERTY

Initial Recognition

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

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

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

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

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

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

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

Subsequent Measurement

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

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

Transitional Provisions

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

5. FINANCIAL INSTRUMENTS

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

Financial Assets – Classification

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

Debtors

Other Debtors

Bank, Cash and Cash Equivalents

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

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

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

They are classified as held for trading; or

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

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

Loans and Receivables;

Held-to-Maturity Investments; or

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

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

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

Financial Liabilities – Classification

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

Long-term Liabilities

Creditors

Bank Overdraft

Short-term loans

Current Portion of Long-term Liabilities

Consumer Deposits

There are two main categories of Financial Liabilities, the classification based on how they are measured.

Financial liabilities may be measured at:

Fair value through profit or loss; or

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

Financial liabilities that are measured at fair value through profit or loss are financial liabilities that are essentially held for trading (i.e. purchased with the intention to sell or repurchase in the short term; derivatives other than hedging instruments or are part of a portfolio of financial instruments where there is recent actual evidence of short-term profiteering or are derivatives). Financial liabilities that are measured at fair value through profit or loss are stated at fair value, with any resulted gain or loss recognised in the Statement of Financial Performance. Any other financial liabilities are classified as Other Financial Liabilities and are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

Initial and Subsequent Measurement

Financial Assets:

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

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

Financial Liabilities:

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

Impairment of Financial Assets

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

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

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

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

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

De - recognition of Financial Assets

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

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

De - recognition of Financial Liabilities

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

Transitional Provisions

6. RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

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

Risks and exposure are disclosed as follows:

Credit Risk

Each class of financial instrument is disclosed separately.

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

Financial instruments covered by collateral are specified.

Liquidity Risk

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

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

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

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

7. INVENTORIES

Initial Recognition

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

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

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

Subsequent Measurement

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

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

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

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

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

8. NON-CURRENT ASSETS HELD-FOR-SALE

Initial Recognition

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

Subsequent Measurement

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

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

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

9. REVENUE RECOGNITION

General

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

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

Revenue from Exchange Transactions

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

Service Charges

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption

are recognised as revenue when invoiced, except at year end when estimates of consumption up to year end are recorded as revenue without it being invoiced.

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

Finance Income

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

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

Rentals Received

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

Tariff Charges

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

Sale of Goods

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

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

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

Revenue from Non-exchange Transactions

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount

Public Contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Where public contributions have been received and the municipality has not met the condition, a liability is recognised.

Other Donations and Contributions

Donations and Contributions are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

Transitional Provisions

Revenue was initially recognised at cost and not at fair value in the previous financial year as the requirements of GAMAP 9.12 and SAICA circular 09/2006, which states that revenue should be recognised initially at fair value through discounting all future receipts using an imputed rate of return, have been exempted in terms of General Notice 522 of 2007.

Revenue is initially recognised at fair value for the year ended 30 June 2009 (and retrospectively, where practicable) by discounting all future receipts using an imputed rate of return in accordance with the requirements of GRAP 9, GRAP 3 SAICA circular 09/2006.

10. GOVERNMENT GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in the Statement of Financial Performance in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

The municipality accounted for government grants and receipts in the previous financial year in accordance with the requirements of IAS 20. Government grants and receipts is accounted for the year ended 30 June 2009 (and retrospectively, where practicable) in accordance with the requirements of GAMAP 9.42 – .46 and ASB Directives 4 and 5.

11. PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the obligation.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision.

Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

The municipality has a detailed formal plan for the restructuring identifying at least:

- The business or part of a business concerned;
- The principal locations affected;
- The location, function, and approximate number of employees who will be compensated for terminating their services;
- The expenditures that will be undertaken; and
- When the plan will be implemented.

The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

11.1 Reserves

11.1.1 Capital Replacement Reserve (CRR)

In order to finance the future provision of infrastructure and other items of property, plant and equipment from internal sources amounts are transferred out of the accumulated surplus/(deficit) into the Capital Replacement Reserve (CRR) in terms of a Council resolution. The cash allocated to the CRR can only be utilised to finance items of property, plant and equipment.

The following provisions are set for the creation and utilisation of the CRR:

- The cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.

- Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for the maintenance of these items.
- The CRR is reduced and the accumulated surplus/(deficit) credited with corresponding amounts when the funds are utilised.
- The amounts transferred to the CRR are based on the Municipality's need to finance future capital projects.
- The Council determines the annual contribution to the CRR.

11.1.2 Capitalisation Reserve

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of a directive (budget circular) issued by National Treasury.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/(deficit).

11.1.3 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Government Grants.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

11.1.4 Public Contributions and Donations Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Public Contributions and Donations Reserve equal to the Public Contributions and Donations Reserve recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

When such items of property, plant and equipment are depreciated, a transfer is made from the Public Contributions and Donations Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Public Contributions and Donations.

When an item of property, plant and equipment financed from Public Contributions is disposed, the balance in the Public Contributions and Donations Reserve relating to such item is transferred to the accumulated surplus/(deficit).

11.1.5 Revaluation Reserve

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. Land and buildings are revalued every four years. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/(deficit). On disposal the net revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on current values, are credited or charged to the Statement of Financial Performance.

