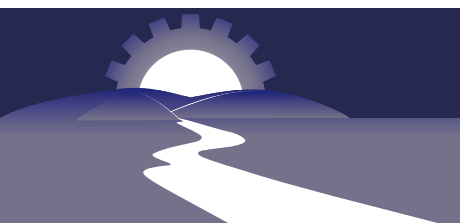




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Foreword – Executive Mayor



2008 has been a watershed year for the Sedibeng District Municipality in two important ways. It has gone down as having registered phenomenal improvements in our work-force and significant achievements in our communities. Adding impetus to this is the fact that these improvements and achievements were achieved despite the political turmoil that has engulfed our country.

Our municipality offers political stability, maturity and integrity as dividends of our experience in matters of governance. Our commitment is that of continuing to deliver innovative solutions to problems facing our communities, in a democratic, corruption-free and transparent manner.

I have no doubt that we will all find the Annual Report very impressive. The report encapsulates progressive steps that have been enacted, relating to the vision of our Integrated Development Plan of 2007/8. It contains progress which makes the Sedibeng Municipality look back with pride.

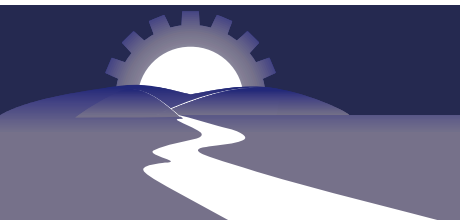
For that, I only have our resilient and dedicated staff and Councillors, and our hopeful and loyal communities to thank for making these achievements possible. Their role during these tough times is of paramount importance, and key among these is the deepening of government's programmes in such a manner that they impact effectively on the well-being of our people.

I trust that this Report will also be useful in the on-going debates that are taking place in our dusty streets and match-box houses, and which are also aimed at making ***Sedibeng A Better Place To Live In.***

Mahole Simon Mofokeng

COUNCILLOR,

DISTRICT EXECUTIVE MAYOR





Foreword – Acting Municipal Manager



We trust that this Annual Report will give meaningful insight into the operations and performance of the Sedibeng District Municipality for the period 1 July 2007 to 31 June 2008. It is always useful for the Annual Report of a particular period to be read in conjunction with the IDP of the same period. The IDP spells out the development plans, while the Annual Report makes an attempt to report back on the performance of the institution.

For the period under review we are pleased to report that for the 3rd consecutive year, the Sedibeng District Municipality has obtained an unqualified audit opinion from the Office of the Auditor General. The responsibility for an unqualified audit opinion rest with every single staff member and audit is therefore a shared accolade. We must guard against complacency and instead strive for greater efficiency, effectiveness and compliance.

The framework provided by the Sedibeng Growth and Development Strategy has provided a solid framework for the five-year IDP's and the annual reviews. The clarity and focus that these plans have provided has been useful to the administration. Our SDBIP's and its regular monitoring and reporting have ensured clear assessments and accountability.

The ongoing development of the staff has been elevated by adoption of the 'Care and Growth' programme which will roll out over a period of time. This training has been well received and we are already witnessing improvement in management styles.

The greater part of our organisational restructuring took place during this period. Restructuring is a painful process at the best of times, yet the staff must be complemented on their open-minded approach. While we are still facing some unsettled issues, the Sedibeng structure is much better aligned to its function, role and responsibility.

We took the plunge to embrace a performance management system that rewards exceptional performance, in the entire organisation. We are proud to be amongst the first municipalities in the country to have implemented this. The learning curve has been steep. The entire process can only get better in the years ahead.

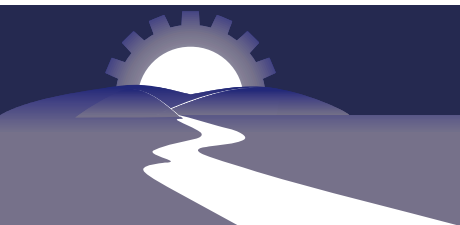
A significant measure of the performance of a District Council lies in how well it supports its local municipalities and how it acts as conduit for local development. The flagship projects of Sedibeng, such as the Precinct Development Projects, Vaal 21 and the Regional Sanitation Scheme are all indicative of steady improvement in our Intergovernmental Relations.

Sedibeng is on a strong development path and the administration remains committed to serving the political mandate with energy and purpose.

Thanking you,

Yunus Chamda

ACTING MUNICIPAL MANAGER



Chapter 1



Annual Report 2007/8
Sedibeng District Municipality





Chapter 1

1.1. Introduction

This report is compiled and tabled in terms of Section 127(2) of the Municipal Finance Management Act (MFMA), Act 56 of 2003(2) which states that the Mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.

The report covers the broad view of the Sedibeng Municipal Area with information such as Socio-Economic profile of the area, the level of services rendered to the community, the development issues, institutional issues as well as the financial statements of the council for the period under review.

In terms of the Act referred to above, the Annual Report should be submitted to the MEC for Department of Local Government within a period of seven months after the end of financial year under review. It must however be mentioned that due to changes in the leadership both Politically and Administratively, the report could not be submitted in time. The current leadership had to start the report from no base as the previous leadership did not have a draft ready.

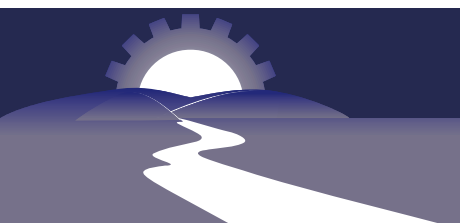
1.2. Overview of Sedibeng District Municipality

1.2.3. Geographic Location of the Sedibeng District Municipality

The Sedibeng District Municipality(SDM) is a Category C municipality found in the Gauteng Province. It is the only area of the Gauteng Province that is situated on the banks of the Vaal River and Vaal Dam in the Southern-most part of the province, covering the formerly known as the Vaal Triangle inclusive of Nigel and Heidelberg. It includes the towns of Vereeniging, Vanderbijlpark, Meyerton and Heidelberg as well as the historic townships of Evaton, Sebokeng, Bophelong, Sharpeville and Ratanda, which have a rich political history and heritage.

