

MATATIELE LOCAL MUNICIPALITY

DRAFT 2016/17 IDP REVIEW



2016/17

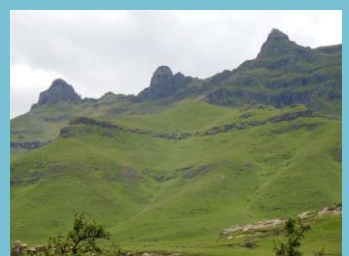


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TABLE OF ACRONYMS AND ABRIVIATIONS

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 Transfrontier 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 (2012/13 to 2016/17) 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, 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 councillors, 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.

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 draft financial plan - including the proposed capital projects for the year 2016/2017.*

Chapter 5 - details of projects and programmes from Sector departments

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 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 Provincial Spatial Development Plan (PSDP) - Eastern Cape as one of the Strategic Transport Routes. R56 is a multi-sectoral corridor as it facilitates access to agricultural zones in the Cedarville-Matatiele Area, tourism zones in the 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

• **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 nonstate institutions.

DISTRICT PLANS

- Alfred Nzo District Municipality IDP (2012-2017): 2015/16 review and other strategies.

GLOBAL PLANNING FRAMEWORK

• THE MILLENNIUM DEVELOPMENT GOALS

South Africa has signed to the Millennium Declaration. Parties to this Declaration have committed to achieving the following goals by 2015:

Goal 1: Eradicate extreme poverty and hunger;

Goal 2: Achieve universal primary education;

Goal 3: Promote gender equality and empower women;

Goal 4: Reduce child mortality;

Goal 5: Improve maternal health;

Goal 6: Combat HIV/AIDS, malaria, and other diseases;

Goal 7: Ensure environmental sustainability;

Goal 8: Develop a global partnership for development.

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> 	ALL Departments	<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>	STANCO'S	<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

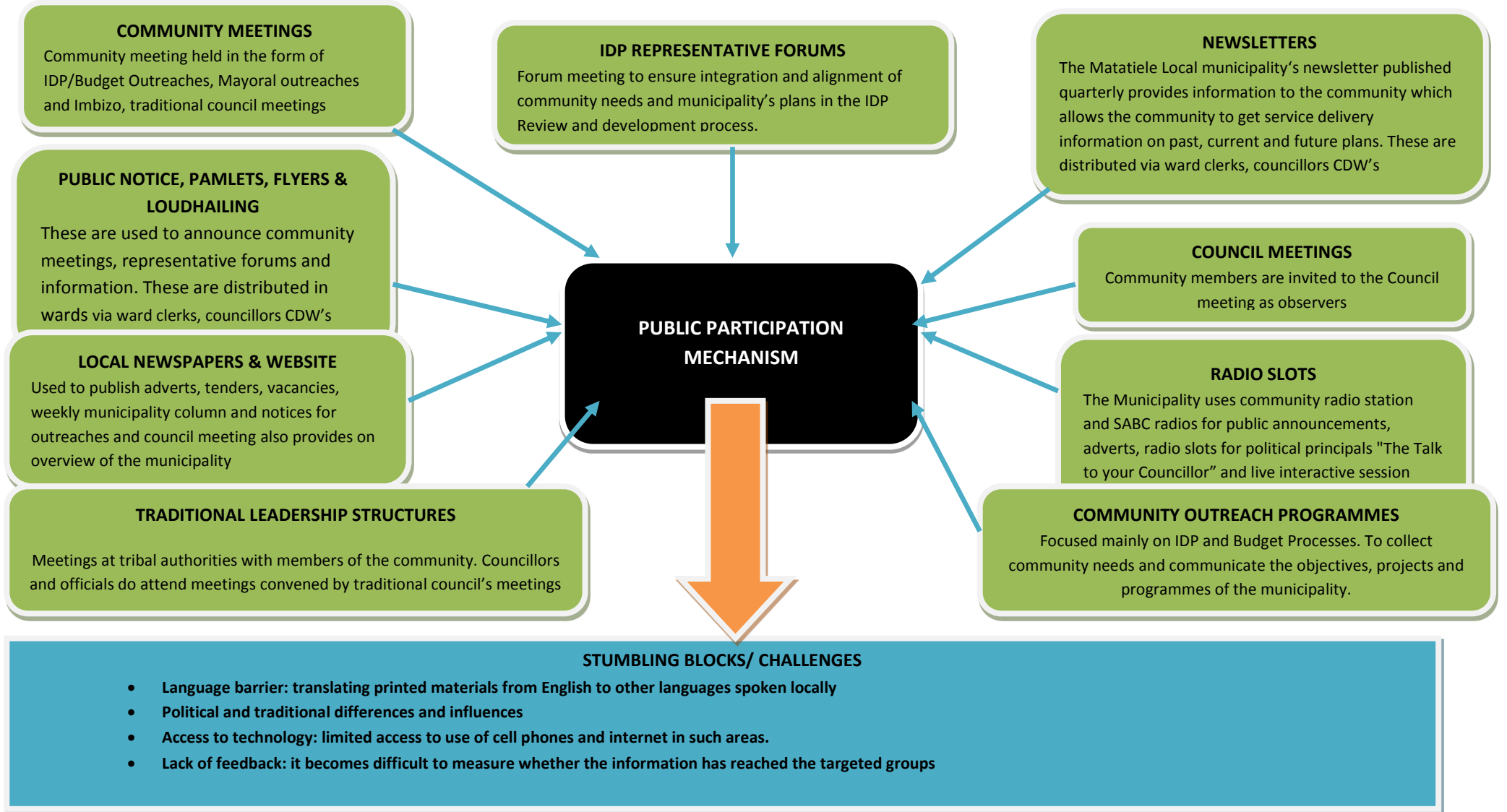
1.4 PUBLIC PARTICIPATION PROCESS

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 (Corporate 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	30 December 2015	Mr. Ndzulu (BTO) IDP/M&E Unit

ISSUE	INFORMATION REQUIRED	ACTION REQUIRED	TARGET	RESPONSIBLE PERSON
		Indicate integration plans with the DM		
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. Ndzelu (BTO) IDP/M&E Unit.
Asset Register	Include information on asset register	To be Reflected on the IDP	30 December 2016	Mr. Ndzelu (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. Ndzelu (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 ; Council resolution to be included	30 April 2016	Mr. Ndaba (LED) IDP/M&E Unit
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	<p>Water is available in the municipality.</p> <p>R56 provide access into the municipality.</p>	<p>Water with RDP standards not available in rural areas.</p> <p>Poor road signage</p>	<p>Opportunities to upgrade the R56 can enhance development along the corridor.</p>	<p>Bad road conditions are a treat to investment.</p>
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 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.

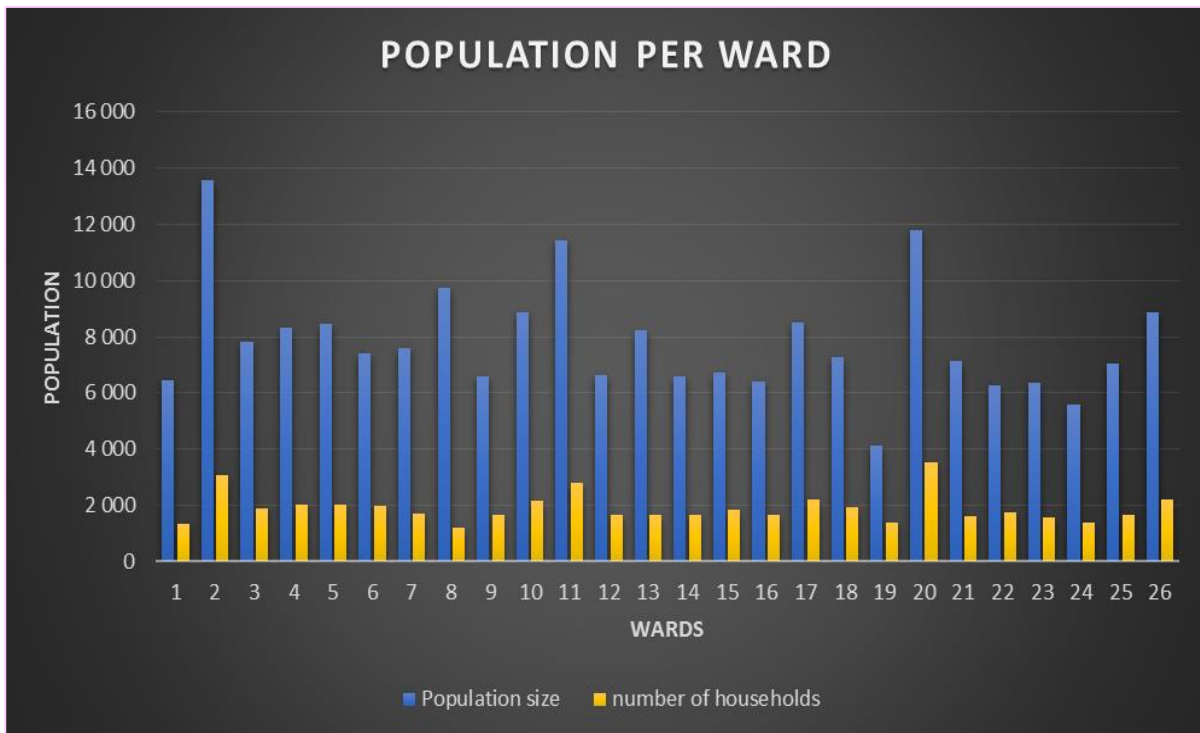


Figure: 3 Sources: STATSSA, Census 2011. The Population size per ward.

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.

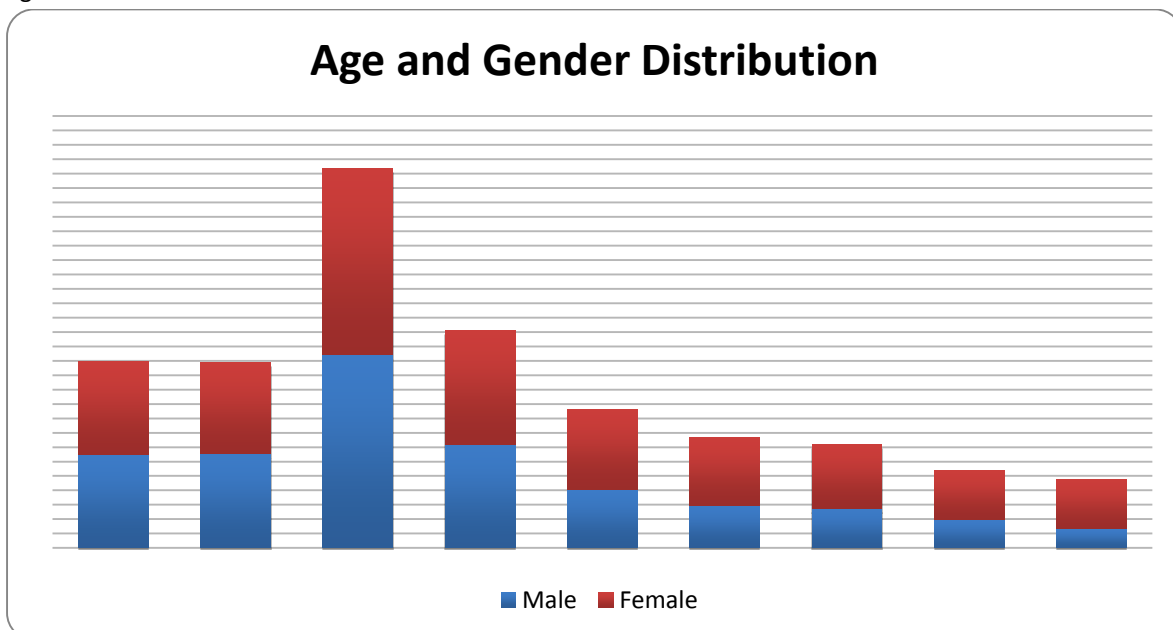
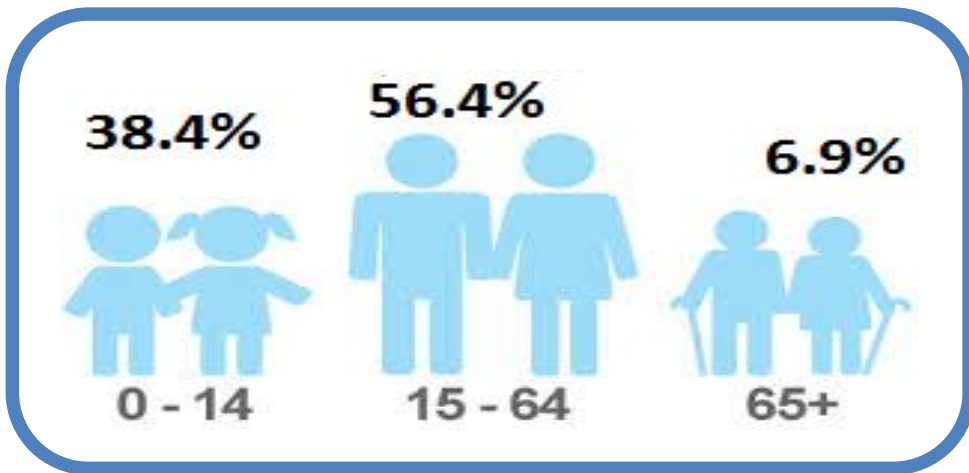
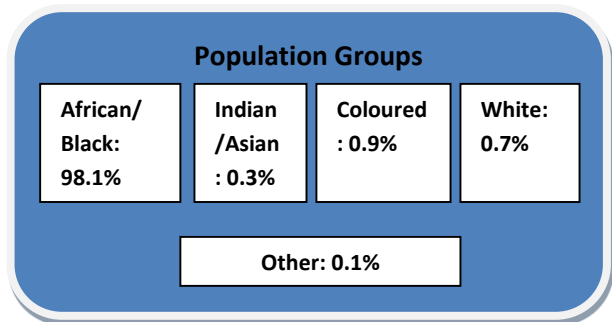
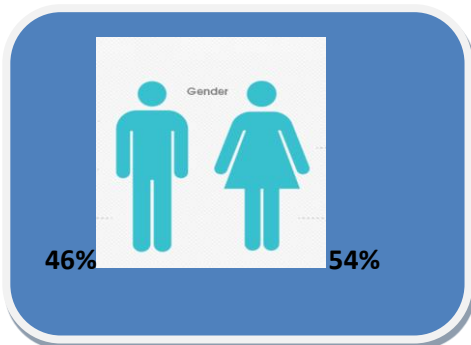
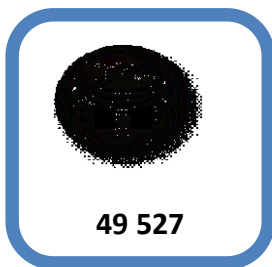


Figure 4: Source; STATISTICS South Africa CENSUS 2011. Age and Gender distribution

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.