12. EMPLOYEE BENEFITS

Short-term Employee Benefits

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs.

The municipality has opted to treat its provision for leave pay as an accrual.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a provision in the Statement of Financial Position.

The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Defined Contribution Plans

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

Defined Benefit Plans

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement.

Post-retirement Health Care Benefits

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The other Medical Aid Funds, with which the Municipality is associated, do not provide for continued membership.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out every year by independent qualified actuaries.

Actuarial gains or losses are accounted for using the "corridor method". Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10 per cent of the present value of the gross defined benefit obligations in the scheme at the end of the previous reporting period. Actuarial gains and losses exceeding 10 per cent are spread over the expected average remaining working lives of the employees participating in the scheme.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation.

The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of Financial Performance.

Exemption regarding defined benefit accounting in previous financial year

Defined benefit accounting in accordance with the requirements of IAS 19, as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information, has been exempted in the previous financial year in terms of General Notice 522 of 2007. The municipality has applied defined benefit accounting to the defined benefit plans for the financial year ended 30 June 2009 in accordance with the requirements of IAS 19.

Provincially-administered Defined Benefit Plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds (refer to Note 49 of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

13. LEASES

The Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or Intangible Assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Liabilities. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense in the statement of financial performance on a straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Municipality as Lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale revenue is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Operating lease rental revenue is recognised on a straight-line basis over the term of the relevant lease.

Transitional Provisions

The recognition of operating lease payments / receipts on a straight-line basis in accordance with the requirements of IAS 17 has been exempted in the previous financial year in terms of General Notice 522 of 2007 (provided that the municipality recognised the lease amounts on the basis of the cash flows in the lease agreement). The municipality recognised operating lease payments / receipts on a straight-line basis for the financial year ended 30 June 2009 in accordance with the requirements of GRAP 13 and ASB Directive 4.

14. BORROWING COSTS

Borrowing costs incurred relating to qualifying assets and all other borrowing costs incurred were recognised as expenses in the Statement of Financial Performance in the previous financial year in accordance with the benchmark treatment in the old IAS 23, i.e. expensing all borrowing costs. The municipality capitalises borrowing costs incurred that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset only when the commencement date for capitalisation is on or after 1 July 2008, while all other borrowing costs incurred (including borrowing cost incurred on qualifying assets where the commencement date for capitalisation is prior to 1 July 2008) are recognised as an expense in the Statement of Financial Performance for the financial year ending 30 June 2009 in accordance with the requirements of GRAP 5 and ASB Directive 4.

It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established - the municipality expenses borrowing costs when it is inappropriate to capitalise it. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete.

15. GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;

Expect to be repaid in future; or

Expect a financial return, as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as expenses in the period that the events giving rise to the transfer occurred.

16. VALUE ADDED TAX

The Municipality accounts for Value Added Tax on the cash basis.

17. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

18. UNAUTHORISED EXPENDITURE

Unauthorised Expenditure is expenditure that has not been budgeted for; expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state; and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance. If the expenditure is not condoned by the Council, it is treated as an asset until it is recovered or written off as irrecoverable.

19. IRREGULAR EXPENDITURE

Irregular Expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expense in the Statement of Financial Performance. If the expenditure is not condoned by the Council, it is treated as an asset until it is recovered or written off as irrecoverable.

20. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the Council, it is treated as an asset until it is recovered or written off as irrecoverable.

21. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

Changes in Accounting Policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality restated the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to Note 40 for details of changes in accounting policies.

The retrospective application, where practicable, of changes in accounting policies affected by management in accordance with the requirements of GRAP 3 was exempted in the previous financial year in terms of General Notice 522 of 2007 (providing that these changes in accounting policies were applied prospectively by the municipality). The municipality applied changes in accounting policies affected by management retrospectively, where practicable, for the financial year ended 30 June 2009 in accordance with the requirements of GRAP 3. Changes in Accounting Estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the Notes to the Annual Financial Statements where applicable.

Correction of Errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to Note 41 to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

The identification and disclosure of the impact of GRAP standards that have been issued but are not yet effective was exempted in the previous financial year in terms of General Notice 522 of 2007. The municipality identified and disclosed the impact of GRAP standards that have been issued but are not yet effective for the financial year ended 30 June 2009 in accordance with the requirements of GRAP 3.

22. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

23. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes 51 and 52 to the Annual Financial Statements.

24. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in Note 56 to the Annual Financial Statements.

25. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The costs of internal support services are transferred to the various services and departments to whom resources are made available.

26. COMPARATIVE INFORMATION

26.1 Current year comparatives:

Budgeted amounts in respect of capital expenditure have been included in the Annual Financial Statements for the current financial year only.

26.2 Prior year comparatives:

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

The municipality prepares its Financial Statements on a monthly basis.

Supply Chain Management:

The municipality has a functioning supply chain management which consists of three bid committee's i.e Specification, Evaluation, and Adjudication committee.

Turn-over Rate of the Procurement Process:

Two (2) months

Contract Management Unit

The municipality does not have a unit called contract management rather a legal services unit where they are prepared and documented.