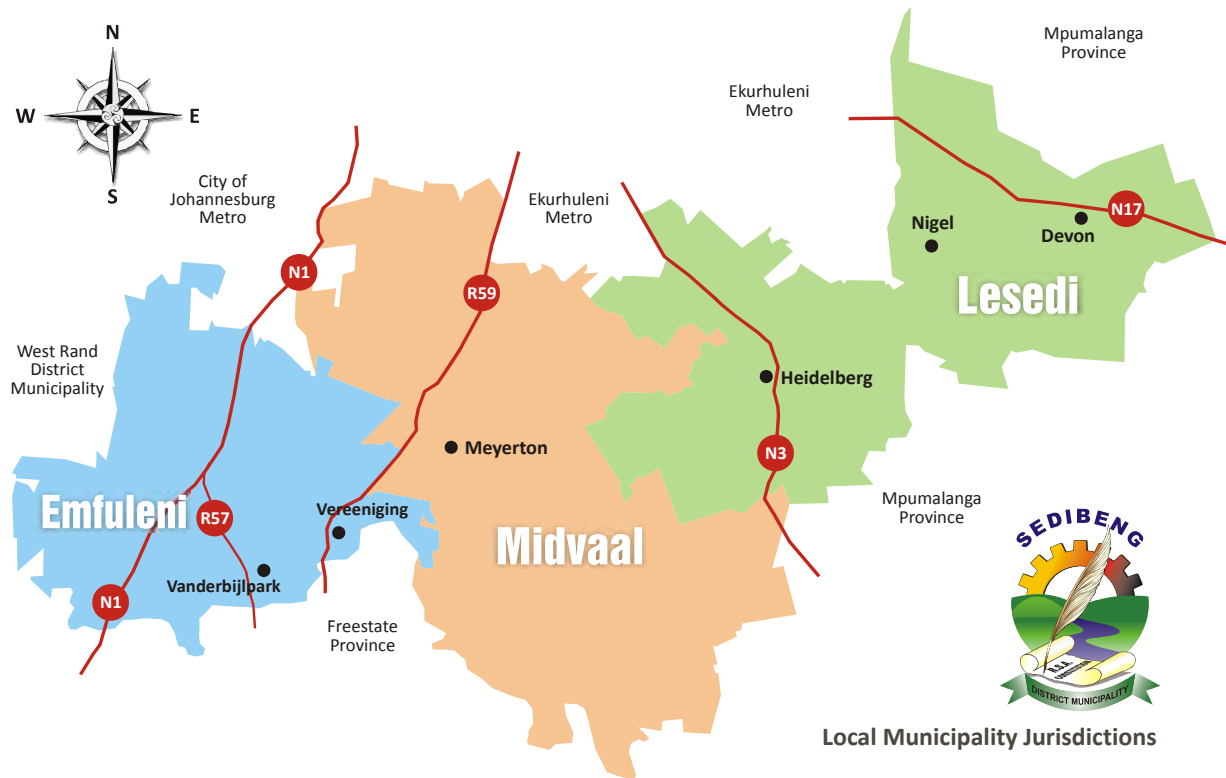
The SDM covers the entire southern area of Gauteng Province, extending along 120 km axis from East to West. The total geographical area of the municipality is 4630 square kilometres (km²). The SDM comprises of the three Category B municipalities, namely Emfuleni, Midvaal and Lesedi Local Municipalities and is surrounded by the following municipalities:

- City of Johannesburg (Johannesburg) to the North;
- Ekurhuleni (East Rand) to the North;
- Nkangala (Mpumalanga) to the North-East;
- Gert Sibande (Mpumalanga) to the East;
- Northern Free State (Free State) to the South;
- Southern District (North-West) to the West; and
- West Rand to the North-West.





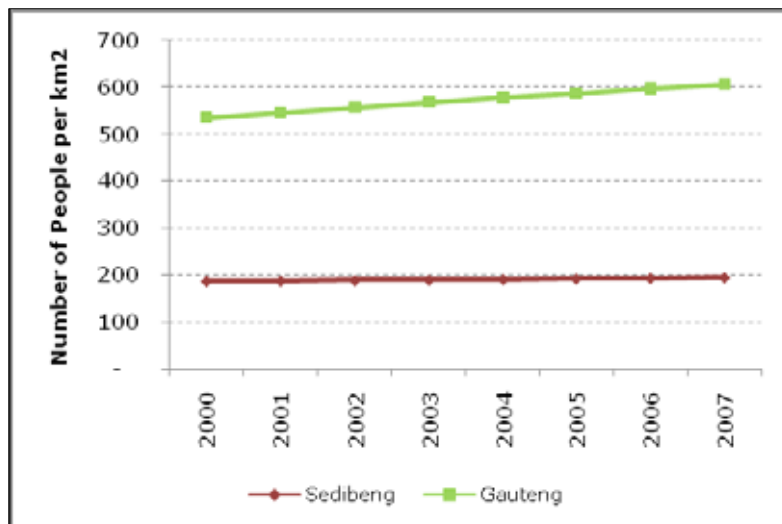
Map of Sedibeng District Municipality



Local Municipality Jurisdictions

1.2.2. Demographics Profile

Figure 1.5: Population Density, Sedibeng & Gauteng, 2000-2007



Source: Global Insight, 2008

Figure 1.5 shows that there has been a steady increase in population density from 2000 to 2007 for Gauteng. Meanwhile, the population density in Sedibeng has remained fairly constant over the same period. In Gauteng, the density level was at approximately 500 people per km² in 2000, this increased to about 600 people per km² by 2007. In Sedibeng, the density level was 187 people per km² in 2000 and this increased to 195 people per km² by 2007.