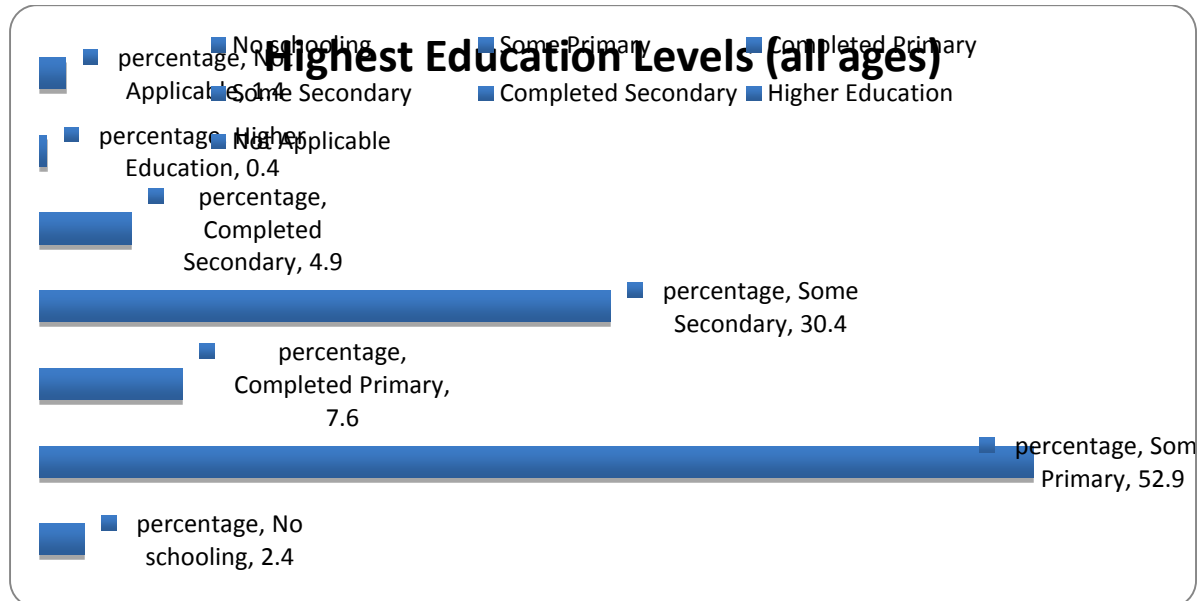


Figure 5: Source; STATISTICS South Africa CENSUS 2011: Highest Education levels of all ages.

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.

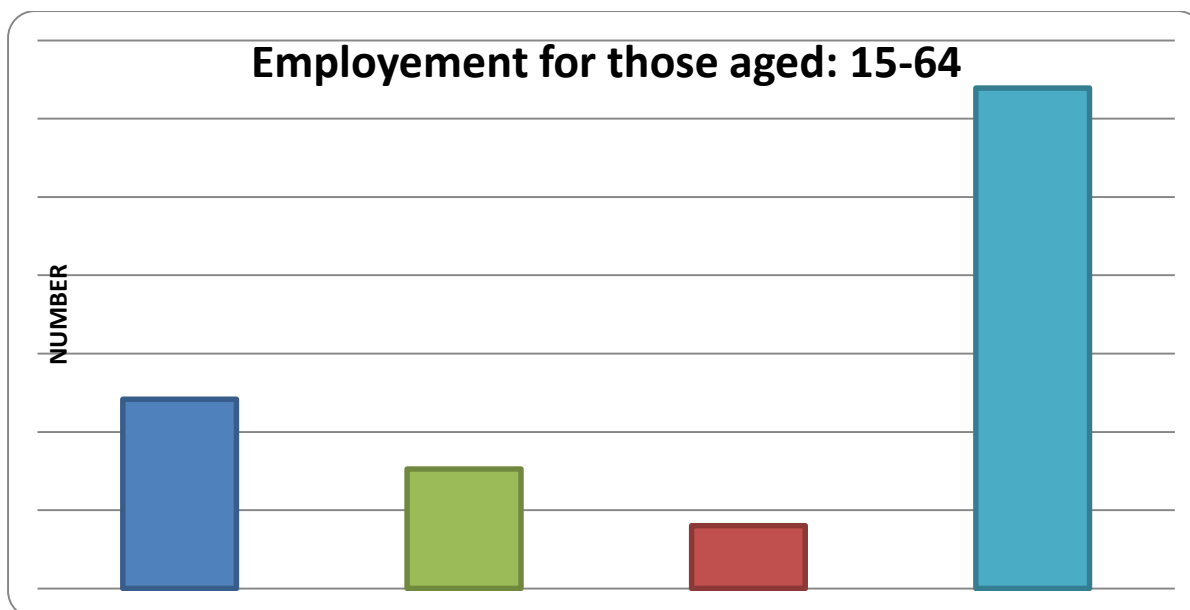


Figure 6: Source; STATISTICS South Africa CENSUS 2011: Employment Status for those Aged: 15 -64

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 12 613 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	1112	225	3453	809	7237	11802

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-sectoral 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-sectoral 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)

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

- zero deaths as a result of these epidemics
- 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.

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,:

2.4.6 Social Facilities

FACILITIES	INFORMATION	CHALLENGES
Police Station	Within the municipal area, there are 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.
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 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

2.4.6 Social Facilities

FACILITIES	INFORMATION	CHALLENGES
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 through community identification of priority needs; it has proven that there are more urgent needs to be given priority such as roads, water & electricity.	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
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.

2.4.6 Social Facilities

FACILITIES	INFORMATION	CHALLENGES
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)		
Level surface playing fields	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.	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.
Grassed fields with seat stands		
Sport centre	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.	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.
Community swimming pool	There is one (1) community swimming pool located in Matatiele town.	It is the only community swimming pool in the municipal area. The two other towns of Maluti and Cedarville don't have swimming pool.
TRANSPORT INFRASTRUCTURE		
Roads networks	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. 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.	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.

2.4.6 Social Facilities

FACILITIES	INFORMATION	CHALLENGES
Rail	The Municipality does not have an established public and goods rail transport system. However, a railway line runs through the area connecting the area with KwaZulu-Natal towns (Kokstad and beyond) although it has not been in use for over three years.	The rail network is currently not being used. There are no trains being used for transport purposes in the municipality.
Air Transport	There is no established and operational air transport system. A small landing Strip (airstrip) exists within both Matatiele and Cedarville. The aerodrome in Matatiele has been newly renovated	N/A
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 towns.	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 raffic 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 IDP outreaches also reveals that the people are willing to be actively involved in housing programmes. It is expected that with such advantages, emerging building material suppliers may grow stronger and ultimately impact on the economic growth and job creation. The challenges such as emerging suppliers of building materials like sand and blocks; who don't meet the required standards contribute to the problems hampering the pace of building. For example, in ward 10 there is Sealake Productions and services which produces bricks and blocks amongst other things, however their progresses hindered by the fact that they don't have sand mining permits and have products that meet quality standard so the business is not operational. This is one example of many such suppliers, hence investment in needed in assisting and growing such businesses. Housing growth/subsidies by Department of Human Settlements and Provincial Government present an opportunity to improve Housing delivery through.

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. With regards to mechanisms to control land invasions, Matatiele Local Municipality is working with the Department of Rural Development and Land Reform to address the situation. It also recognised that the issue of controlling land invasions should be a joint effort including other stakeholders such as the Traditional leaders, SAPS, and the community in general. Day to day inspections, awareness campaigns and workshops, have assisted the municipality to deal with land invasions.

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

No	Project	Description
1	Under Construction	RURAL HOUSING Maritseng (ward 1,2,3 & 6) - 1500 Thabachicha (ward 14) - 500 Mvenyane (ward 21) - 500 Motloalaneng (ward 16) - 989 Chaba-Mdeni (ward 10) - 30
2	Tender Stage	Mafube (ward 8) - 300 Pote (ward 7) - 40 Tsitsong Emergency (ward 4 & 25) - 200 Maluti Destitute (ward 1&2) - 200
3	Under Administration for Beneficiaries	RURAL HOUSING Zwelicha (ward 3) - 500 Piphany (ward 22) - 500 Chibini (ward 5) - 500 Maharing (ward 13) - 500 Nyaniso (ward 18) - 500 Belfontein/Sandfontein (ward 26) - 200
4	Planning Stage	Township Establishments: Maluti (ward 1) 200 units & 200 free stand Matatiele (ward 19 & 20) 500 & 200 free stand Cedarville (ward 26) 300 & 100 free stand

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 their 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.

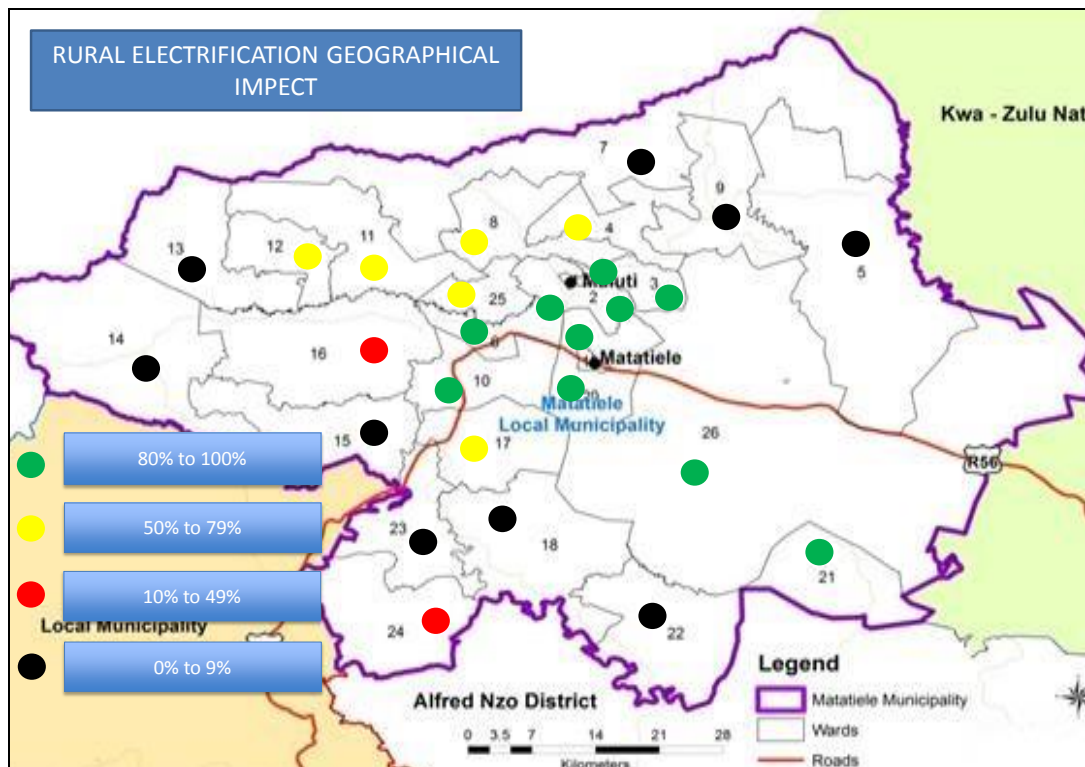
2.4.9 Energy

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 2014 IDP community Outreach revealed that in almost all the other 25 wards, Electricity is a priority. Census 2011 revealed the 22 223 households use electricity for lighting; while about 20 139 still make use of candles for lighting.

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

There are a few wards that have electricity, with the exception of ward 19 which is fully electrified; the other wards have various villages with no electricity. The municipality has made means to provide solar power, stoves and gels as a temporary solution to households which have no electricity. Over the past two financial years, Eskom has electrified 1537 households in ward 16, 450 households in ward 08 and 1241 households in ward 15. The municipality has also been able to electrify 400 households in Harry Gwala.