Information and Communication Technology

The ICT Software used by Matatiele Local Municipality is summarized in Table F6 below:

Table F6

COMPANY	PROGRAMME	APPLICATION
1. Fujitsu	1. Abakus	Billing, Creditors, Stores Ledger Assets Advances Cash Book Customer Care Audit Extracts Hot key
	2. SCO Unix	Operating System
	3. Corvu	1 Report Writer
2. Payday	1. Payday	Payroll Leave Equity Human Resource Post Third Party Cheque General Ledger Interface Skills Employee Self Service Employee Photo Statistical Budget
3. Contour	1. Contour	Pre-paid Electricity Vending
4. VIP Sege System	1. VIP Sege System	Payroll Leave Equity Human Resource Post Third Party Cheque General Ledger Interface Skills Employee Self Service Employee Photo Statistical Budget
5. Microsoft	1. MS Office	Word Excel Power Point Presentations and Publisher Adobe Acrobat 6.0, 8 & 5
	2. MS Exchange	Email
	3. Ms Business Server Small	Fire wall
6. Windeed	1. Windeed	Property transfers
	2. Winsearch	Title deed searches
	3. Win Transfer	Report on property transfers

8.	Standard Bank	1.	CATS	Electronic Banking
9.	SITA	1. 2.	eNatis Pals	Motor Vehicle Registration Library Book issues
10.	MAMS (PTY)LTD	1.	MAMS	Municipal Asset Management System
11.	Juta	1.	Juta Law	Legislation searchers
12.	First National Bank	1.	Investment	Electronic Banking
13.	Co-Driver	1.	Co-driver	Fleet Management
14.	Tradepage	1.	Web Host	Website hosting
15.	Coretalk	1.	Coretalk	SMS Facility & reporting
16.	Arch View	1.	Arch View	GIS
17.	TGIS	1.	Cemetery Register	Cemetery Register
18.	Juta Law	1.	Juta Law	Regulations of South Africa
19.	CQS Technology Holding (PTY)LTD	1.	Caseware	Report writer
20.	Ned Bank		Business Internet Solution	Electronic Banking

Cash Flow projections

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18
Cash Receipts By Source													0		
Property rates	2 967	2 967	2 967	2 967	2 967	2 967	2 967	2 967	2 967	2 967	2 967	2 967	35 600	37 732	43 697
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	4 034	4 034	4 034	4 034	4 034	4 034	4 034	4 034	4 034	4 034	4 034	4 034	48 411	48 411	48 411
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	658	658	658	658	658	658	658	658	658	658	658	658	7 895	8 290	8 704
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	64	64	64	64	64	64	64	64	64	64	64	64	774	764	110
Interest earned - external investments	499	499	499	499	499	499	499	499	499	499	499	499	5 987	4 200	4 410
Interest earned - outstanding debtors	356	356	356	356	356	356	356	356	356	356	356	356	4 277	4 483	4 698
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	228	228	228	228	228	228	228	228	228	228	228	228	2 730	2 881	3 024
Licences and permits	171	171	171	171	171	171	171	171	171	171	171	171	2 048	2 160	2 268
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	14 782	14 782	14 782	14 782	14 782	14 782	14 782	14 782	14 782	14 782	14 782	14 782	177 382	190 193	198 702
Other revenue	175	175	175	175	175	175	175	175	175	175	175	175	2 103	1 435	9 624
Cash Receipts by Source	23 934	23 934	23 934	23 934	23 934	23 934	23 934	23 934	23 934	23 934	23 934	23 934	287 205	300 548	323 648
Other Cash Flows by Source															
Transfer receipts - capital	10 388	10 388	10 388	10 388	10 388	10 388	10 388	10 388	10 388	10 388	10 388	10 388	124 661	130 400	133 213
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	1	1	1	1	1	1	1	1	1	1	1	1	15	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	4	4	4	4	4	4	4	4	4	4	4	4	49	14	14
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	34 328	34 328	34 328	34 328	34 328	34 328	34 328	34 328	34 328	34 328	34 328	34 328	411 930	430 962	456 876
Cash Payments by Type															
Employee related costs	7 881	7 881	7 881	7 881	7 881	7 881	7 881	7 881	7 881	7 881	7 881	7 881	94 566	99 209	107 243
Remuneration of councillors	1 557	1 557	1 557	1 557	1 557	1 557	1 557	1 557	1 557	1 557	1 557	1 557	18 682	19 616	19 616
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	3 258	3 258	3 258	3 258	3 258	3 258	3 258	3 258	3 258	3 258	3 258	3 258	39 100	41 055	43 108
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	937	937	937	937	937	937	937	937	937	937	937	937	11 242	11 057	11 118
Contracted services	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	24 408	25 589	26 868
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	593	593	593	593	593	593	593	593	593	593	593	593	7 116	5 920	6 061
Other expenditure	4 627	4 627	4 627	4 627	4 627	4 627	4 627	4 627	4 627	4 627	4 627	4 627	55 519	52 564	54 490
Cash Payments by Type	20 886	20 886	20 886	20 886	20 886	20 886	20 886	20 886	20 886	20 886	20 886	20 886	250 633	255 010	268 502
Other Cash Flows/Payments by Type															
Capital assets	12 837	12 837	12 837	12 837	12 837	12 837	12 837	12 837	12 837	12 837	12 837	12 837	154 046	59 250	105 282
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	33 723	33 723	33 723	33 723	33 723	33 723	33 723	33 723	33 723	33 723	33 723	33 723	404 680	314 260	373 784
NET INCREASE/(DECREASE) IN CASH HELD	604	604	604	604	604	604	604	604	604	604	604	604	7 251	116 702	83 091
Cash/cash equivalents at the month/year begin:	12 711	13 316	13 920	14 524	15 128	15 733	16 337	16 941	17 545	18 150	18 754	19 358	12 711	19 962	136 664
Cash/cash equivalents at the month/year end:	13 316	13 920	14 524	15 128	15 733	16 337	16 941	17 545	18 150	18 754	19 358	19 962	19 962	136 664	219 755