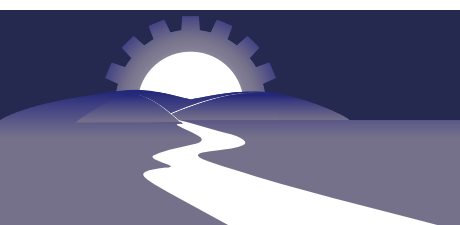
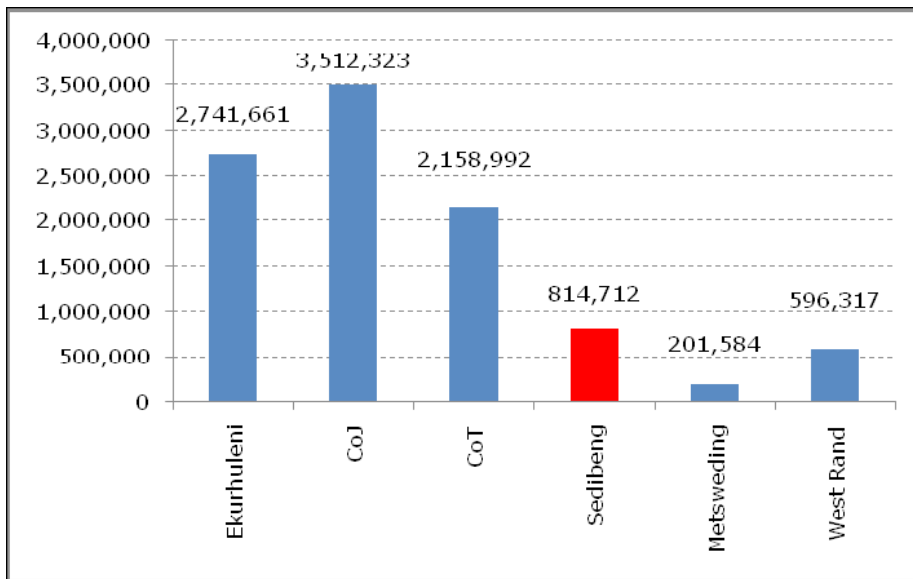




Figure 1.1: Comparison of Municipal Population, 2007



Source: Global Insight, 2008

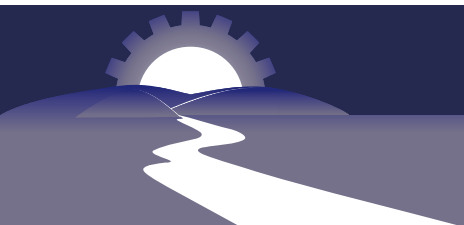
Figure 1.1 shows that Sedibeng has the third smallest municipal population in Gauteng, consisting of just over 814,000 people in 2007. Sedibeng exhibited the lowest population growth from 1997 to 2007 with the population growth rate in 1997 at 0.6% and increasing to 0.7% in 2007. This marginal increase in the population growth rate is coupled with a fairly stagnant level of population density and a decline in the rate of urbanisation within Sedibeng (to be discussed in section 7.2.2).

Figure 1.2: Population Composition by Age Group and Gender, Sedibeng, 2007



Source: Global Insight, 2008

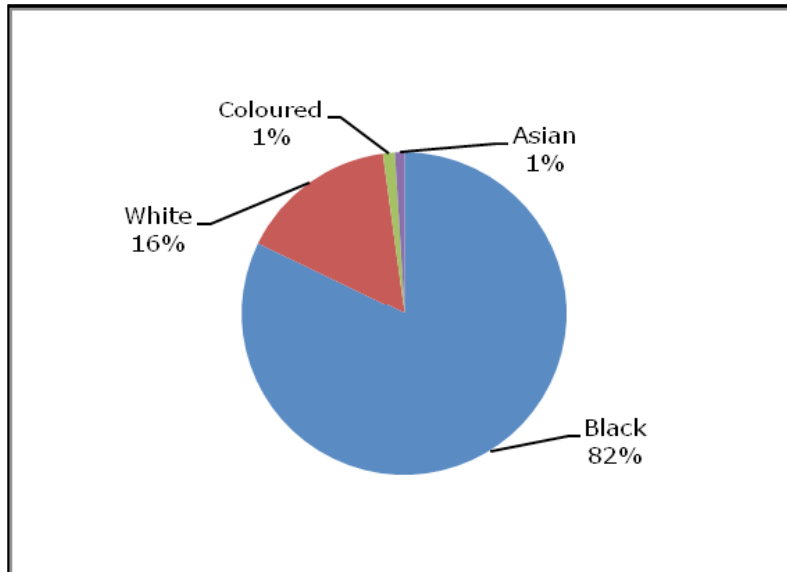
Figure 1.2 decomposes the Sedibeng population by both age group and gender for 2007. The gender spread in Sedibeng is fairly even, with males comprising a slightly higher share of 50.7% and females being the remaining 49.3%. The age group with the largest population share is the 10-14 cohorts with 9.6%, which is followed by the 5-9 cohorts with 8.9%.





The smallest cohorts (as expected) are those individuals aged between 70 and 79, making up 2.9% of the total population in Sedibeng. Females outnumbered males in only three of the sixteen cohorts, these being the 0-4, 10-14 and 20-24 cohorts.