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

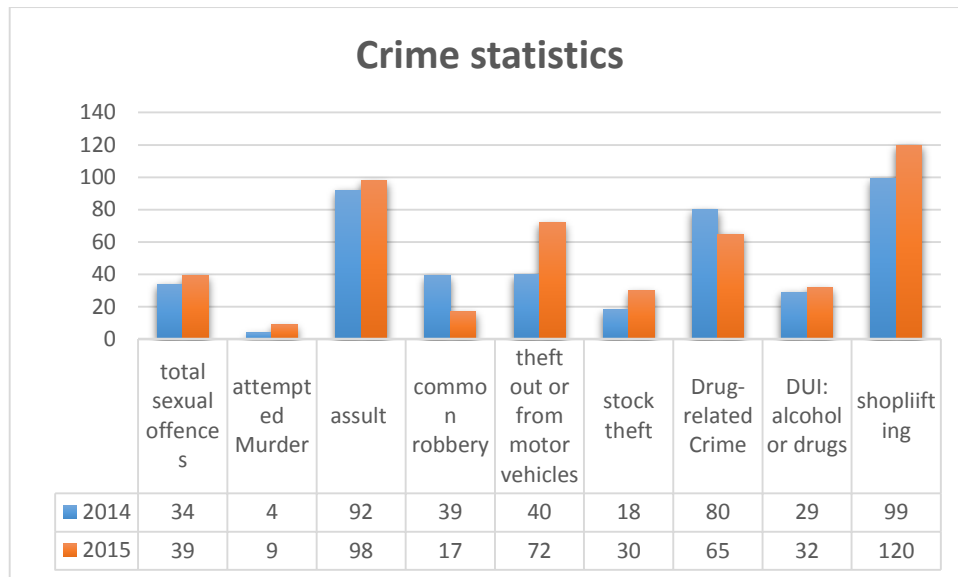


Figure 8: source: Crime Statistics South Africa

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%

(2001-2011)



Literacy Levels

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

Average Household size: 4

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

Without Sanitation : 40.1%

VIP TOILETS: 49.5%

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. The figure below shows that there seems to be a steady growth in GVA in over the past five years from 2006 - 2011.

2.5.2 Sectorial Analysis

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

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

Economic

Labour Remuneration

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

2012

1 Agriculture	SRBAGR10	6 023
2 Mining	SRBMIN10	5 444
3 Manufacturing	SRBMAN10	11 601
4 Electricity	SRBELE10	4 302
5 Construction	SRBCON10	8 102
6 Trade	SRBTRA10	50 336
7 Transport	SRBTRN10	17 109
8 Finance	SRBFIN10	41 054
9 Community services	SRBCOM10	411 515
Total Industries	SRBTOT10	555 487

Table 8: IHS, Rex Model, 2012

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

Sector Comparative and Competitive Advantages

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

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

Table 9: competitive advantage, LED strategy

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

2.5.2.6 Manufacturing

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

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

It has been discovered that instead of producing what is not available in the municipality, a considerable number of local manufacturers produce the same types of products. Examples include corrugated water tanks and “Seshoeshoe” garments. Another major challenge is limited 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

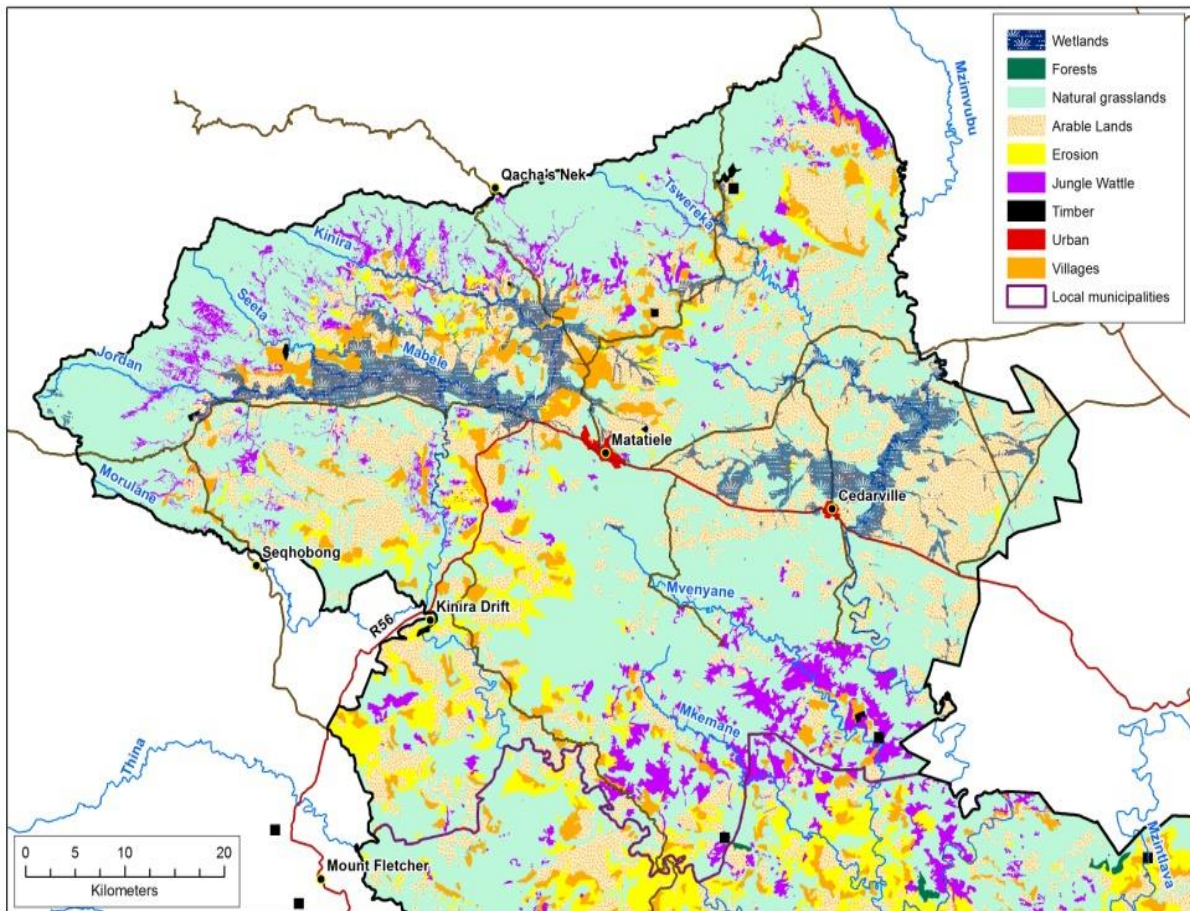


figure 9; Source: Environment Rural Solutions: Matatiele municipal lands cover

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

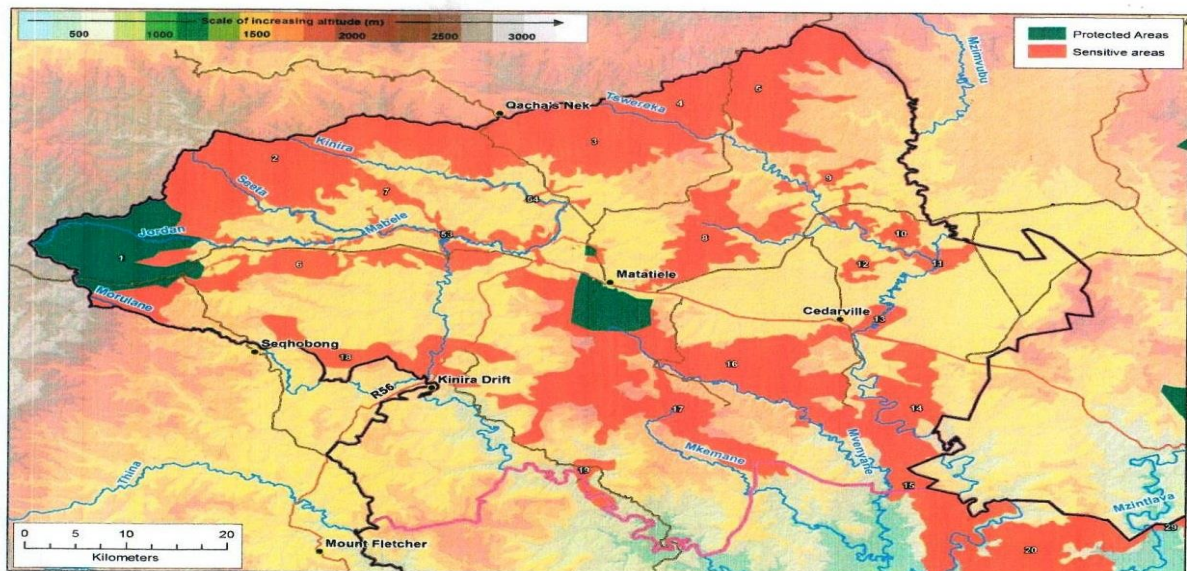
Increased incidences of floods and drought

- 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

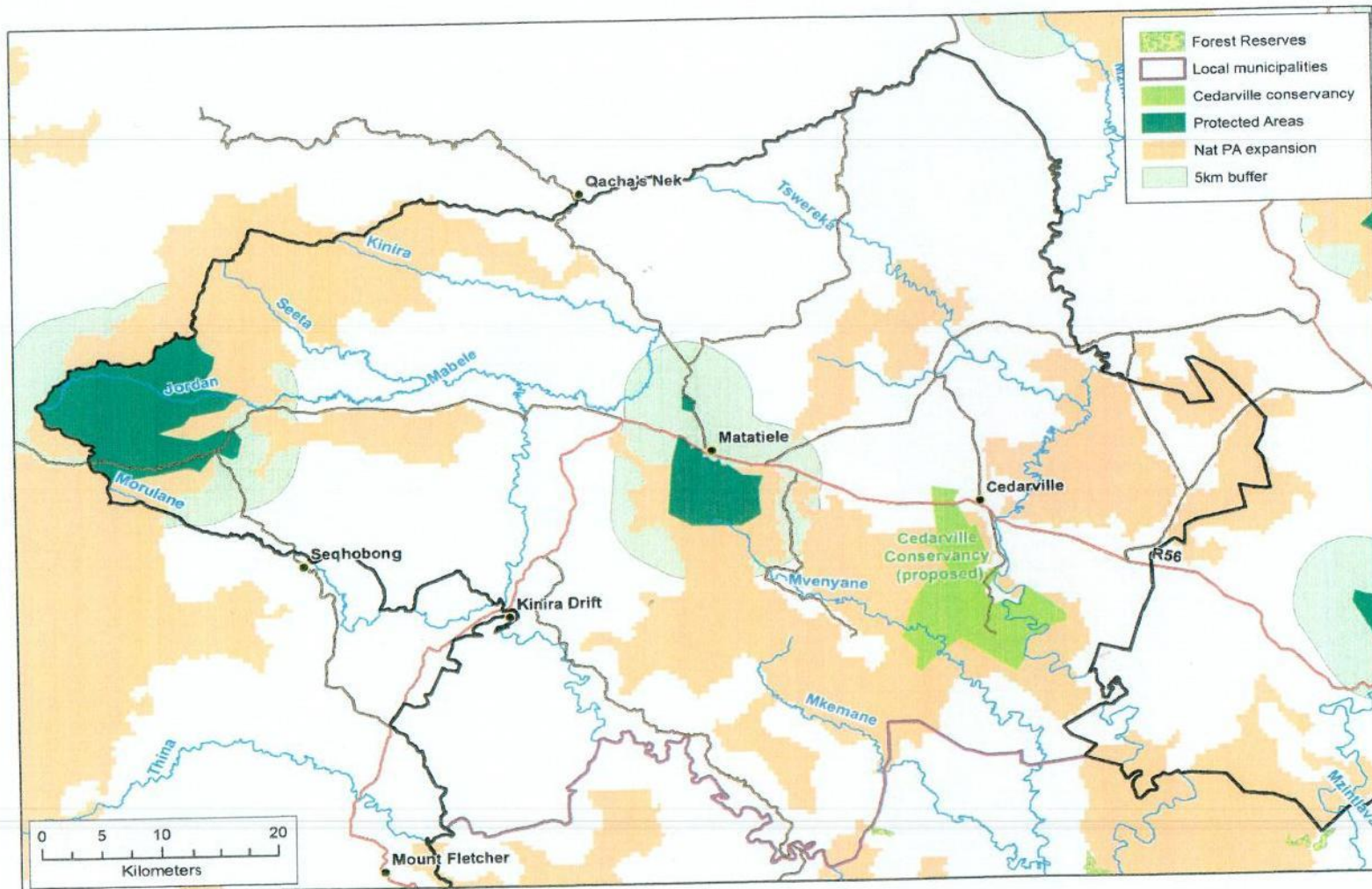


Figure 11: Source: ANDM EMF 2013: Matatiele LM Protected Areas Expansion Map

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.