PROJECTS 2016/2017

WARD	PROJECT	BUDGET
PROJECT MANAGEMENT UNIT		
19	Matatiele Sports Centre	R5 800 000
3	Kamorathaba –Tsepisong AR-ward 03 (3.8Km)	R2 445 302
2	Manase AR-ward 02 (2.4 Km)	R2 200 422
4	Zazingeni-Mazizini AR-ward 04 (6.5Km)	R3 453 399
14	(Mangopeng AR & bridge-ward142.7Km)	R2 420 000
24	Soloane AR-ward24 (4.4Km)	R3 080 742
25	Khaue AR-ward25 (2.5Km)	R2 137 500
26	Sandfontein AR-ward26 (5.8Km)	R2 402 902
1	Maluti Internal Streets Phase 3,Matatiele Internal roads(CBD & Area C)	R1 925 000
10	Sijoka AR-ward 10 (6.5Km)	R5 613 356
13	Lagrange Pedestrian Bridge Tlakanelo Culvert bridge	R4 Million (2M each)
19	Fresh Produce Market- Phase 2	R4 090 600
19, 26, 01	Kerbing, Cement and quarry material for Matatiele, Cedarville and Maluti towns.	R 500 000
19, 26, 01	Concrete storm water pipes installation in the CDB and driveway pipes at various places in Matatiele, Cedarville and Maluti. Drainage excavations in Maluti, Cedarville and Matatiele.	R 200,000.00
19, 26, 01	Pothole repairs and verge tarring in Matatiele CBD, Maluti and Cedarville.	R500,000.00
21,25,11,12,13,18,22,2,6,8,9	Maintenance and rehabilitation of gravel roads in the following wards	R 800,000.00
ELECTRICITY UNIT		
Rural electrification		R 80 000 000.00
High mast lights		R 1 500 000.00
Replace overhead line in Taylor and Williams streets		R 500 000.00
Mains		R7 000 000.00
Replace RMU		R 150 000.00
ECONOMIC DEVELOPMENT PLANNING DEPARTMENT		

WARD	PROJECT	BUDGET
	<ul style="list-style-type: none"> Cropping programme Legumes (beans) 	R 800 000
	Poultry Production	R 2 800 000
	Support four communal Forestry Cooperatives	R 200 000
26	Planning & Survey - Cedarville Middle Income township.	200 000.00
20	Planning & Survey – Matatiele Middle Income township (Opp Area C).	150 000.00
01	Planning & Survey – Maluti, Cedarville and Matatiele Commercial township	300 000.00
COMMUNITY SERVICE DEPARTMENT		
26,03,08,24	Cedarville Town hall (26) Madimong comm. Hall (03), Mafube Comm. Hall (08) and Zibi Mayor Comm. Hall (24)	R 800 000.00
02,03,20	Malubalube (02), Zanovuyo (03), Siyakhula projects (20),	R100 000
19	Swimming pool maintenance and repairs (19)	R 300 000.00
19,20,26	Thandanani Stadium (20), North End Stadium (19) and Cedarville Stadium (26)	R 100 000.00
02,03,20	Maintenance and Repairs of 3 Community Pre Schools : Malubalube (02), Zanovuyo (03), Siyakhula projects (20),	R 100 000.00
All wards	Operation Rea Hloekisa	R 2 250 000 .00(MLM) R 1 790 000.00 (DPW)

PROJECTS ON RETENTION:

DESCRIPTION	BUDGET +2016/17
PROJECT MANAGEMENT	
Matatiele CBD Internal Streets-Phase 1	1 154 687
Matatiele Internal Streets Phase 2 Area C - Harry Gwala	641 638
Mnqayi Access Road	210 000
Mahangwe Sport Field	167 852
Afondering Sport Field	172 000
Nkau Sport Field	172 000
Majoro Sport Field	172 000
Epiphany Field	172 000
Thotaneng AR	123 833
Nkululekweni Headwalls	50 000
	3 036 010

THREE - YEAR CAPITAL PROJECTS

2015/18 THREE YEAR CAPITAL PLAN (3YCP)