Figure 1.3: Population by Population Group, Sedibeng, 2007

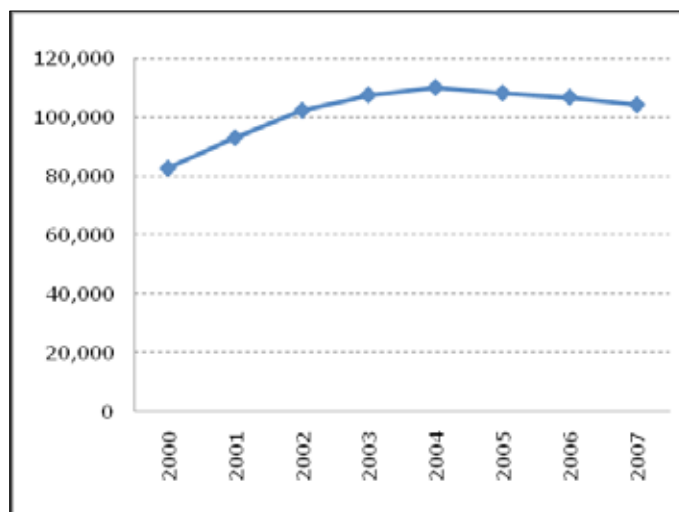


Source: Global Insight, 2008

Figure 1.3 reveals that the largest population group in Sedibeng are Blacks (82%), followed by Whites (16%), Coloureds (1%) and Asians (1%). The population group composition in Sedibeng has changed since 1998. There has been a five percentage point increase in the Black population from 77% in 1998 to 82% in 2007 which was matched with a corresponding five percentage point decline in the share of the White population from 21% in 1998 to 16% in 2007. The share of the Coloured and Asian populations remained the same.

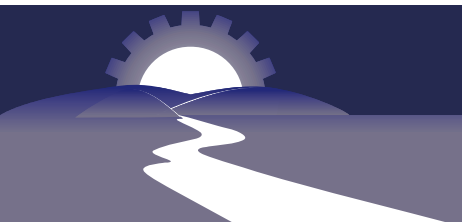
1.2.3. HIV/AIDS Profile

Figure 7.4: Number of HIV Positive Individuals, Sedibeng, 2000-2007



Source: Global insight, 2008

Figure 1.4 shows that the number of HIV positive individuals increased by about 27,000 from 2000 to 2004. Thereafter this number exhibited a decline of about 6,000 individuals between 2004 and 2007. In 2007 there were approximately 104,000 (3.8%) people who were HIV positive in Sedibeng. The ASSA 2003 model estimates that HIV prevalence for 2008 in South Africa to be about 11.6% and 14.7% for Gauteng.





1.2.4. Urbanisation

Table 1.1: Urbanisation Rate, Sedibeng & Gauteng, 2000 & 2007

	2000	2007	% Point Change
Gauteng	91.2%	89.1%	-2.1
Sedibeng	93.6%	92.2%	-1.4

Source: Global Insight, 2008

Table 1.1 reveals a changing pattern of urbanisation in Sedibeng and Gauteng between 2000 and 2007. The percentage of people living in urban areas was relatively higher in Gauteng for both 2000 and 2007 at 93.6% and 92.2% respectively. However, there was an overall decline of 2.1 percentage points in the number of people living in urban areas in Sedibeng between 2000 and 2007, whereas Gauteng only experienced a decline of 1.4 percentage points.

1.2.5. Socio-Economic Review

The economy of SDM area depended/anchored mainly on manufacturing with the heavy steel manufacturing being the leading sector. This in decline and has been since the mid eighties as is the case world wide. As a result of this, the municipality emerged with new strategies from its GDS held in 2006 which later found their way into IDP for 2007/2008 financial year.

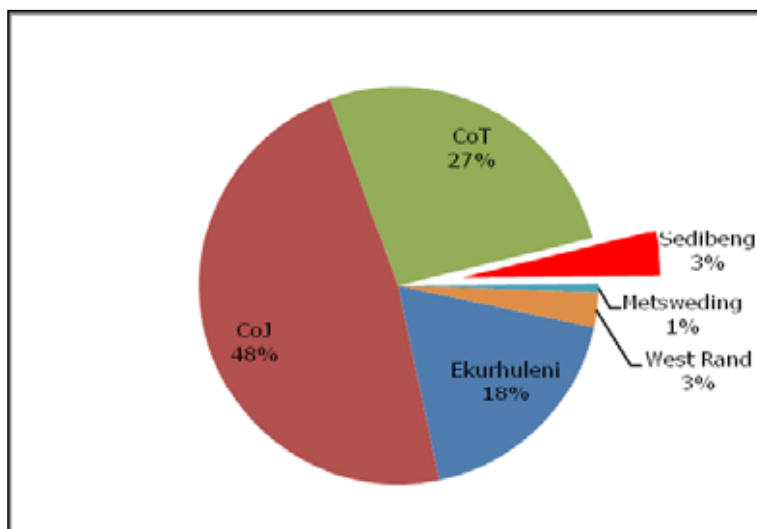
As a call to re-look into the economy from a different perspective for the period under review, the SDM adopted a Key Priority called: Reinvent our Economy with the strategy to:

- Support the consolidation and expansion if the metal, energy and construction sectors
- Promote and develop Tourism and Leisure sectors
- Promote and develop Agricultural sector
- Promote opportunities for increased incentive economy
- Consolidate, review and monitor the GDS.

Fair progress has been achieved in the areas mentioned above except with the consolidation and expansion of the metal and construction sectors. It is, however, important to mention that the construction sector has been on the increase through up market property development. Details of the achievements, and or lack thereof, are obtainable in Chapter Three (3) of this report.