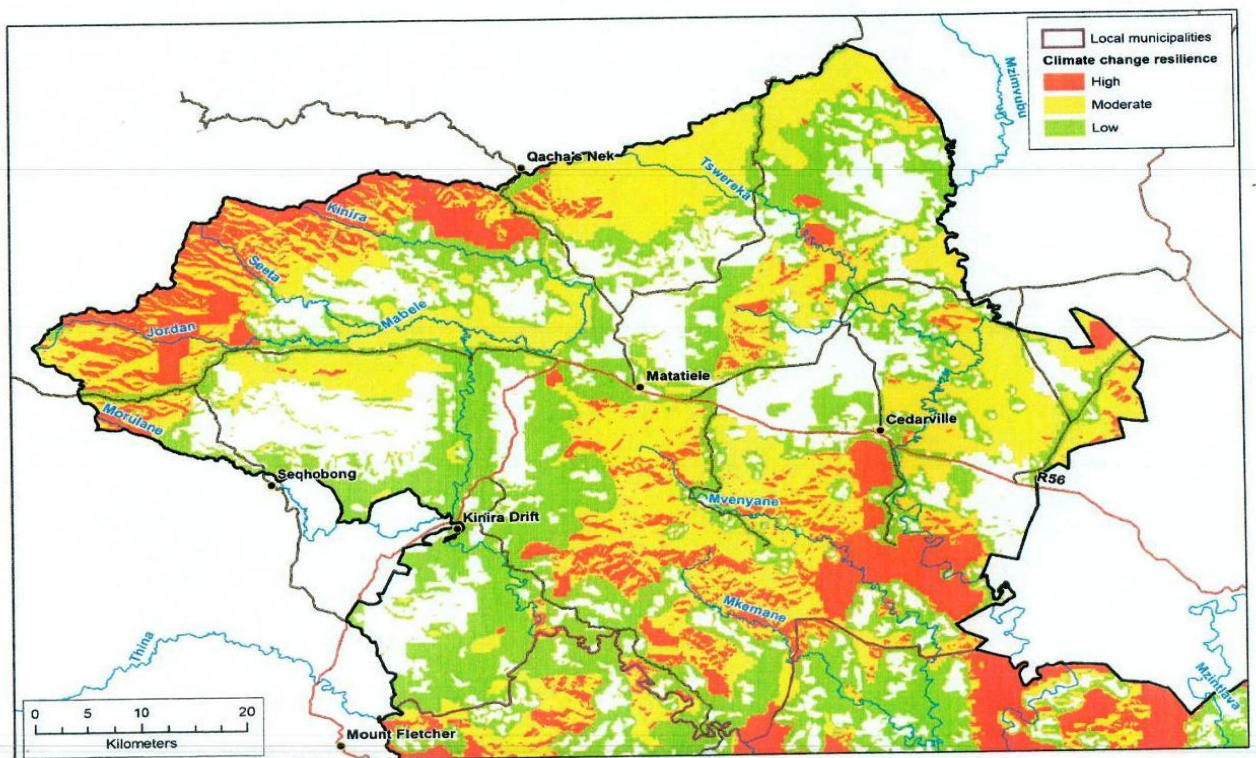
INITIATIVES AND PROGRAMMES TO ADDRESS CLIMATE CHANGE

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
- Planting of trees at schools , community halls and around the towns of Matatiele, Cedarville and Maluti
- Awareness campaigns are in the form of Imbizo on : Impact of Fire, Illegal dumping, climate change, preservation of indigenous forestry

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	Old age Home
Electricity	Job creation initiatives
Maintenance of access roads and storm water drainage	Clinic
	Community Halls
	Preschool Renovations
	More High Schools
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
	Tourism 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 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 (2004 -2014) 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.

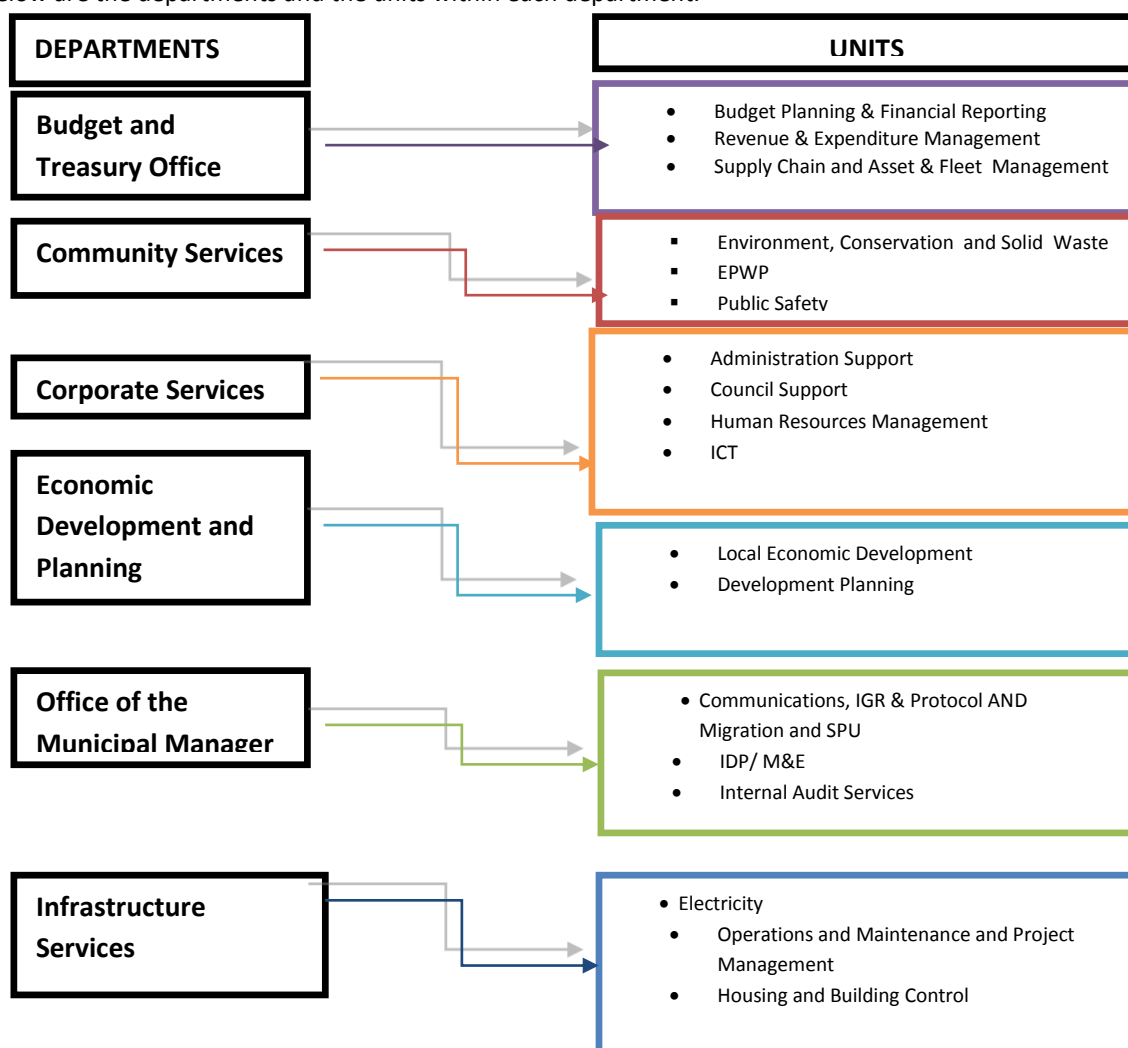
The six (6) portfolios of the municipality are as follows:

- 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 (333) positions within six (6) departments including the Office of the Municipal Manager. The management comprises of the Municipal manager, 5 General Managers (1 vacant), 18 middle managers (with 6 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.



Number of employees per Department

DEPARTMENT	UNITS IN THE DEPARTMENT	NUMBER OF STAFF IN THE DEPARTMENT
Budget and Treasury	<ul style="list-style-type: none"> • Budget Planning & Financial Reporting • Revenue & Expenditure Management • Supply Chain and Asset & Fleet Management 	30
Community Services	<ul style="list-style-type: none"> • Environment, Conservation and Solid Waste <ul style="list-style-type: none"> ▪ EPWP & Public Amenities ▪ Public Safety 	69
Corporate services	<ul style="list-style-type: none"> • Administration Support • Council Support • Human Resources Management • Legal and risk Services • ICT 	84
Economic Development and Planning	<ul style="list-style-type: none"> • Local Economic Development • Development Planning 	12
Infrastructure Services	<ul style="list-style-type: none"> • Electricity • Operations and Maintenance • Project Management • Housing and Building Control 	120
Office of the Municipal Manager	<ul style="list-style-type: none"> • Communications, IGR & Protocol AND Migration and SPU • IDP/ M&E • Internal Audit Services 	18
TOTAL		333*

EMPLOYEES ON CONTRACT

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 development and Planning, Office of the Municipal Manager	5 Year Contract
Chief Labour Relations Consultant	Corporate Service Department	2 Years
Project Coordinator	Infrastructure Services Department	3 Years
EPWP Coordinator	Community Services Department	3 Years
EPWP Programme Implementation Officer	Community Services Department	3 Years

EPWP Programme Implementation Officer	Community Services Department	3 Years
Data Capture	Community Services Department	3 Years
Coordinator Plant Management	Infrastructure Services Department	2 Years

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

BUDGET AND TREASURY OFFICE

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
BUDGET PLANNING AND FINANCIAL REPORTING											
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 reports to National Treasury, Provincial Treasury and mayor on the 10 th of every month	Number of reports submitted timeously.	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 by 30 June 2016	operational	Budget and Treasury Office

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 National Treasury, Provincial Treasury by 30 June 2017	Number of reports submitted	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
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 report to be reported to National Treasury by 01 July 2017	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

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 National Treasury, Provincial Treasury by 30 June 2017	Number of reports submitted	Withdrawal report submitted on a 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. withdrawal report	operational	Budget and Treasury Office

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 reconciliations	Submitted Bank reconciliations 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 reconc on a monthly basis and adherence to MFMA	operational	Budget and Treasury Office

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
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 submitted monthly month.	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

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	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.	Development and annual review of policies within the legislative prescripts of MFMA, MSA, MPRA and NT Guidelines by 30 June 2017	Number of reviewed policies Number	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	Budget and Treasury Office

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.	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.	Paid loan reported to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury by the 10 th working day of the following month.	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

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
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 to Management Team, Standing Committee, EXCO, Council, National and Provincial Treasury by the 10 th working Report to Management Team on a monthly basis.	Submitted monthly Financial Statements to Management Team, EXCO, Standing Committee, Council and National Treasury and Provincial Treasury.	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

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Institutional Development and Transformation	Training of unit staff within the municipality	Capacity Building	Adherence to the new and changes in the circulars	Two trainings to be attended by 31 March 2017.	Number of trainings	Unit staff members	None	Ensure that the staff are up to date with the changes of the standards from time to time.	Training of staff	R50 000	Budget and treasury office
Municipal Financial Viability	Standard budget return form	Provide the managers with template or guidance on budgeting for each year	Submit standard budget return form to Management Team 10 months before start of new financial year.	Submit the return forms to Management Team by 31 October of each financial year	Submit standard budget return form to Management Team 10 months before start of new financial year.	Submit the completed budget return forms to Management Team.	None	Submit to the departments the template to be utilised in preparation of the 2017/2018 budget.	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	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	Submit adjusted budget to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury	28 February of each year	Report to Management Team, Standing Committee, EXCO, and Council	Submit the adjusted budget to Management Team.	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

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 (b) of the MFMA	Ensure that the municipality reports on the tabled budget process plan for 2016/2017	Submit Time schedule to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury	One time schedule submitted to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury by for the next financial year 10 months before start of new financial year	Number of submitted reports to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury 10 months before start of new financial year.	Submitted Time schedule to Management Team, EXCO, Standing Committee, Council and National and Provincial Treasury.	None	Develop a plan that will guide the municipality on how the 2018/2019 MTERF budget will followed as per the MFMA.	Adherence to municipal council policy and MFMA	operational	Budget and Treasury Office

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	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 budget 90 days before of the new financial year to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	One tabled budget reported to Management Team, Standing Committee, EXCO, Council, National and Provincial Treasury.	Submitted tabled budget to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury by the 31 st March.	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

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.	Public meeting	No of public held during each financial year	Report to Management Team, Standing Committee, EXCO, and Council	Public meeting	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	

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 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.	One tabled tariff of chargers reported to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	Submitted tariff of charges to Management Team, Standing Committee, EXCO, Council and National and Provincial Treasury.	None	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

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
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 number of reports to Management Team.	Submit 12 monthly reports to Management Team by the 10 th working day of the following month.	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

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Annual Financial Statements	Ensure that the municipality is able to fairly produce its annual financial statements	Submit GRAP compliant Annual Financial Statements to Management Team, Audit Committee, Auditor-General, National and Provincial Treasury by the 31 st August.	Preparation & Submission of Fairly Presentable Annual Financial Statements for Audit Purposes.	Submitted GRAP Compliant Annual Financial Statements to Management Team, Audit Committee, Auditor-General, National Treasury and Provincial Treasury by the 31 st August.	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

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Basic Service Delivery and Institutional	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 set date.	Prevention of unspent grants returned to National Reserve Fund.	2014/2015 roll-over approved by national treasury by the 31 October	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

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Audit Management	Ensure that the municipality is able to fairly produce its annual financial statements	Clean operating governance	Achieve an Unqualified Audit Opinion.	Unqualified Audit Opinion.	Achieved Unqualified Audit Report with no other matters.	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

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	<p>Appointment of SCOA implementing agent.</p> <p>Development and Approved SCOA project implementation plan.</p> <p>Appointment of Approved FMS Vendor as per SCOA regulations.</p> <p>System Migrations from Non-SCOA to SCOA approved Systems.</p>	30 June 2017	<p>SCOA Steering Committee.</p> <p>Council Approved SCOA plan.</p>	None	<p>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.</p> <p>Go live on SCOA on the 01st July 2017.</p>	SCOA Regulations	R3 000 000	Budget and Treasury Office

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
SUPPLY CHAIN - ASSET & FLEET MANAGEMENT											
Basic Service Delivery	Municipal Annual Procurement Plan	Preparation of integrated Procurement Plan	Approved Procurement Plan to control and manage municipal procurements of goods and services	To have an approved Procurement Plan by 31 July 2017 Implementation Quarterly of 80% of the approved procurements by 30 June 2017.	Approved procurement plan by set date	Approved Procurement Plan – 2015/2016	Rolled over projects due to delays on procurement of services to implement such projects	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
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.	To have 12 monthly reports submitted to Management Team Meeting (Mtm), 4 Quarterly reports to STANCO, EXCO and the Council by June 2017 Prepare and Maintain 12 Irregular expenditure reports	Report to MTM, Management Team Meeting (Mtm) On A Monthly Basis. Report to standing committee on a quarterly basis	SCM monthly Reports, Deviation register & irregular expenditure register.	Prior year's irregular expenditure.	Update the deviation register; contract register; bid awards register; quotation register. Review process of the procurement plan.	Supply Chain Management.	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. 12 monthly reports on assets reconciliations to General Ledger. 4 quarterly reports on GRAP compliant Asset Register.	Number of Reports to MTM, Management Team Meeting (Mtm) On A monthly basis. Number Reports to standing committee, Exco and Council on a quarterly basis the Updated Fixed Asset Register	There is an Updated Fixed Asset Register for 2013/2014	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: Asset Management Unit together with all other department.