Table 1: Direct Allocations

Grant (Source of Funding)	Project Name	Total MTEF Project Allocation	2016/17 Allocation	2017/18 Allocation	2018/19 Allocation
Municipal Infrastructure Grant (MIG)	Maluti Internal Streets -Phase 3	R 21 381 980.00	R 1 925 000.00	R 0.00	R 0.00
	Mnqayi Access Road	R 3 873 027.94	R 210 000.00	0.00	R 0.00
	Matatiele internal Streets Phase 1 –CBD	R 17 858 134.00	R 1 154 687.00	0.00	R 0.00
	Matatiele Internal Roads – Phase 2 - Area C	R 17 337 755.44	R 641 638.00	0.00	R 0.00
	Mahangwa S/Field	R 2 500 000.00	R 167 852.00	0.00	R 0.00
	Afsondering S/Field	R 2 500 000.00	R 172 000.00	0.00	R 0.00
	Nkau S/Field	R 2 500 000.00	R 172 000.00	0.00	R 0.00
	Majero S/Field	R 2 500 000.00	R 172 000.00	0.00	R 0.00
	Epiphany S/Field	R 2 500 000.00	R 172 000.00	0.00	R 0.00
	Fresh Produce Market	R 5 643 629.00	0.00	0.00	R 0.00
	Upgrading of Cedarville Internal Roads –Phase 3	R 25 000 000.00	R 0.00	R 7 996 354.00	R 17 003 646.00
	Upgrading of Matatiele Internal Roads Area C – Phase 3	R 25 000 000.00	R 0.00	R 6 000 000.00	R 19 000 000.00
	Upgrading of Matatiele Internal Roads (CBD / Mountain View)- Phase 2	R 25 000 000.00	R 0.00	R 8 163 700.00	R 16 836 300.00
	Matatiele Sport Centre	R 15 084 000.00	R 5 800 000.00	R 9 284 000.00	R 7 560 000.00
	Matatiele Fresh Produce Market -Phase 2	R 6 702 674.00	R 4 090 574.00	R 2 612 100.00	R 2 520 000.00
	Sijoka Access Road	R 10 908 540.30	R 5 613 356.00	R 3 000 000.00	R 0.00
	Langreng footbridge	R 2 500 000.00	R 2 000 000.00	R 0.00	R 0.00
	Manase Access Road	R 2 200 422.00	R 2 200 422.00	R 0.00	R 0.00
	Mehloloaneng Access Road and bridge	R 8 179 392.72	R 2 230 000.00	R 0.00	R 0.00
	Sandfontein AR	R 4 402 902.00	R 2 402 972.00	R 2 000 000.00	R 0.00
Khaue AR	R 2 137 500.00	R 2 137 500.00	R 0.00	R 0.00	

Soloane AR	R 4 580 742.00	R 3 080 742.00	R 1 500 000.00	R 0.00
Mabheleni AR and bridge	R 3 960 000.00	R 0.00	R 0.00	R 0.00
Mangopeng AR and bridge	R 3 520 000.00	R 2 420 000.00	R 1 100 000.00	R 0.00
Zazingeni- Mazizini AR	R 9 177 245.00	R 3 453 399.00	R 5 723 846.00	R 0.00
Kamorathaba-Tsepisong village AR	R 3 445 302.00	R 2 445 302.00	R 500 000.00	R 0.00
Tlakanelo Footbridge	R 2 500 000.00	R 2 000 000.00	R 0.00	R 0.00
Masopha Access Road	R 2 932 500.00	R 0.00	R 0.00	R 0.00
PMU Business Plan	R 2 382 200.00	R 2 350 600.00	R 2 520 000.00	R 0.00
MIG MTEF Total Allocation	R 238 207 946.40	R 47 012 044.00	R 50 400 000.00	R 62 919 946.00

PROJECTS FROM ANDM AND SECTOR DEPARTMENTS

ESKOM:

PROJECT NAME	PROJECT TYPE	CONNS 2016/17	CAPEX 2017/17	BENEFICIARIES
BAKOENA 1	Households	1094	R 19 696 336	Fobane, Lower Mtumasi, Damane, Linotsing, Maqhatseng, Zingcuka And Zimpofu
BAKOENA 1 LINK LINE	Infrastructure line	0	R 2 500 000.	
BAKOENA 02 SP	Households	637	R 11 213 773.	Moring And Mahlake
KHORONG KOALI PARK EXT	Pre-engineering	0	R 180 333	Cedarville
NKAU WARD 12	Households	417	R 8971 604	Moqhobi, Sekhutlong And Sekhulumi.
THOTANENG	Households	362	R 5261 753	Mabua, Thotaneng And Makomoreng
MATATIELE (MALUTI, MATAT, CEDERVILLE) WARDS	Pre-engineering	0	R 2639 500	
MATATIELE (MALUTI, MATAT, CEDERVILLE) WARDS INFILLS	Infills	172	R 2 408 000	
		2 682	R 52 871 299	

DEPARTMENT OF RURAL DEVELOPMENT AND AGRERIAN REFORM

CROPPING PROJECTS FOR DRDAR IN MATATIELE LOCAL MUNICIPALITY

Project name	Land Size (Ha)	Total Cost (R)
Fiva	20	31296
Ludidi	20	50484
Sidakeni	25	80694
Bubesi	15	74256
Mgubho	20	96876
Caba Masilime	30	46944
Bethel	10	48438
Mbizweni	15	72657
Lukholweni	15	72657
Magxeni	20	96876
Qili	15	23472
Mahobe	30	46944
Paballong	30	46944
Thabachicha	30	46944
Ntataise	10	15648
New Stance	15	72657
Bambanani	20	31296
Masupa	30	145314
Iketsetseng	30	145314
BlackDiamond	20	31296
Mbobob	10	48438
Glengorrh farm	40	134952
Hanover farm	40	134952
Nkanyamba farm	30	101214
Stemmer	50	168690
Lehata	10	48438
Harvesters	10	15648
Gcali	20	67476
Fusion Farm	50	168690
Sokhulu Pholile	10	48438
Semonkong	15	23472
Qhobosheaneng	20	31296
Masilime Ramafole	10	15648
Mahlake	20	35352