1.2.5.1. Economic Performance

Figure 1.6: Composition of Gauteng GDP by Municipality, 2007



Source: Global Insight, 2008

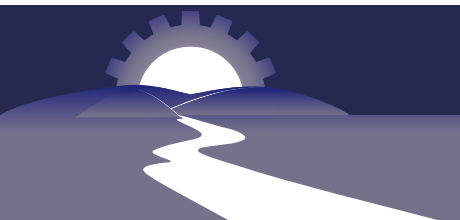
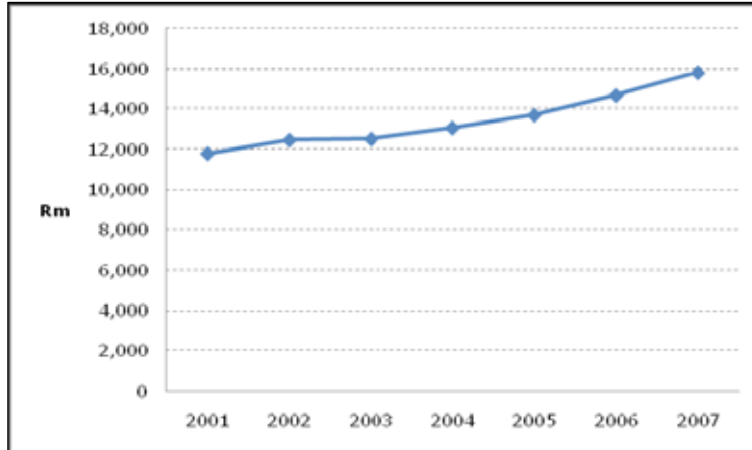




Figure 1.6 compares the relative GDP contributions made by each of the municipalities in Gauteng. Sedibeng made a relatively small contribution to provincial GDP of approximately 3% for 2007.

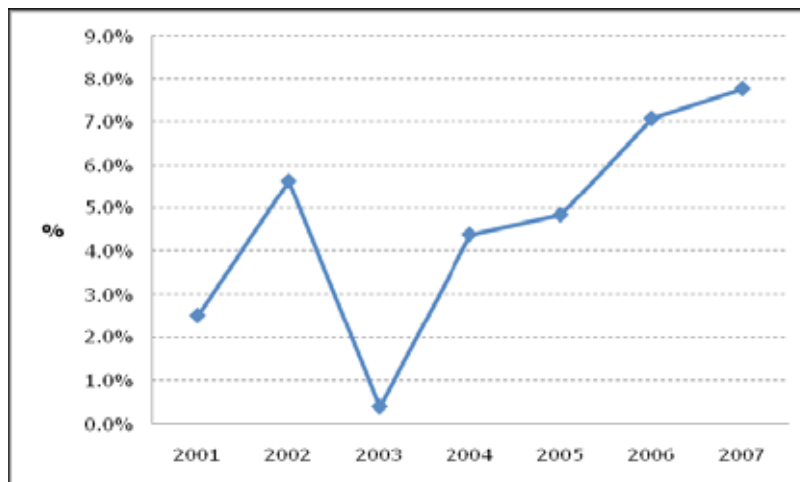
Figure 1.7: GDP, Sedibeng, 2001-2007



Source: Global Insight, 2008

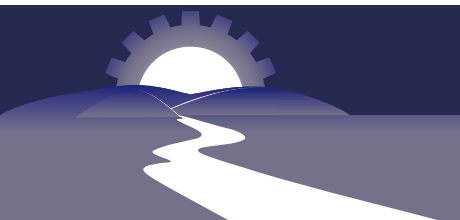
Figure 1.7 shows GDP in Sedibeng for the period 2001 to 2007. Over the period under review, Sedibeng has experienced increasing GDP that started at close to R12 billion in 2001 and reached R16 billion in 2007.

Figure 1.8: GDP Growth Rates, Sedibeng, 2001-2007



Source: Global Insight, 2008

Figure 1.8 shows that the economic growth experienced in Sedibeng has been unstable from 2001 to 2007. From 2001 to 2002, economic growth increased from 3.5% to 6% and then declined to almost 0% in 2003. This stagnation can be attributed to the decline in economic performance of the steel industry as Iscor was privatized and many workers were retrenched. From 2004 onward, economic growth has increased again with growth for 2007 in excess of 7%.





1.2.5.1.1. Sectoral Analysis

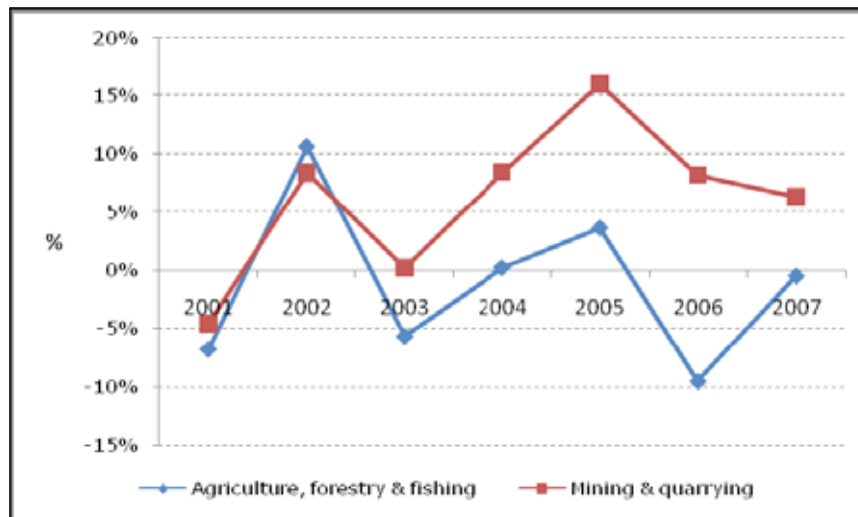
Table 1.2: Sectoral Contributions to GDP, Sedibeng, 2001-2007

	2001	2002	2003	2004	2005	2006	2007
Agriculture, forestry & fishing	1.4%	1.4%	1.4%	1.3%	1.3%	1.1%	1.0%
Mining & quarrying	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%
Primary Sector	1.6%	1.7%	1.6%	1.6%	1.6%	1.4%	1.3%
Manufacturing	43.5%	44.9%	43.3%	43.0%	43.1%	42.5%	42.0%
Electricity, gas & water,	3.6%	3.5%	3.6%	3.4%	3.3%	3.1%	3.0%
Construction	2.4%	2.5%	2.7%	2.9%	3.2%	3.6%	3.9%
Secondary Sector	49.5%	50.9%	49.6%	49.45%	49.5%	49.2%	48.9%
Wholesale & retail trade	43.5%	43.5%	43.5%	43.5%	9.3%	9.5%	9.5%
Transport & communication	5.4%	5.5%	5.7%	5.8%	5.8%	5.8%	5.9%
Finance & business services	12.5%	12.3%	12.4%	12.7%	12.5%	13.7%	14.6%
General government services	22.2%	21.1%	21.8%	21.6%	21.3%	20.4%	19.8%
Tertiary Sector	48.9%	48.8%	43.5%	49.1%	48.9%	49.4%	49.8%