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
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.	Submission of report on Awarded Bids to NT by set date. Safe keeping of signed SLA's. Signing of SLA's within 30 days of award 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.
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.	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.	None	BTO: Supply Chain Management Unit.

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
REVENUE AND EXPENDITURE MANAGEMENT											
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 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	2 000 000	BTO – Revenue Management Unit

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
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.
Municipal Financial Viability	Indigent Support	Identify and support households that are indigent in a municipal jurisdiction.	Report to MANAGEMENT TEAM MEETING(MTM) on a monthly basis Report to Provincial Treasury on a monthly basis Report to Standing Committee, Exco and Council on quarterly basis.	Supply 12 613 registered approved indigent beneficiaries by 30 June 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 .	As per DORA allocations (Equitable Share portion of FBS).	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.	Report to MANAGEMENT TEAM MEETING(MTM) on a monthly basis Report to	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 MANAGEMENT TEAM MEETING (MTM) on a monthly basis. Report to Treasury on a monthly basis. Report to	Levy of Interest on outstanding debtors by 30 June 2017	Amount of interest levied	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

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Financial Viability	Staff Training	Ensure that the staff in the department are trained for relevant courses	Report to MANAGEMENT TEAM MEETING (MTM) number of staff that needs to be trained.	Training of Revenue and Expenditure staff done by 30 June 2017	No of trained staff	9 Employees are training MMC	8 Employees need to be trained	Ensure that the staff are up to date with the changes of the standards from time to time.	MMC Training Programme	FMG Funding	BTO
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. Development of management & monitoring backroom. Meter Management Dashboard.	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. Period phasing of Meter Installations. Monthly/Annually maintenance rental of installed meters.	Smart metering installation	R2 000 000	BTO/Electricity.

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
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 as at 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	R200 000	BTO

COMMUNITY SERVICES

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
ENVIRONMENT, CONSERVATION AND WASTE MANAGEMENT											
Basic Service Delivery	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	Community Services
Basic Service Delivery	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
Basic Service Delivery	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

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Basic Service Delivery	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 June 2017	Number of kilometres	None	20km	Establishment of fire breaks through assistance of firefighting team.	Fire breaks establishment	DEDEAT Funding(R5 00 000)	Community Services
Basic Service Delivery	Environment and Waste management	To curb illegal dumping sites in Matatiele	Elimination of illegal dump sites	To identify and eradicate illegal dumping 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
Basic Service Delivery	Environment and Waste management	To conduct Awareness campaigns to Matatiele Communities	Waste management awareness	To conduct 4 waste management awareness to 8 wards receiving waste services by 30 June	Reports and Pictures	26 awareness campaigns	None	Conducting awareness	Waste Management Awareness	None	Community Services
Basic Service Delivery	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

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Basic Service Delivery	Environment and Waste Management	To promote good waste management practices	To reduce the amount of waste landing into the landfill	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
Basic Service Delivery	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
Basic Service Delivery	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
Basic Service Delivery	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
Basic Service Delivery	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

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
PUBLIC AMENITIES											
Basic 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	4 community halls	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 1 000 000.00	Community services
				Maintenance and Repairs of 10 Community Pre Schools by June 2017	Number of Pre Schools maintained	3 Pre Schools	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),	R 700 000.00	Community services
				Routine maintenance and repairs of swimming pool throughout the year	Weekly maintenance done Repairs done	Maintenance done weekly	Water 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 500 000.00	Community services
				Maintenance and Repairs of 3 Sports fields by 30 June 2017	Number of Sports fields maintained	3 community halls	Number of Sports fields identified per routine assessments	Use of service providers	Thandanani Stadium (20), North End Stadium (19) and Cedarville Stadium (26)	R 3 000 000.00	Community services
				Monthly routine maintenance and repairs of community facilities by 30 June 2017	Number of facilities maintained and repaired monthly	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 1 500 000.00	Community services

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
EPWP											
Basic Service Delivery	Job Creation	To create 650 jobs in the 2016/17 financial year	650 beneficiaries to be contracted	650 Operation Rea Hloekisa	560 beneficiaries to be identified and contracted	468 EPWP beneficiaries IN 2015/2016	Un Skilled not employable	Create EPWP jobs	Operation Rea Hloekisa	R 10 140 000.00	Community Services
	Municipal EPWP Policy and Guidelines	To draft new EPWP policy	Policy and Guidelines for the running of the Programme	Draft Municipal EPWP Policy and Guidelines	To Draft a new Policy and Guidelines for EPWP				EPWP Policy and Guidelines		Community Services

CORPORATE SERVICES

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
ADMINISTRATIVE SUPPORT UNIT											
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	Implementation of the records and information Policy by 30 June 2017.	Reports on implementation of policy	Policy adopted by Council as per CR 742/30/04/15	Lack of adherence to filing of information	Application of the latest information and records management technology	Records and Information Management	Operational	Corporate Services
Municipal Institutional Transformation and Development	Efficient and effective implementation of governance system	To deliver an efficient and effective support to the functioning of the council and its committees	Compliance with the Rules and orders of the council	To facilitate the sitting of governance and oversight structures meetings in terms of the adopted annual calendar of meetings and Rules and Orders of the council by 30 June 2016	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
Municipal Institutional Transformation	Safe and Secure environment for municipal	To provide safety and security for the Municipal	Provision of security services to the municipal	To monitor the provision security services on	Number of Monthly reports on	Service provider appointed	Sub-standard performance of the	Use of security services to safeguard Municipal	Safety and Security	R7 800 000	Corporate Services

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
on and Development	property and human resource	property and human resources	property and human resources	key municipal premises by 30 June 2016	the monitoring of provision of security services on key municipal premises		service provider	property and human resources			
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

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
HUMAN RESOURCES MANAGEMENT UNIT											
Municipal Institutional Transformation and Development	The development and implementation of Staff Establishment . Employment of appropriately qualified	To plan, design and provide a sustainable human capital establishment as well as ensure quality human resources for the Municipality respectively	Human capital needs of the organisation	Approval of a reviewed Staff Establishment by 30 June 2016	Approved Reviewed staff Establishment by set date	2014/15 approved Staff Establishment.	Not all departmental human capital needs are met.	To utilise both internal and external resources for attainment of this objective	Review of staff Establishment	R 50 000	Corporate Services

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
	Human Capital										
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	Twelve (12) training programs to be rolled out by 30 June 2016	Number of trainings to be rolled out by set date	Work Skills Plan in place	Twenty (20) training programs	Utilization of service providers and in house trainings	Training of Human Capital	600,000.00	Corporate Services
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 2016	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
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) health ,safety and two (2) wellness programmes by 30 June 2016	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	R550 000	COPORATE SERVICES
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 2016.	Approved WSP by set date	Training budget and training policy are in place	none	Utilisation of skills development facilitation office of the municipality	Work place skills plan development	operational	COPORATE SERVICES

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
			Performance Agreements and Plans for Task Grade 7	Cascade PMS to all levels	Agreements and Plans developed by set date	PMS Framework , Charter and PMS Audit Charter	PMS not cascade down to lower levels of employment	Develop Performance Agreements and plans for Coordinators-Officer level	Plans and agreements	Operational	Office of the Municipal Manager
ICT UNIT											
Municipal Institutional Transformation and Development	Efficient and balanced ICT governance framework	To provide effective and efficient ICT governance	Compliance with the DPSA ICT governance framework	an approved phase 2 of ICT governance framework by 30 June 2016	Approved phased 2 of 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	Developed and implemented phased 2 of ICT governance framework	operational	Corporate Services
Municipal Institutional Transformation and Development	Efficient and balanced ICT governance framework	To ensure effective and efficient ICT Oversight	Compliance with DPSA governance framework	Sitting of quarterly ICT Steering committee meetings 30 June 2016	Number of Committee meetings according to the schedule by set date	Established ICT Steering Committee	ICT Steering Committee charter is in place	Quarterly sitting of the ICT Steering Committee	ICT Steering Committee meetings	operational	Corporate Services
Municipal Institutional Transformation and Development	Effective and reliable user support environment	To provide timely; efficient and effective user support services	A need for provision of quick service to the users	To establish help desk system by 30 June 2016	Functional help desk by set date	Incident Management Policy is in place	There's no call logging (incident) Management software system in place	Procurement and installation of an effective incident management system	ICT Helpdesk Management System	80 000	Corporate Services

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Municipal Institutional Transformation and Development	Efficient and balanced ICT governance framework	To ensure offsite disaster recovery site	Compliance disaster recovery plan and Auditor General	To have an established disaster recovery site 30 June 2016	Established Disaster Recovery Site established by set date	Business Continuity Plan in place	The is currently no disaster recovery site	To establish a disaster recovery site (offsite)- replication server room	Establishment of Disaster Recovery Site	600 000	Corporate service
Municipal Institutional Transformation and Development	Efficient and balanced ICT governance framework	To provide computer network to all users in all offices	Improved access to ICT service	To have 102 main offices connected to ICT network by upgrading network cabling by 30 June 2016	Number of Upgraded and networked users in all offices by set date	Users are more than network access points in offices, network points are not all functional in offices	The current network infrastructure at 102 Main street is not sufficient to provide access to ICT Services to all employees in all offices	To upgrade and establish new network points	ICT Network upgrade at 102 Main Street	250 000	Corporate service
Municipal Institutional Transformation and Development	Efficient and balanced ICT governance framework	To provide secure information and robust ICT service	Secure and safe access to information	To protect all municipal information from unauthorised access by 30 June 2016.	Number of monthly ICT Security report done by set date	ICT Security plan and policy are in place	ICT Security is in place, however implementation of monthly security logs is not done	To provide proof of security of municipal information and systems on monthly basis	Secure and Protected Information	operational	Corporate service
Municipal Institutional Transformation and Development	Efficient and balanced ICT governance framework	To provide shared service through Virtual Private Network	Access to municipal information systems at all times even from outside	To Improved access to information	Provision of access to information	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	Access to shared services	operational	Corporate services

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
			the Matatiele Local Municipality network					services by 30 June 2016			
Municipal Institutional Transformation and Development	Efficient and balanced ICT governance framework	To have offices connected to ICT Infrastructure through optical fibre cable by 2018	Permanent provision of linking of municipal offices in one computer network (LAN)	Established ICT infrastructure to Traffic Department Offices by 30 June 2016.	Traffic Department connected by set date	Traffic offices connected through VPN	Bandwidth limitation	Establish fibre optic cable network	Link traffic Department by fibre optic cable	R 250 000	Corporate services

ECONOMIC DEVELOPMENT AND PLANNING DEPARTMENT

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
KEY FOCUS AREA: LAND USE MANAGEMENT											
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	Township layout adopted by set date.	2014 SDF.	High demand for middle income	Future spatial planning- Appoint	Planning & Survey – Matatiele Middle Income	250 000.00	EDP: Development Planning

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
				Council by 30 June 2017			residential sites	service provider	township (Opp Area C).		
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	600 000.00	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
FOCUS AREA: LAND ADMINISTRATION											
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 Matatiel e Land Audit	Outdated Land Audit and GIS Data set	Appoint service provider	Land Audit and GIS Update	R200 000.00	EDP: Development Planning

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Spatial Rationale	Disposal of Municipal land	Ensure full compliance with the Land and Lease Disposal Policy, SCM Policy and MFMA	Improve turn-around 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	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	R500 000.00	EDP: Development Planning
KEY FOCUS AREA: OUTDOOR ADVERTISING											
Spatial Rationale	Outdoor advertising	To Monitor compliance with the Advertising By-Law	Illegal signage	Enforce compliance with the outdoor advertising By Law by 30	Number of days (Turnaround time) to approve applications	Outdoor advertising signage By-Law in Place	Out Door Advertising Contraventions	Use service provider	Management of Outdoor advertising	Operational	EDP: Development Planning

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
				June 2017.							
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

	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
LOCAL ECONOMIC DEVELOPMENT											
KEY FOCUS AREA : AGRICULTURE, SMME SUPPORT AND TOURISM											
Local Economic Development	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	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	EDP:LED

	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
				June 2017							
Local Economic Development	Tourism development	To identify tourist attractions around Matatiele	Tourism development for economic growth	Conduct Tourist Attraction Audit study by 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 350 000 000	EDP-LED
Local Economic Development	Tourism development	Development of crafters	Tourism development for economic growth	Registration and Provision of Mobile stands for exhibitions and day to day flea market by June 2017	No of crafters registered with Mobile stands	Crafters are scattered, they display and trade at Tourism related events on invitation	No Tourism Products	Consultation Meetings with crafters and appointment of service provider.	Crafters Product Development	R200 000	EDP-LED
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 F 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	EDP-LED