Fobane	30	38328
Matolong	10	15648
Lekhalong	15	26514
Novuka	20	71532
Moshoeshoe	10	35766
Msi	20	71532
St Paul	10	48438
Donalddrift	40	134952
Fatima	10	15648
Richmond farm	10	35766
Supa Lucha	10	15648
Majoro	10	15648
Moaneng	20	31296
Archie	40	143064
Lhaseng	25	44190
Likhetlane	10	17676
Zingcuka	30	53028
Khitedi & Jafra	10	50466
Mlandu 1	10	35766
Mphotshongweni	10	17676
Mohoto	10	17676
Ramtsamai 1 /	40	143064
Sifoloko	30	107298
Radebe	40	141348
Harris	17	83943.6
Ndzunga	40	134952
Mazizini	30	46944
Luphindo	10	48438
Majikijela	15	72657
Kilkerny	40	134952
Erith farm	40	143064
Chabana	10	48438
Mbarha	15	53649
Chibini (Ushaka Uvukile)	20	100932
Phindela	30	107298
Lillyfontein	10	2976
Rosseley	20	71532
Zitapila	20	31296
Stuurman	10	15648
Nkhoeisa	15	23472

Masio	10	15648
Mofokeng	10	48438
Mavuso	5	24219
Koadi	5	24219
Mpohlo	10	48438
Tsepe	40	134952
Mangolong	10	31638
Lepheane M.M.	10	48438
Samkerk Lefa	40	143064
Shelter Mohapi	40	143064
Glenleary Bafo	40	143064
Try again RADEBE	40	143064
Stanford 1. John	40	143064
Houstein Tsoanyana	40	79104
Charlesbrownley Morori	40	79104
Clarehall Madubela	40	143064
Locarno Mlandu	40	143064
Esibikhaya Ndzunga	40	143064
Esibikhaya Lehlehla	40	143064
Farview Sidinana	40	143064
Delamotte Chief	40	143064
ADE farm Sabasaba	40	143064
Mparane	10	31638
Mphunyuka	5	24219
Majeke	30	145314
Tyhal (Discuur)	10	48438
Lephallo	10	48438
Phuthanang project	10	48438
SUB TOTAL	2302	7365321.6

COMPREHENSIVE AGRICULTURAL SUPPORT PROGRAM (CASP FUND)			
Greyston Farm	Livestock water borehole equipping	Maluti A	310 000
Mphotshongweni (Makhoba)	Fencing	Maluti A	750 000
			1 060 000

PROJECTS FROM ANDM

Water Services Authority (WSA)

Engineering

Project name and Location	Funding Source	Year 1 (2016/2017)
Develop Road Asset Management System (RAMS)	RAMS NDoT/Grant	2 157 000.00
Feasibility Study Prov.	Equitable Share	R5 500 000.00
Ground water management plan	Equitable Share	R200 000.00
District Integrated Transport Plan in the ANDM.	Equitable Share	R1 500 000.00
Review of Water Services Development Plan	Equitable Share	R2 000 000.00
Review Sanitation Master Plan	MISA	R250 000.00
Sanitation Technologies		R1 500 000.00
Auditing of Scheme SANS 241 Regulation		R1 000 000.00
RBIG dam feasibility studies for Kinira, Sirhoqobeni, Mkhemane & Ntabankulu bulk.	RBIG	-breakinjhg
Section 78 (2&3)	Equitable Share	R500 000.00
Indigent register Verification (Free basic services)	Equitable Share	R2 000 000.00

WCDM

Project name and Location	Funding Source	Year 1 (2016/2017)
Implementation of Groundwater Management Plan		
Installation of automatic data logging system in all bulk meters and telemetry data logging at the WTW inlet and outlet meters. (Water Conservation and Water DEM)	Equitable Share	R250 000.00
Implementation of the WCDM Strategy	Equitable Share	-
Water Resources Monitoring	Equitable Share	R0.00
Asset Replacement Plan (Water Conservation and Water DEM)		R250 000.00
Water Conservation Awareness Campaigns in the ANDM	Equitable Share	R0.00
Review of Water services bylaws	Equitable Share	R0.00
Review Water Use Policy	Equitable Share	-
Review Indigent Policy (Free basic services)		-
Advertisement of indigent policy for LMs	Equitable Share	-
Awareness campaign and Workshops	Equitable Share	-
Integrated Infrastructure Development Plan-Vision 2030	Equitable Share	-

Environmental Management

Project name and Location	Funding Source	Year 1 (2016/2017)
Environmental Management Unit (Community Based Natural Resource Management System) - Ntabankulu Mbizana and Matatiele	Equitable Share	R600 000.00