Source: Global Insight, 2008

Table 1.2 shows the sectoral contributions within the economy of Sedibeng from 2001 to 2007. The underlying structural composition of Sedibeng economy has remained the same over the period under review. The primary sector constituted the smallest share of GDP, averaging 1.5%. The secondary and tertiary sectors made similar contributions for the period under review, with both the secondary sector contributing 48.9% and the tertiary sector contributing 49.8% in 2007. Within the tertiary sector, general government services (19.8%) made the largest contribution in 2007, followed by finance & business services (14.6%). The secondary sector was driven by manufacturing which contributed 42% in 2007 and was the best performer in all the sectors over the review period.

Figure 1.9: GDP Growth Rates in the Primary Sector, Sedibeng, 2001-2007



Source: Global Insight, 2008

Figure 1.9 focuses on the GDP growth in the primary sector between 2001 to 2007. Both sectors experienced a similar pattern of growth over the period under review but the growth rate for agriculture, forestry & fishing was consistently lower than that of mining & quarrying (with the exception of 2002). For 2007, mining & quarrying exhibited a growth rate in excess of 5% whereas the agriculture, forestry & fishing sector moved from recession in 2006 to stagnation in 2007.

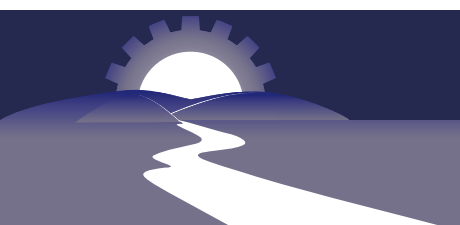
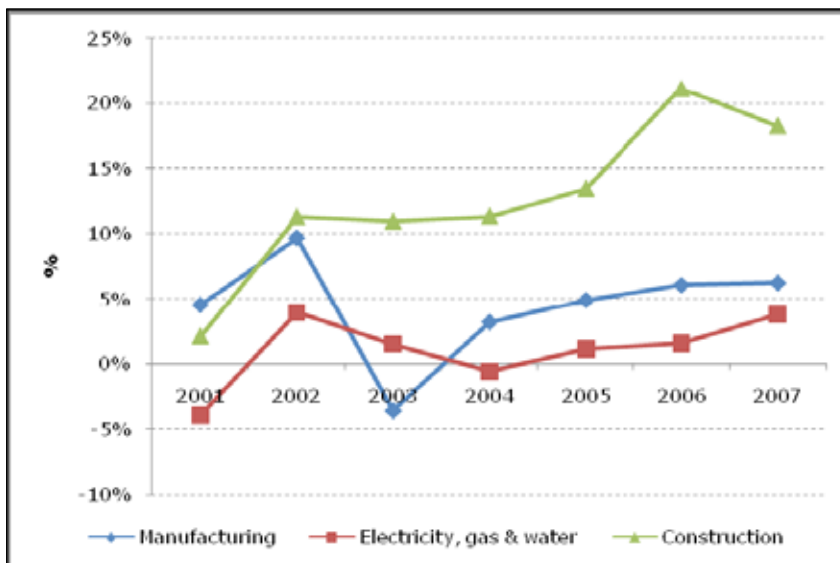




Figure 1.10: GDP Growth Rates in the Secondary Sector, Sedibeng, 2001-2007

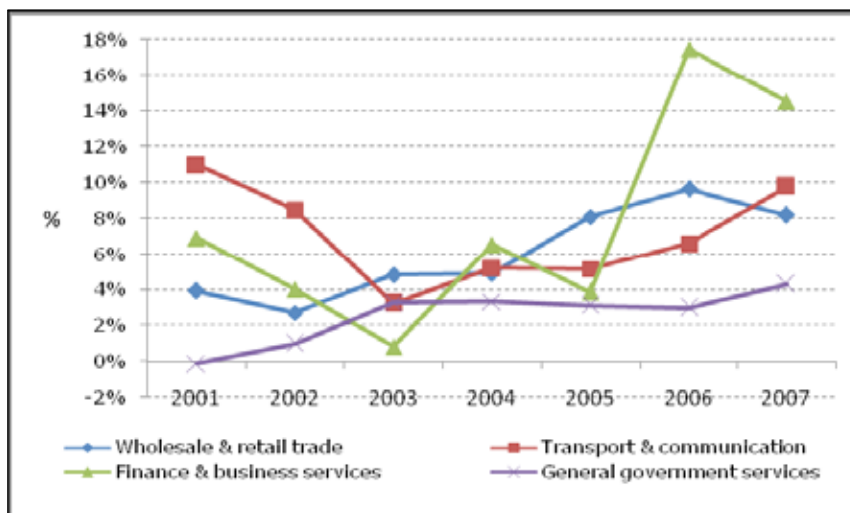


Source: Global Insight, 2008

Figure 1.10 analyses GDP growth in the secondary sector for 2001 to 2007. Although the manufacturing sector plays a dominant role within the Sedibeng economy, the construction sector exhibited the highest growth rates within the secondary sector from 2002 (10%) to 2007 (18.3%), this is proof of the benefits of the infrastructural developments that are taking place in the province.

Manufacturing experienced the second highest growth rates, falling sharply in 2003 before stabilising to over 5% from 2005 onwards. Electricity, gas & water experienced the lowest growth rates, which peaked at 5% in 2002 before stagnating in 2004, after which it steadily increased to just below 5% in 2007.