	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Local Economic Development	Destination Marketing	To Market Matatiele as a Destination of choice	Need to increase the number of tourist visiting Matatiele	To host Mehloiding heritage event by June 2017	Event hosted by set date	Mehloiding Hiking trail	Decrease in the number of beds filled	Team up with implementation with Mehloiding Organisers	Mehloiding heritage Event	R150 000	EDP-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	EDP -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	EDP - 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	EDP-LED
Local Economic	Destination Marketing	To market Matatiele as a	Need to attend Exhibition and	To support Tourism	Number of Tourism product	Tourism indaba is hosted as	Lack of marketing opportunities	Investment attraction/Marketing	Tourism product	R 100 000	EDP-LED

	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Development		destination of choice	brand Matatiele as a Tourism Destination	product owners to showcase products at the Tourism Indaba and Grahamstown Arts Festival by June 2017	owners marketing in the event	an annual event	for tourism product owners in Matatiele		owners support		
Local Economic Development	Destination Marketing	To market Matatiele as a destination of choice	There is a need for global marketing	Is to Develop a Tourism Web page by 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	EDP: 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	Tourism Promotional material designed	An existing Tourism brochure	Outdated information in the tourism brochure	Appoint a service provider	Tourism Branding Material	R150 000	EDP:LED

	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
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	A fully operating LTO	A Functioning LTO	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	EDP
Local Economic Development	LED SMME/Cooperative support	To support Cooperatives with training.	Need to support Cooperatives with training	To train sixty SMMEs and Cooperatives by 30 June 2016	Number of cooperatives trained by date	Sixty Registered Cooperatives	60 enterprises need training	Capacity building to Cooperatives	Training of cooperatives	R 350 000	EDP-LED
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	EDP:LED

	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
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	EDP-LED
Local Economic Development	SMME Support – Agriculture infrastructure	To provide agriculture infrastructure – grain storage facilities	Need for grain storage facility	Construction of a grain storage facility by 30 June 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	EDP: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 hectares 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	EDP:LED

	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 hectares of arable land.	To fence 40 hectares of productive arable land by 30 June 2017	Number of fenced hectares by set date	1000 hectares fenced by DRDAR	2000 hectares of arable land	Use local labour – EPWP/Community members/Beneficiaries	Fencing of productive arable land	R 400 000	EDP: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	Constructed Facility by set date	Availability registered Poultry Cooperatives	Insufficient support to Poultry Cooperatives in Broiler packaging	Appoint a service provider	Poultry Production	R 2 000 000	EDP: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	EDP:LED

INFRASTRUCTURE SERVICES

KPA	Priorities	Objectives	Demand for 2016/17	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
PROJECT MANAGEMENT UNIT											
Basic Service Delivery	Sportsfields	Ensure that sporting facilities are available in communities	05 number	05 number of sportsfields constructed by 30 June 2017	Sporting facilities completed	04 number	04 number	Utilise MIG allocation	Matatiele Sports Center (old rugby field)	R5 800 000	Infrastructure Service Department
Basic Service Delivery	Roads	Ensure accessibility to all communities of Matatiele Local Municipality	28km	28km 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 Mehloloaneng AR- ward 16 Kamorathaba – Tsepisong AR-ward 03 Manase AR-ward 02 Zazingeni-Mazizini AR-ward 04 Mangopeng AR & bridge-ward14 Soloane AR-ward24 Khause AR-ward25 Sandfontein AR-ward26	R32 510 800	Infrastructure Service Department
Basic Service Delivery	Surfaced Roads	Ensure that gravel roads in all 03 towns of Matatiele Local Municipality	10km	10km of surfaced roads constructed	Gravel roads upgraded to tar roads	49.88km	625.4km	Utilise MIG allocation	Maluti Internal Streets Phase 3, Matatiele Internal roads(CBD & Area C)	R0.00	Infrastructure Services Department

KPA	Priorities	Objectives	Demand for 2016/17	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
		are upgrades to tarred roads		by 30 June 2017							
Basic Service Delivery	Bridges	Ensure that communities are accessible	05 number	05 number of bridges constructed by 30 June 2017	Bridges constructed	09 bridges	04 number	Utilise Equitable Share and MIG allocations	Lagrange Pedestrian Bridge Tlakanelo Culvert bridge Mehloloaneng bridge Mangopeng bridge	R4 Million	Infrastructure Services Department
Basic Service Delivery	Market	Promote LED	Market	01 market constructed by 30 June 2017	Market constructed	01 market	1 market	Utilise MIG allocation	Fresh Produce Market- Phase 2	R2 350 600	Infrastructure Services Department
OPERATIONS AND MAINTENANCE UNIT											
Basic Service Delivery	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 installed 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 1,800,000.00	Infrastructure :O&M
Basic Service Delivery	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	Concrete storm water pipes installation in the CDB and driveway pipes at various places in Matatiele, Cedarville and Maluti. Drainage	R 500,000.00	Infrastructure :O&M

KPA	Priorities	Objectives	Demand for 2016/17	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
								by in-house staff and TLB	excavations in Maluti, Cedarville and Matatiele.		
Basic Service Delivery	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 :O&M
Basic Service Delivery	Maintenance of all gravel roads.	To ensure that existing gravel roads are maintained.	250 Km of gravel road to be maintained and rehabilitated	60 Km of roads to be maintained and rehabilitated by 30 June 2017.	Number of Kilometres maintained and rehabilitated by set date	244.8 Km	5.2 Km	Use own plant and equitable share funding	Maintenance and rehabilitation of gravel roads in the following wards(1,2,8,9,10,11,12 ,13,14,15,18,20, 22,25,26)	R 800,000.00	Infrastructure :O&M
ELECTRICITY UNIT											
Service delivery	Eradicate electricity backlog in rural areas	To provide households with basic electricity by 30 June 2017	18294	611	Number of connections done by set date	No electricity in villages	18294	Utilize INEP funding	Rural electrification	R 80 000 000.00	Infrastructure Services: Electricity
Service delivery	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 INEP funding	New substation		Infrastructure Services: Electricity

KPA	Priorities	Objectives	Demand for 2016/17	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
Service delivery	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 CRR funding	High mast lights	R 1 500 000.00	Infrastructure Services: Electricity
Service delivery	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 by 30 June 2017	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	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	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
HUMAN SETTLEMENTS AND BUILDING CONTROL UNIT											
Basic Service Delivery	Phase 2 of Fresh Produce	To support local businesses and hawkers	01 number	01 number of fresh produce constructed	facilities completed	Phase 1 completed	01 number	Utilise MIG allocation	Matatiele Fresh Produce	R 2 350 600.00	Infrastructure Service Department

KPA	Priorities	Objectives	Demand for 2016/17	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
		to access fresh produce,		by 30 June 2017							
Basic Service Delivery	Office Landscaping	Beautification of Public offices	01 number	01 number of landscaping completed by 30 June 2017	Landscaping completed	No landscaping done	01 number	Utilise CRR allocation	Matatiele Office landscaping	R 500 000.00	Infrastructure Service Department
Basic Service Delivery	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	No Electrical Depot Office	01 number	Utilise CRR allocation	Matatiele electrical depot (addition to BTO).	R 1 000 000.00	Infrastructure Service Department
Basic Service Delivery	Council Chamber's and Offices	Provide office space for Councillors	01 number	Council Chamber completed by 30 February 2017	Council Chamber completed	Insufficient office space	01 number	Utilise CRR allocation	Matatiele Council Chamber's	R 18 500 000.00	Infrastructure Service Department

OFFICE OF THE MUNICIPAL MANAGER

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
COMMUNICATIONS AND SPU UNIT											
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	R200 000	Office of the Municipal Manager : Communication Unit
	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	R80 000	Office of the Municipal Manager : Communication Unit
	Mayoral Imbizo	To promote engagements between communities and the Municipality	To eliminate community service delivery protests	To conduct 4 mayoral Imbizo by 30 June 2017	Number of Mayoral Imbizos conducted & projects	4 Mayoral Imbizos & 2 adopted projects	None	Develop a community engagement plan	Mayoral Imbizos, adopt a project campaign	R145 000	Office of the Municipal Manager : Communication Unit

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
					adopted by set date						
				To attend 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	Office of the Municipal Manager : Communication Unit
	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 31 July 2016	Adopted calendar by set date	Calendar of Events	None	Submission of departmental events and consolidation	Review of 2016/2017 Municipal calendar of events	R35 000	Office of the Municipal Manager : Communication Unit
	Marketing of the Municipality	To promote and market the Municipality as the	Attract Tourist and investors	Develop a Marketing Strategy Action Plan by 30	Adopted Marketing Strategy Action Plan by set date	Marketing Strategy in place	There is no Marketing Strategy action plan	Conduct a workshop session for inputs to the action plan	Marketing Strategy Action Plan	R1350000.00	Office of the Municipal Manager : Communication Unit

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
		destination of choice		September 2016							
	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	Information sharing session held by set date	Two information session	None	Develop concept documents	Africa Day event & Heritage Day event	R 170 000	Office of the Municipal Manager : Communication Unit
	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 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	Office of the Municipal Manager : Communication Unit

KPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
				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		
				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		
				Registration of migrants on the data base by 30 June 2017	Number of new registrations 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.		

	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 meetings	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: SPU
Local economic development				4 ECDCs assisted 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	R100 000.00	Office of the Municipal manager: SPU
Good Governance and Public Participation			Eradication or elimination of violence against children	4 Awareness campaigns on children's	Number of campaign held	Children strategy, Children Advisory Council	Lack of access to support system for vulnerable and abused children; children are un	Identification and integration of partners involved in children's programmes	Awareness Campaign	R 20 000.00	Office of the Municipal manager: SPU

	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
				rights by 30 June 2017			able to speak out about abuse				
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 Meetings by 30 June 2017	Number of meeting held	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	R20 000.00	Office of the Municipal manager: SPU
			Eradication of Elderly abuse	4 campaigns	Number of awareness campaign held	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	Awareness campaign	R 20 000.00	Office of the Municipal manager: SPU
			Increased levels of physical activity	1 golden games' event by 30 June 2017	Number of events held	Older persons forum; older person's strategy; good working	Lack of coordination of elderly activities	Support elderly people with resources	Golden games	R100 000.00	Office of the Municipal manager: SPU

	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
						relation with relevant					
Local economic development	Protection of Older person's rights	To facilitate and coordinate elderly empowerment initiatives	Intensification of support for Elderly person's development	4 elderly project to be assisted by 30 June 2017	Number of project assisted	Older person's forum, elderly strategy	Absence of funded Elderly projects.	To empower Older person's through economic initiatives	To facilitate assistance for 4 Elderly projects	R160 000.00	Office of the Municipal manager: SPU
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	Eradication or elimination of gender based violence	04 awareness campaigns on GBV by 30 June 2017.	Number of campaigns and workshops held	Women empowerment strategy, women's forum, good working relation with relevant stake holders	Lack of access to support system for vulnerable and abused women; people do not speak out about abuse	To raise awareness about women's rights as humans rights	GBV Awareness campaigns	R40 000.00	Office of the Municipal manager: SPU
good governance and public participation	Women empowerment, protection of women's rights as humans	To facilitate and coordinate women and men	Decreased number of women and men who suffer from	08 awareness campaigns by 30 June 2017	Number of campaigns, workshops held and number of	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 and men's Health awareness campaigns	R60 000.00	Office of the Municipal manager: SPU

	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
	rights and ensure gender equality	empowerment initiatives	Chronic illnesses		material distributed						
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.	08 projects assisted by 30 June 2017	Number of projects assisted	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 08 projects	R160 000.00	Office of the Municipal manager: SPU
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	Eradication or elimination of gender based violence and Decreased number of men who suffer from diseases like	01 women's forum and 04 meetings	Number of meetings held	Good working relation with relevant stake holders	Implementation of policies by all stake holders	To raise awareness about human's rights and about women specific issues	Women's forum revival and conduct 04 meetings	R80 000.00	Office of the Municipal manager: SPU

	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
			diabetic, high blood pressure etc								
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	Eradication or elimination of gender based violence and Decreased number of men who suffer from diseases like diabetic, high blood pressure etc	01 men's forum and 04 meetings	Number of meetings held	Good working relation with relevant stake holders	Implementation of policies by all stake holders	To raise awareness about human's rights and about men specific issues	To establish men's forum and conduct 04 meetings	R80 000.00	Office of the Municipal manager: SPU
Good Governance and Public Participation	Youth development	To Lobby and advocate for Development issues affecting	Intensification of awareness about the dangers of drug abuse, teenage	4 Awareness Campaigns by 30 th June 2017	Number of awareness campaigns 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	Awareness campaigns	R 20 000.00	Office of the Municipal manager: SPU

	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
		youth and children	pregnancy and committing crime.					committing crime among young people			
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 cultural activities by 30 June 2017	Number of activities held	Youth Development Strategy Sport confederation Council in place	Indifference/lack of interest of young people in societal issues.	youth participation in sport, arts and cultural activities	Sports, arts and cultural development.	R 500 000	Office of the Municipal manager: SPU
Local economic development	Youth development	To Lobby and advocate for Development issues affecting youth and children	Participation of youth in economic issues	4 Economic Engagement Activities by 30 th by June 2017	Number of economic engagements by 30 June 2016.	Youth development strategy	High levels of unemployment and Incompetent/inability of youth to participate in economic issues	To lobby and engage and form partnerships with relevant stakeholders	Capacitating workshops, establishment and functioning of the NYDA office	R 200 000.00	Office of the Municipal Manager: SPU
Good Governance and Public Participation	Youth development and protection of Children's rights	To Lobby and advocate for Development issues affecting	Increased levels of literacy within the Municipality	5 skills development programmes by June 2017	Number of programmes	Youth Development Strategy *Good Working	Low levels of literacy amongst young people	Empowerment of youth through education	Skills development- capacity building.	R 400 000.00	Office of the Municipal manager: SPU