Project name and Location	Funding Source	Year 1 (2016/2017)
Water Safety Plan (all LMs)/ Wastewater Risk Abatement Plan	Equitable Share	R1 500 000.00
Regulatory Performance Management System (RPMS)	Equitable Share	R500 000.00
Ground Water and Rural Water Scheme monitoring (1 big rural scheme per LM)	Equitable Share	-
Water Borne Disease Emergency Response Plan (all LMs)	Equitable Share	R500 000.00
Water Quality Monitoring (all LMs)	Equitable Share	R2 000 000.00
Environment and Waste Management Awareness (all LMs)	Equitable Share	-
Coastal Management Plan	Equitable Share	R250 000.00
Climate Change Adaptation Strategy (all LMs)	Equitable Share	R400 000.00
Waste Management Protocols for Problem Waste (all LMs)	Equitable Share	-
Waste Management Receptacles (Umzimvubu and Ntabankulu)		-
Community Based Natural Resource Management (Mbizana and Mataiele)	Equitable Share	R0.00
Ntabankulu Waste Buyback Center	Equitable Share	-

Project Management Unit (PMU)

Project name and Location	Funding Source	Year 1 (2016/2017)
ANDM District Sanitation (all municipalities)	MIG	R25 122 150.00
Mbizana Ward 29 Construction of VIP Toilets	MIG	R 11 000 000.00
Mbizana Ward 26 Construction of VIP Toilets	MIG	R 4 860 000.00
Mbizana Ward 30 Construction of VIP Toilets	MIG	R 12 600 000.0
Mbizana Ward 31 Construction of VIP Toilets	WSIG/RHIP	R4 500 000.00
Mbizana Ward 28 Construction of VIP Toilets	MIG	-
Mbizana Ward 19 Construction of VIP Toilets	MIG	-
Mbizana Ward 16 Construction of VIP Toilets	MIG	-
Matatiele Ward 5 Construction of VIP Toilets	RHIP	-
Matatiele Ward 13 Construction of VIP Toilets	RHIP	-
Upgrading of Mbizana Town Sewer	MIG	-
Up - Grading of Ntabankulu Town sewer system	MIG	R12 500 000.00
Cederville Sewer Phase 2	MIG	-
Umzimvubu Ward 14 (Water)	MIG	R15 000 000.00
Umzimvubu Ward 13 (Water)	MIG	R10 000 000.00
Mt. Fere Peri-Urban	MIG	-
Mt. Ayliff Peri-Urban	RBIG	R80 500 000.00
Caba - Mdeni water supply	MIG	-
Tholamela Sub-regional Water Supply	MIG	R5 000 000.00
Tholang Water Supply	MIG	-
Fobane Water Scheme Phase 1	MIG	R18 000 000.00
Matatiele Ward 17 & 18 Water Supply - Fobane Phase 2	MIG	-
Mvenyane water supply	MIG	-

Project name and Location	Funding Source	Year 1 (2016/2017)
Maluti/Matatiele/Ramohlakoana Water Supply	MIG	R2 000 000.00
Maluti/Ramohlakoana Sewer	MIG	-
Matatiele Ward 5 (Water)	MIG	R20 000 000.00
Matatiele Ward 7 (Water)	MIG	R25 000 000.00
Matatiele Ward 15 (Water)	MIG	R25 000 000.00
Matatiele Ward 16 (Water)	MIG	-
Greater Mbizana Regional scheme - Reticulation	MIG	R60 000 000.00
Greater Mbizana Regional scheme - Bulk	RBIG	R76 000 000.00
Mt. Ayliff RBIG Water Project	RBIG	R15 000 000.00
Matatiele RBIG Water project	RBIG	R40 000 000.00
Bomvini Nyokweni - Bulk water supply	MIG	R30 500 000.00
Cabazana Water Supply Phase 2	MIG	R18 000 000.00
Cabazana Water Supply Phase 1	MIG	-
Hlane water supply phase 3	MIG	R1 500 000.00
Cabazi Water Supply	MIG	-
KwaBhaca Regional	MIG	R6 500 000.00
KwaBhaca Regional WS – Section 1 - WTW	MIG	-
Umzimvubu Ward 22 Water Supply	MIG	R7 500 000.00
Umzimvubu Ward 24 Water Supply	MIG	-
Umzimvubu Ward 6 Water Supply	MIG	-
KwaBhaca South Leg Augmentation	WSIG	R10 000 000.00
Bedford Bulk Pipes	MIG	-
Siqhingeni Water Supply	MIG	-
Qwidlana Water Supply Area 1 & 2	MIG	-
Qwidlana water supply Area 3 & 4	MIG	R9 500 000.00
Qwidlana water supply Area 5	MIG	-
Ntibane water supply Phase 2	MIG	R6 500 000.00
Feasibility Studies for Ntabankulu (Wards 1, 5 and 6)	MIG	R4 140 000.00
Feasibilities for wards in Ntabankulu (Ward 17 & 18)	MIG	R5 000 000.00
Feasibilities for wards in Ntabankulu (Ward 12 & 14)	MIG	R8 200 000.00
UMZIMVUBU WARDS 20 & 21 - WATER FEASIBILITY STUDY	MIG	-
UMZIMVUBU WARDS 3 & 17 - WATER FEASIBILITY STUDY	MIG	-
MATATIELE WARD 4 - WATER FEASIBILITY STUDY	MIG	-
MBIZANA WARDS 29 & 30 - WATER FEASIBILITY STUDY	MIG	-
MBIZANA WARDS 11,14 & 16 - WATER FEASIBILITY STUDY	MIG	-
MBIZANA WARDS 10,12,13 and 15 - WATER FEASIBILITY STUDY	MIG	-