Figure 1.11: GDP Growth Rates in the Tertiary Sector, Sedibeng, 2001-2007



Source: Global Insight, 2008

Figure 1.11 analyses GDP growth rates in the tertiary sector for the period 2001 to 2007. During this period, finance & business services exhibited relative volatility. This sector started with the second highest growth rate, which fell dramatically before recovering and peaking at 17% in 2006. It has since fallen to 14% in 2007. Transport & communications experienced its highest growth rate of 11% in 2001 which fell below 4% in 2003 before reaching its second highest level of 10% in 2007. Wholesale & retail trade started with a growth rate of 4% in 2001 and by 2007 the growth rate had reached a level of 8%. General government

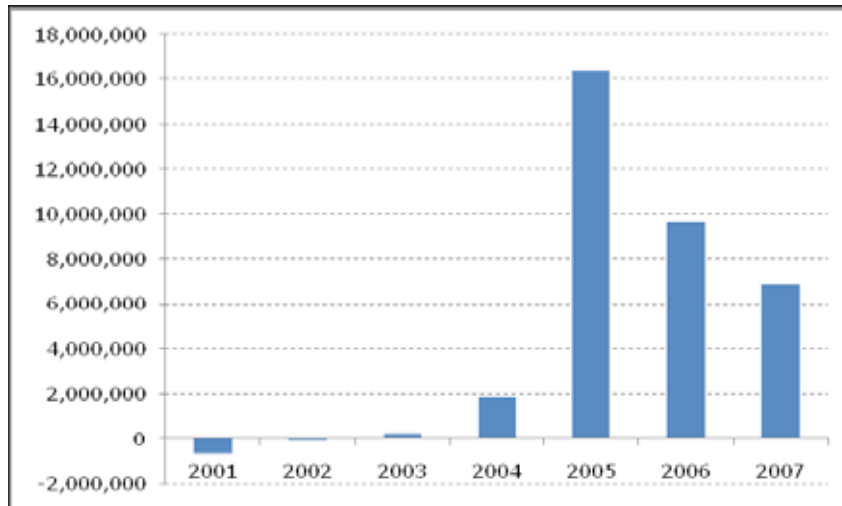




services experienced the lowest growth rate, which reached only 4% in 2007. This low level of economic growth could be attributed to the relatively large contribution made by the general government service sector within the Sedibeng economy. In other words, this sector was large initially and thus municipal capacity for growth could have reached a maximum.

1.2.5.2. Trade Position

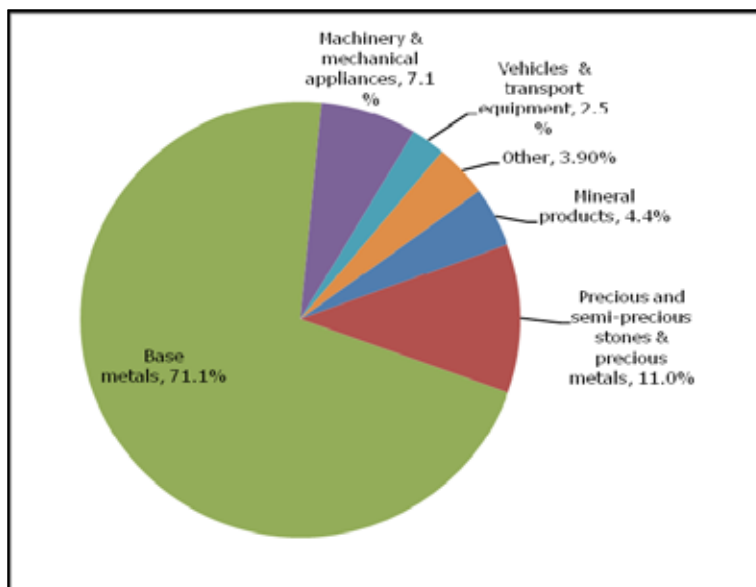
Figure 1.12: Balance of Trade (R'000), Sedibeng, 2001-2007



Source: Global Insight, 2008

Figure 1.12 shows that the trade balance for Sedibeng from 2001 to 2007 started with a deficit that amounted to R679 million with imports exceeding exports and moved into surplus in 2003. In 2005, the trade surplus increased dramatically to just over R16 billion and then gradually declined to R6.9 billion in 2007.

Figure 1.13: Export Composition, Sedibeng, 2007



Source: Quantec Research, 2007

Figure 1.13 shows the composition of exports in Sedibeng for 2007. From the figure it is evident that exports are comprised of a few key commodities, the largest of which are base metals which constitute 71.1% of all Sedibeng's exports, followed by precious & semi-precious stones & precious metals (11%) and machinery & mechanical appliances (7.1%). Within the base metal category, the largest contributing products are iron and steel.

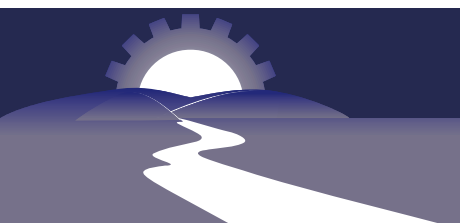
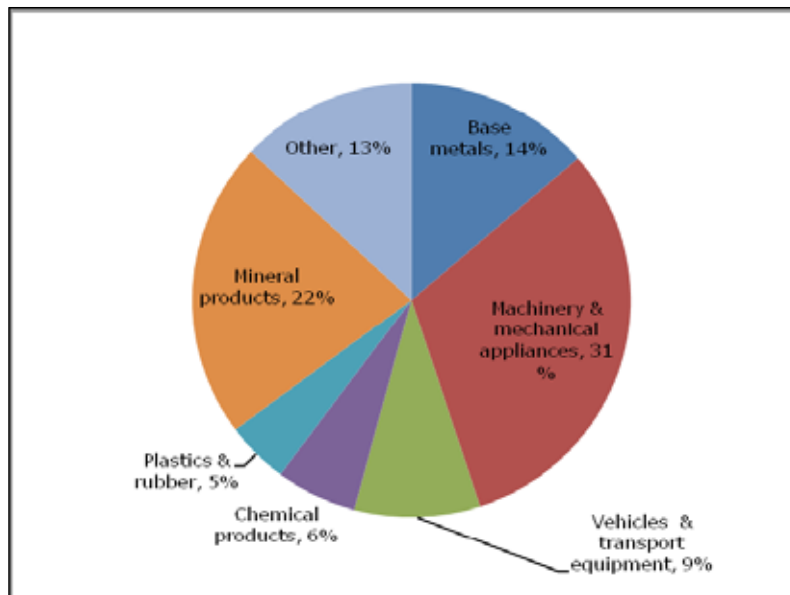