	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
		youth and children				relationship with the DOE *consistent good performance in matric results					
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 initiatives programmes conducted by 30 June 2017	Number of programmes conducted	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	Municipal Managers Office: SPU
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 trained by 30 June 2017	Number of people trained	Disability forum Disability strategy	Significant number of unskilled PWD	Partnership with Rehabilitation centres	Skills development	R 80 000.00	Municipal Managers Office: SPU
good governance and public participation	HIV/AIDS Management	To coordinate HIV/AIDS	Eradication of stigma, discrimination and	8 campaigns; 4 Meetings;	Number of meetings	HIV/AIDS strategy	High rate of stigma, discrimination	To use Commemoration of National and	HIV/AIDS awareness campaigns	R 100 000.00	Municipal Managers Office: SPU

	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
participation		Management initiatives	creation of access to ARVs	By 30 June 2017			and a minimal access to ARVs	international days as tools to create awareness			
good governance and public participation	Women empowerment and protection of Elder person's rights HIV/AIDS Management	To facilitate and coordinate women and elderly empowerment initiatives 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 30	LAC; MANOP (Support group network structure).	Significant number of ARV Defaulters	Lobby and advocate for an increase and accessibility to ARV for all the infected in need.	LAC meetings	R 100 000.00	SPU and LAC
good governance and public participation	HIV/AIDS Management	To coordinate HIV/AIDS Management initiatives	Significant number of infected and affected	Support group in 26 wards by 30 June 2017	Number of support groups trained	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	R100 000	Municipal Manager's Office

AKPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
INTERNAL AUDIT SERVICES											
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
	Governance Issues:	To submit credible Annual financial statements to AG.	Credible Annual financial statements.	AFS to be audited by 31 August 2016 and Interim to be audited by	Audited Annual and interim financial statements	2015/16 AFS and 2016/17 Interim Financial	None	Audits to be performed twice annually	Financial Statements Audits	R 425 000.00	Office of the Municipal Manager

AKPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
				28 February 2017	ts by set date	Statements Audits					
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
	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.	Submission of Quarterly Internal Control tools by set date number of spots checks	Internal Control tool and Spot checks	none	Four quarterly Internal Control tool submitted to COGTAEC. 48 spot checks performed	Spot checks and monitoring internal control tool.	operational	Office of the Municipal manager

AKPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
					done by set date			at different departments			
	Governance Issues: Internal audit	To improve efficiency and effectiveness.	credible internal audit reporting system	Procurement of Audit Reporting software by 30 th June 2016	Procure Audit software reporting 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
Good Governance and Public Participation	Governance Issues: Internal audit	To improve efficiency and effectiveness	Compliance, Financial and performance reporting	Four quarterly Dashboard Reports to Auditor General (AG)	Submission of Quarterly Dashboard Reports by set date	Dashboard Reports	none	Four quarterly Dashboard Reports submitted	Dashboard Reports	operational	Office of the Municipal manager
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	Employment of permanent staff	Non-functional unit	One permanently employed staff, three	To have a functional internal audit unit	Internal Audit Staff	Operational	Office of the Municipal manager

AKPA	Priorities	Objectives	Demand	Target	Key Performance Indicator	Baseline	Backlog	Strategy	Project Name	Budget	Responsible Department
					by set date		interns and one manager				

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
IDP/M&E UNIT											
Good governance & Public Participation	IDP Development and Performance Management	To have developed and credible IDP	Credible IDP Document	Review the 2016/17 IDP by 31 May 2017	Approved 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	R1700 000.00	Office of the Municipal Manager

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
									-IDP Outreaches -Strategic Planning -Annual IDP Review - Advertisements on Media -Website Uploading -Notice-boards		
			Monitoring and Evaluation of PMS	Approved 2016/17 SDBIP by 30 June 2016	Approved SDBIP by set date	Approved 2015/16 SDBIP	None	Conduct SDBIP workshop and Compilation of SDBIP	-Capacity building – SDBIP Workshop -Approval of Municipal SDBIP	R500 000.00	Office of the Municipal Manager

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
Good governance & Public Participation	IDP Development and Performance Management	To ensure the Municipality has a functional Organisational Performance Management System	Performance agreements and plans	Section 56 and Middle Managers Performance Agreements and Plans signed and submitted to CoGTA EC by 30 August 2016	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	Office of the Municipal Manager
			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
Good governance & Public Participation	IDP Development and Performance Management	To ensure the Municipality has a functional Organisational Performance System	The Inclusion of Council in the Municipal Performance Management System	PMS Induction Workshop for Councillors	Number of workshop conducted	PMS Framework, Charter and PMS Audit Charter	None	PMS Induction Workshop	Council Induction Workshop	Operational	Office of the Municipal Manager

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	Management System	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
			Revision of the SDBIP	Revised SDBIP approved by 28 February 2017	SDBIP approved by set date	Approved 2015/16 SDBIP	None	Compilation of the Revised SDBIP	Revised SDBIP	Operational	Office of the Municipal Manager

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	To ensure the Municipality has a functional Organisational Performance Management System	Annual and Mid-term Performance Assessment for all managers	Annual performance Assessment of Section 56 and Middle Managers held by 30 September 2016	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 -Annual Performance Assessments for MM, GM's and Middle Managers	Operational	Office of the Municipal Manager
				Mid-term Performance assessment of Section 56 and Middle Managers held by 31 March 2017							
Good governance & Public Participation			Annual Performance Report submitted to AG by 31 August each year	Submission of the 2015/16 Annual Performance Report to AG by 31 August 2016	Submitted APR by set date	2014/2015 APR submitted to AG	None	Consolidation of Annual Performance Report	-Capacity building – APR workshop -Annual Performance Report	Operational	Office of the Municipal Manager

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	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

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
LEGAL SERVICES UNIT											
Good governance and Public Participation	Proper contractual management and consistent legal environment	To provide effective legal drafting and contract management services for the Municipality	Contractual Management	Development of a contract management data base by 30 June 2017	Developed Contract management register	Contracts and lease agreements and procurement plan are in place	No standard contract drafting in place	Use of legal services unit	Formulation of standard contract drafting	Operational	Corporate Services
Good governance and Public Participation	Legally compliant acts of the Municipality	To foster compliance with legal requirements Of the law	Compliance With The Prescripts Of The Law	To have drafted and reviewed by-laws vetted	By-laws vetted by the set date	Draft By-laws in place	By-laws drafted and vetted by department	Use of legal services unit	Vetting of by-laws	Operational	Corporate Services

KPA	PRIORITIES	OBJECTIVES	DEMAND	TARGET	KEY PERFORMANCE INDICATOR	BASELINE	BACKLOG	STRATEGY	PROJECT NAME	BUDGET	RESPONSIBLE DEPARTMENT
LEGAL SERVICES UNIT											
	and the public			by 30 June 2017			not brought to legal services for vetting				
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	Administration and management of litigation cases against and or instituted by the municipality	Number of 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	Corporate Services
Good governance and Public Participation	Compliance with by-laws	To manage enforcement on compliance with By-laws To render effective	Contravened by-laws enforcement Assessment and management of risk	Enforcement on contravened by-laws by June 2017	Number of contravened by-laws enforced	Contravention on enforcement on by-laws	Lack of enforcement on contravened by-laws	use of internal and external legal resources	Enforcement on contravened by-laws	Operational	Corporate services
Good governance and Public Participation	Efficient and effective Municipal risk management	Municipal risk management		Review risk management policy, plan and conduct risk management workshop by 30 June 2017	Adopted reviewed risk management policy and plan	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 policy, plan and conduct one workshop on risk management	200 000	Corporate services
Good governance and Public Participation	Risk assessment and management			Completed risk register by 30 June 2017	Number of risk registers	Risk register in place	Register and management focused on key risk exposure	use of internal and external legal resources	Risk register	Operational	Corporate Services

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 programmes, 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).

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.

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 braches nearly 15km outside of Matatiele - providing access to a tourist destination (tourism node) and block of high potential agricultural land.
- Proposed Maluti – Kingscote link road, to run along the foothills of the Drakensburg range and thus provide strategic linkages and unlock tourism development potential.

- **Tertiary Corridors**

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

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

Geographic Information Systems (GIS)

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

The reduction of Service Delivery Backlogs is one of the six (6) priorities for the municipality, thus striving to provide sustainable municipal services and infrastructure. Matatiele Local municipality has a number of service delivery and infrastructure backlogs as evident in the current situational analysis.

4.1.2 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 put rescible 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.

iii. Priority issues with regards to waste management

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

iv. Proposed Waste Management Objectives and Strategies for Priority Issues

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

V. Waste Management By-Laws

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

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

4.1.4 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 (2014/2015) financial year. For the local sphere to fulfill 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.

- **Golden Games**

Golden Games is a programme that is held annually, the purpose of this programme is to encourage our senior citizens to participate in physical activities. More importantly the municipality recognizes that not all senior citizens are physically active in sporting activities, hence the Municipality identified the need to have a sport day for our senior citizens to encourage them to be active physically. This is

because principles, values and discipline that are involved in sport also apply in physical fitness with benefits such as: reduced dependency on pain and depression medication and fewer secondary medical conditions (e.g., diabetes, hypertension etc). The programme allows all elderly people from all wards to participate those in projects and those who are not in projects.

4.1.10 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:

Section1: Municipal Situational analysis: the Matatiele multi-sectoral plan focuses on issues that are critical in developing the multi-sectoral municipal respond to HIV and AIDS. The Municipal HIV/AIDS multi-sectoral plan

analyses different socio-economic conditions that drives for the spread and impact of the HIV and AIDS pandemic in our communities.

The Municipal situational analysis focuses on the following:

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

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

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

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

Section 5: Matatiele Local Municipality HIV and AIDS strategy 2010-2015: in line with the national strategic framework, the Matatiele multi-sectoral strategic plan has set its broad objectives as to:

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

This section is organised into three focus areas which are:

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

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

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

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

4.1.11 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
<i>Unqualified Audit Opinion</i>	<i>2012/2013</i>	<i>Impairment loss</i>
		<i>Electricity distribution</i>

		<p><i>Pre-determined objectives</i></p> <hr/> <p><i>Restatement of corresponding figures (Irregular Expenditure)</i></p> <hr/> <p><i>Achievement of planned targets</i></p> <hr/> <p><i>Annual Financial Statements, performance and Annual report</i></p> <hr/> <p><i>MFMA additional disclosure</i></p> <hr/> <p><i>Procurement and contract management</i></p> <hr/> <p><i>Unauthorised, irregular and wasteful expenditure</i></p> <hr/> <p><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></p> <hr/> <p><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></p>
<i>Unqualified Audit Opinion</i>	<i>2013/2014</i>	<p><i>Electricity distribution losses</i></p> <hr/> <p><i>Impairment loss</i></p> <hr/> <p><i>Unauthorised Expenditure</i></p> <hr/> <p><i>Financial statements, performance and Annual Report</i></p> <hr/> <p><i>Procurement and Contract Management</i></p> <hr/> <p><i>Expenditure Management</i></p> <hr/> <p><i>Leadership – the municipality did not have detailed standard operating procedure relating to performance objective for all departments.</i></p> <hr/> <p><i>Financial and performance management – there was not adequate monitoring and review of compliance with applicable laws and regulations.</i></p> <hr/> <p><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></p>
<i>Unqualified Audit Opinion (with matters of emphasis but no material findings) Clean Audit Opinion</i>	<i>2014/2015</i>	<p><i>Electricity distribution losses</i></p> <hr/> <p><i>Impairment loss</i></p> <hr/> <p><i>Irregular expenditure</i></p>

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 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. • Departmental targets to be communicated and given to the line 	GM: Infrastructure Services GM: Corporate Services Municipal Manager	Ongoing

	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

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

4.1.16 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 31 January 2015.

In terms of Section 16(2) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), hereafter called the MFMA, the Mayor must table the Annual Budget at least 90 days before the start of the budget year, that is 31 March. Council must therefore consider any views of the community on the tabled budget (Section 22 of the MFMA) and approve the budget before the start of the financial year which is 1 July (Section 16(1) of the MFMA).

LEGAL / STATUTORY REQUIREMENTS

Municipal Finance Management Act 56 of 2003, Chapter 4.

Municipal System Act 32 of 2000.

National Treasury Regulations and Guidelines.

Municipal Budget and Reporting Regulations (reg21, 22, 23, 24, 25, 26 and 27).

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.

The total revenue budget amounts to R413 475 121. Table 1 hereunder summarizes the total operating and capital Budget 2016/17.

Allocations per line item are done by the departments themselves, as long as they don't exceed the amounts allocated per Table 1. Table 1 which is Consolidated Overview of the 2016/17 Medium Term Revenue Expenditure Forecast.