Project name and Location	Funding Source	Year 1 (2016/2017)
MBIZANA WARDS 21,23 and 24 - WATER FEASIBILITY STUDY	MIG	-
MBIZANA WARDS 25,27 and 28 - WATER FEASIBILITY STUDY	MIG	-
NTABANKULU WARDS 3 & 4 - WATER FEASIBILITY STUDY	MIG	-
Feasibilities for 4 Clusters wards in Mbizana	Equitable Share	-
Feasibilities for 1 Cluster wards in Matatiele	Equitable Share	-
Feasibilities for 2 Clusters wards in Umzimvubu	Equitable Share	-
Municipal Water Infrastructure Grant (MWIG) / WSIG	WSIG	R86 671 000.00
Rural Household Infrastructure Grant (RHIG)	WSIG	R0.00

Water Services Provision (WSP)

Project name and Location	Funding Source	Year 1 (2016/2017)
Electricity	Equitable Share	R15 000 000.00
Convention of diesel powered pumps to electrical pumps (rural water supply schemes)	Equitable Share	-
Tools and Equipment	Equitable Share	R1 000 000.00
Drought Relief Projects	Equitable Share	R5 000 000.00
Drilling of boreholes	Equitable Share	-
Belfort Bulk Pipelines	Equitable Share	-
Matatiele WTW Refurbishment & Water Augmentation	Equitable Share	R1 000 000.00
Bulk Water purchases	Equitable Share	R4 500 000.00
Maintenance of water and sanitation Infrastructure schemes – Matatiele	Equitable Share	R12 000 000.00
Maintenance of water and sanitation Infrastructure schemes – Umzimvubu	Equitable Share	R11 000 000.00
Maintenance of water and sanitation Infrastructure schemes – Mbizana	Equitable Share	R6 000 000.00
Maintenance of water and sanitation Infrastructure schemes – Ntabankulu	Equitable Share	R7 000 000.00
Refurbishment and Replacement of Water Infrastructure – Matatiele	Equitable Share	R1 500 000.00
Refurbishment and Replacement of Water Infrastructure – Umzimvubu	Equitable Share	R1 500 000.00
Refurbishment and Replacement of Water Infrastructure – Mbizana	Equitable Share	R1 500 000.00
Refurbishment and Replacement of Water Infrastructure – Ntabankulu	Equitable Share	R1 500 000.00
Refurbishment and Replacement of Water Infrastructure – Mnceba Water Scheme-Umzimvubu	Equitable Share & Grant	R1 500 000.00
Refurbishment and Replacement of Water Infrastructure – Ntabankulu WTW	Equitable Share	-
Refurbishment and Replacement of Sanitation Infrastructure – Mbizana Ponds	Equitable Share	R2 500 000.00
Refurbishment and Replacement of Sanitation Infrastructure – Ntabankulu Ponds	Equitable Share	R1 000 000.00
Refurbishment and Replacement of Water Infrastructure – Mt Ayliff	Equitable Share	-
Refurbishment and Replacement of Water Infrastructure – Kwa-Bhaca Southern Leg-Umzimvubu	Equitable Share & Grant	-
Refurbishment and Replacement of Water Infrastructure – Cedarville	Equitable Share	-
Maintenance of Waste Water TW All	Equitable Share	-

Project name and Location	Funding Source	Year 1 (2016/2017)
Refurbishment and Replacement of Water Infrastructure – Belfort Water Scheme-Matatiele	Equitable Share & Grant	-
Building Maintenance and Alterations	Equitable Share	R2 000 000.00
Plant Maintenance	Equitable Share	-
Reticulation	Equitable Share	-
Leasing of Motor Vehicles	Equitable Share	R35 000 000.00
Motor Vehicles Maintenance	Equitable Share	-
Disaster rural housing		-
Building of Municipal Offices	Loan Finance	R135 000 000.00
Matatiele Ward 7	Loan Finance	R80 000 000.00
Business Plan Mbizana	Loan Finance	R251 798 785.00
Retention for projects	Loan Finance	R26 627 000.00
Prepaid Meters	Loan Finance	R40 000 000.00
DBSA Projects	Loan Finance	R67 000 000.00

Expanded Public Works Programme (EPWP)

Project name and Location	Funding Source	Year 1 (2016/2017)
MT Frere Cleaning at Mt Frere Town	EPWP GRANT	R6 006 000.00
Mt Ayliff Cleaning at Mt Frere Town	EPWP GRANT	
Ntabankulu Cleaning at Ntabankulu Town	EPWP GRANT	
Mbizana Cleaning at Mbizana Town	EPWP GRANT	

ANNEXURES:

A: staff establishment: 2016/17

B: Draft SDBIP