TABLE 1

DESCRIPTION	APPROVED BUDGET 2015/16	ADJUSTMENTS BUDGET 2015/16	PROPOSED BUDGET 2016/17	BUDGET YEAR + 2017/18	BUDGET YEAR +2018/19
Operating Expenditure	289 979 109	296 106 137	288 786 961	303 226 309	318 387 625
Capital Expenditure	143 606 401	126 556 885	154 046 400	47 880 000	50 552 350
TOTAL EXPENDITURE BUDGET	433 585 510	422 663 022	442 833 361	351 106 309	368 939 975
TOTAL REVENUE	-365 248 563	-371 681 282	-413 475 121	-442 418 379	-473 387 666

TOTAL REVENUE BY SOURCE

TABLE 2

Details	Approved Budget 2015/16	ADJUSTMENT BUDGET 2015/16	PROPOSED BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/19
Property Rates	-34 365 483	(34 365 483)	(36 771 066)	(39 345 041)	(42 099 194)
Service Charges	-54 444 926	(54 444 926)	(57 614 450)	(61 647 462)	(65 962 784)
Rental Of Facilities	-769 126	(769 126)	(773 876)	(828 047)	(886 011)
Interest Outstanding Debtors	-4 081 257	(4 081 257)	(4 277 007)	(4 576 397)	(4 896 745)
Interest External Investments	-3 500 000	(3 500 000)	(5 600 000)	(5 992 000)	(6 411 440)
Fines	-1 400 500	(1 400 000)	(1 470 000)	(1 572 900)	(1 683 003)
Licences & Permits	-3 150 000	(3 150 000)	(3 307 500)	(3 539 025)	(3 786 757)
Grants Operating	-183 173 200	(189 597 169)	(176 881 600)	(189 263 312)	(202 511 744)
Grants Capital	-75 261 800	(75 261 800)	(124 661 400)	(133 387 698)	(142 724 837)
Profit on Sale of Property	-3 823 500	(3 823 500)	(15 000)	(16 050)	(17 174)
Other Income	-1 278 771	(1 288 021)	(2 103 221)	(2 250 447)	(2 407 978)
TOTAL REVENUE	-365 248 563	(371 681 282)	(413 475 121)	(442 418 379)	(473 387 666)

- Total revenue (Capital grants inclusive) is R413,4 million in 2016/17 and increases to R473,3 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 R36.7 million in the 2016/17 financial year and increases to R42.1 million by 2018/19 which represents 9 per cent of the 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 tariff increases have been factored in at 7 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 R65,9 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 revenue budget.
- Capital grants - MIG and INEP included in the revenue budget represents 30 % of the 2016/17 revenue budget.

TOTAL OPERATING EXPENDITURE BY TYPE

TABLE 3

EXPENDITURE	APPROVED BUDGET 2015/16	ADJUSTMENTS BUDGET 2015/16	PROPOSED BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/19
Employee Cost	96 710 668	92 716 231	94 597 484	99 327 358	104 293 726
Cllr Remunerations	15 890 945	16 635 382	18 908 383	19 853 802	20 846 492
Depreciation	20 879 000	20 879 000	14 800 000	15 540 000	16 317 000
Repairs & Maint	10 465 500	10 384 415	11 232 080	11 793 684	12 383 368
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	55 875 415	58 669 186	61 602 645
Grants & Subsidies	20 632 850	26 749 876	18 615 600	19 546 380	20 523 699
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	288 786 961	303 226 309	318 387 625

The budgeted allocation for employee related costs for the 2016/17 financial year totals R94,5 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 Bill 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 2.

CONDITIONAL GRANTS ALLOCATION FOR DRAFT 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

DRAFT CAPITAL BUDGET 2016/17

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 provided for any capital projects for the 2016/17 financial period.

BUDGET & TREASURY

DESCRIPTION	APPROVED BUDGET 2015/16	ADJUSTMENTS BUDGET 2015/16	PROPOSED BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/19
SCOA IMPLEMENTATION	2 000 000	2 000 000	100 000	-	-
UPGRADE OF REVENUE SYSTEM	300 000	-	-	-	-
SHELVING AT MUNICIPAL STORES	-	100 000	-	-	-
FURNITURE & EQUIPMENT	-	200 000	-	-	-
	2 300 000	2 300 000	100 000	-	-

Remarks

- Budget and Treasury has a total capital budget of R100 000 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 80.

CORPORATE SERVICES

DESCRIPTION	APPROVED BUDGET 2015/16	ADJUSTMENTS BUDGET 2015/16	PROPOSED BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/19
ICT EQUIPMENT	1 476 101	2 416 101	1 480 000	-	-
FURNITURE & EQUIPMENT	522 000	397 000	-	-	-
	1 998 101	2 813 101	1 480 000	-	-

Remarks

- Corporate services has a total capital budget of R 1 480 000, this amount includes cabling at new council chambers and establishment of a server room at the council chambers , 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 Matatiele	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	-	-	-
Matatiele 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

DESCRIPTION	APPROVED BUDGET 2015/16	ADJUSTMENTS BUDGET 2015/16	PROPOSED BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/19
Grain Storage	650 000	957 484	-	-	-
Hawker Stalls	-	450 000	-	-	-
Weigh-Bridge for Silo	700 000	700 000	-	-	-
Poultry Abattior	-	-	2 800 000	-	-
Furniture & equipment	-	-	60 000	-	-
	1 350 000	2 107 484	2 860 000	-	-

Remarks

Economic development and planning has a capital budget of R 2 860 000 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

OPERATIONS & MAINTANANCE

DESCRIPTION	APPROVED BUDGET 2015/16	ADJUSTMENTS BUDGET 2015/16	PROPOSED BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/19
Furniture & Equipment	20 000	20 000	-	-	-
10m Tipper Trucks x 1	1 200 000	-	-	-	-
Trencher, loader and Backhoe	950 000	-	-	-	-
Speed Bumps 12 sets	100 000	100 000	-	-	-
	2 270 000	120 000	-	-	-

Remarks

Operations and Maintenance has a capital budget of R 120 000 for installation of speed bumps less than 1 % of the total capital budget, which will be funded from municipal reserves.

ELECTRICAL PROJECTS

DESCRIPTION	APPROVED BUDGET 2015/16	ADJUSTMENTS BUDGET 2015/16	PROPOSED BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/19
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	-	-
High Mast Lights	1 500 000	-	1 500 000	-	-
Crane Truck	1 400 000	1 400 000	-	-	-
Tools and Equipment	200 000	200 000	900 000	-	-
Replace (O/H) Woltemade & Taylor	1 000 000	200 000	500 000	-	-
Light delivery vehicles	500 000	500 000	-	-	-
	-	-	150 000	-	-
	52 837 000	40 684 000	83 050 000	-	-

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	ADJUSTMENTS BUDGET 2015/16	PROPOSED 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	18 500 000	-	-
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	22 350 600	-	-

Remarks

- Human settlements has a capital budget of R22,3 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 that will be funded from MIG.
The allocated capital budget to the department is 15% of the total capital budget.

PROJECT MANAGEMENT

DESCRIPTION	APPROVED BUDGET 2015/16	ADJUSTMENTS BUDGET 2015/16	PROPOSED BUDGET 2016/17	BUDGET YEAR +2017/18	BUDGET YEAR +2018/19
Matatiele CBD Internal Streets-Phase 1	5 677 075	6 791 151	-	-	-
Maluti Internal Streets -Phase 3	4 050 000	13 544 335	-	-	-
Matatiele Internal Streets Phase 2 Area C - Harry Gwala	6 814 672	3 571 337	-	-	-
Mnqayi Access Road	1 765 109	1 067 711	-	-	-
Masopha Access Road	380 000	162 118	-	-	-
Mahangwe Sport Field	1 748 772	1 232 951	-	-	-
Afsondering Sport Field	2 801 404	3 305 328	-	-	-
Nkau Sport Field	2 801 404	2 891 404	-	-	-
Majoro Sport Field	1 740 000	2 772 000	-	-	-
Epiphany Field	1 740 000	2 010 000	-	-	-
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	-	-
Khaue 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	7 072 993	-	-
Sijoka AR	2 000 000	3 111 000	7 297 540	-	-
Thotaneng AR	-	1 200 000	-	-	-
LED Offices	-	600 000	-	-	-
Furniture & Equipment	35 000	35 000	-	-	-
Roads & Bridges	-	-	-	47 880 000	50 552 350
	39 958 435	43 758 334	36 510 800	47 880 000	50 552 350

Remarks

The project management unit has a capital budget of R36 510 800, for the construction of access roads, bridges and sports fields. The capital budget for this unit will be funded from the municipal infrastructure grant .

SUMMARY DRAFT CAPITAL BUDGET

TABLE 4

DESCRIPTION	APPROVED BUDGET 2015/16	PROPOSED ADJUSTMENTS BUDGET 2015/16	BUDGET + 2016/17	BUDGET + 2017/18	BUDGET + 2018/19	MIG	CRR INSTITUTIONAL	CRR INFRASTRUCTURAL	INEP
MUNICIPAL GOVERNANCE AND ADMINISTRATION	4 613 101	5 178 101	1 580 000	-	-	-	1 580 000	-	-
COMMUNITY AND PUBLIC SAFETY	10 894 500	10 894 500	7 650 000	-	-	5 800 000	1 850 000	-	-
ECONOMIC AND ENVIROMENTAL SERVICES	75 261 800	69 800 284	61 766 400	47 880 000	50 552 350	38 861 400	21 905 000	1 000 000	-
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	27 735 000	1 650 000	80 000 000

Remarks

The total draft 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 ELETRICTRIFICATION 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

TABLE 5

DESCRIPTION	APPROVED BUDGET 2015/16	ADJUSTMENTS BUDGET 2015/16	PROPOSED BUDGET 2016/17	NET-CHANGES	% NET CHANGES	BUDGET YEAR + 2017/18	BUDGET YEAR +2018/19
Operating Expenditure	289 979 109	296 106 137	288 786 961	-7 319 176	-2%	303 226 309	318 387 625
Capital Expenditure	143 606 401	126 556 885	154 046 400	27 489 515	22%	47 880 000	50 552 350
TOTAL EXPENDITURE BUDGET	433 585 510	422 663 022	442 833 361	20 170 339	5%	351 106 309	368 939 975
TOTAL REVENUE	-365 248 563	-371 681 282	-413 475 121	-41 793 839	11%	-442 418 379	-473 387 666

TARIFFS

All charges excluding electricity are calculated to increase by 7% for the 2016/17 financial year, proposed to start 1 July 2016.

PROPERTY RATES

Property rates tariff is proposed to increase by 7% for the 2016/17 financial year.

ELECTRICITY

Electricity tariff is proposed to increase between 5% and 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 kept at the same level.

CONCLUSION

Remarks

The draft operating expenditure budget has been decreased by 2% from adjustments budget of R296 million to proposed draft budget of R288 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 due to construction of new access roads, sports fields and administrative office furniture and equipment

RECOMMENDATIONS

Council resolves the following:

The draft annual Budget of the Municipality for the financial year 2016/2017; and its indicative for the two projected outer years 2017/2018 and 2018/2019 as outlined on the report be approved as set out in the following :

Operating Revenue by source table 2 of R 413, 475, 121

Operating Expenditure by source table 3 of R 288, 786, 971

Capital Expenditure by source and municipal vote table 4 of R154, 046, 400

Total budget table 5 of R 442, 833, 361

That the council notes the following tariff increases for the 2016/17 financial year

Property rates tariff increase of 7% ,

Refuse tariff increase of 7%

Electricity tariff increase between 5 and 9 %

That all other municipal tariff remains unchanged.

Council notes that the reviewed policies are appointment of consultants policy, banking and investments policy , Budget policy , Cash management policy , Cash shortage policy , Credit control and debt collection policy , Customer care policy , customer incentive scheme policy , Data backup policy , Debt capacity policy , Donor finance policy , Electricity token policy , Entertainment & refreshments policy , Unclaimed deposits policy , Fraud prevention plan 2016-17, Gifts policy for officials , Grants & donation policy, GRAP framework policy , Indigent Policy , Cash-up Policy , Fixed Assets Policy , Payment Policy , Petty Cash Policy , Rates Policy , Special Services Policy , Strategy to improve Debtor policy, Supply Chain management Policy , Tariff Policy , Use of Credit Card Policy and Virement Policy

PROPOSED CAPITAL PROJECTS 2016/2017

COMMUNITY SERVICES PROPOSED BUDGET		
WARD	PROPOSED PROJECT NAME	PROPOSED BUDGET
	Rescued Equipment (BA Compressor)	R 100 000.00
	Upgrade Fire Station	R 250 000.00
	Traffic Motorcycles with emergency Equipment X5	R 500 000.00
	Matatiele Sports Centre (Old Ruby Fields)	R 5 800 000.00
	Waste Buy-Back	R 1000 000.00
ECONOMIC DEVELOPMENT & PLANNING' PROPOSED BUDGET		
	Poultry Abattior	R 2 800 000.00
ELECTRICITY UNIT'PROPOSED BUDGET		
	Rural Electrification & Sub Station	R 80 000 000.00
	High Mast Lights	R 1 500 000.00
	Replace (O/H) Woltemaed & Taylor	R 500 000.00
HUMAN SETTLEMENT UNIT'PROPOSED BUDGET		
	Council Chamber	R 18 500 000.00
	Fresh Produce Market	R 2 350 600.00
	Office Landscaping	R 500 000.00
	Electrical Deport	R 1 000 000.00
PROJECT MANAGEMENT UNIT'PROPOSED BUDGET		
08	Lagrange Pedestrian Bridge	R 2000 000.00
13	Tlakanelo Bridge	R 2000 000.00
14	Mangopeng Access road	R 2 420 000.00
25	Khaue Access Road	R 2 137 500.00
02	Kamorathaba – Tsepisong Access Road	R 2 445 302
24	Soloane Access Road	R 3 080 742.00
26	Sandfointein Access Road	R 2 402 902.00
04	Zazingeni-Mazizini Access Road	R 3 453 399
03	Manase Access Road	R 2 200 422.00
16	Mehloloaneng Access Road	R 7 072 993
10	Sijoka Access Road	R 7 297 540.00