Figure 1.14: Import Composition, Sedibeng, 2007



Source: Quantec Research, 2008

Figure 1.14 shows import composition for Sedibeng for 2007. The largest component of imports into Sedibeng was machinery & mechanical appliances which constituted 31%. This is followed by mineral products (22%) and base metals (14%). Decomposing the machinery & mechanical appliances category further, the largest shares of imports within this category were from products that fell into machinery to sort, screen & wash mineral products (13%), metal rolling mills (10%) and harvesting, produce cleaning & grading machinery (9%).

1.2.5.3. Employment

1.2.5.3.1. Labour Force Profile

Table 1.3

	Male		Female		Total	
	Number	%	Number	%	Number	%
Black	167285	83	151623	87	318908	85
White	29,888	15%	18938	11	48826	13%
Coloured	2,369	1	2283	1	4652	1
Asian	2,031	1%	866	0%	2897	1%
Total	201,572	100%	173,710	100%	375,282	100%

Source: Global Insight, 2008

Table 1.3 categorises the EAP by gender and population group. The table indicates that in 2007 there were 375,000 individuals in Sedibeng who were classified as economically active that is, both willing and able to work. It further shows that the male population accounted for a larger share than the female population, comprising 53.7% whereas females comprised 46.3%. Blacks accounted for the largest share of 85%, followed by Whites (13%), Coloureds (1%) and Asians (1%).

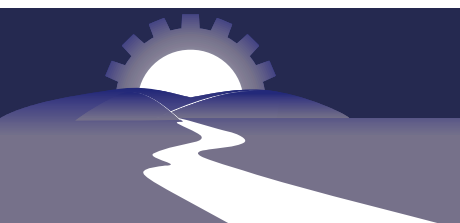
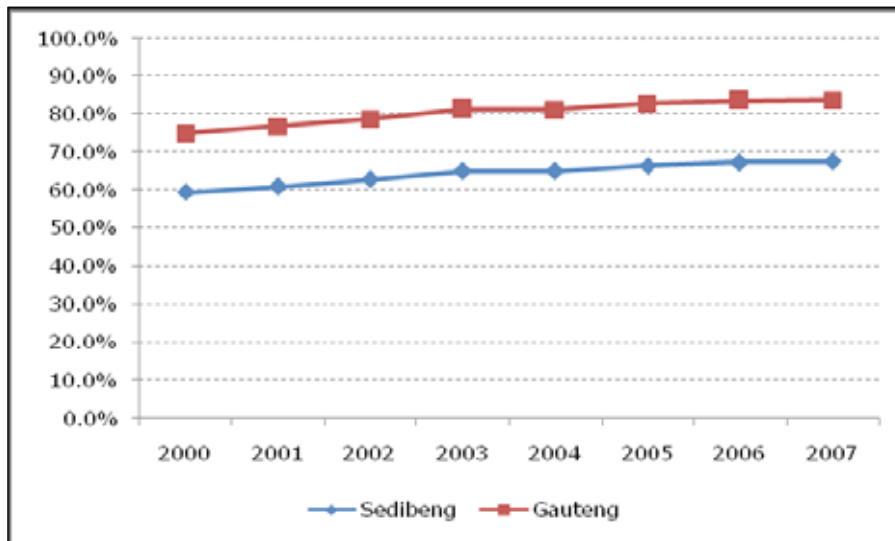




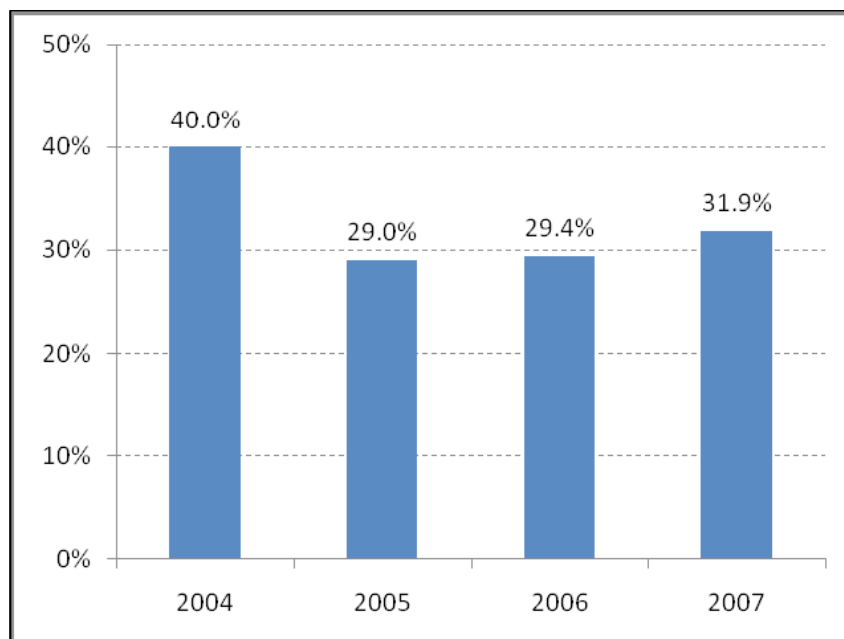
Figure 1.15: Labour Force Participation Rate³⁷ (LFPR), Sedibeng & Gauteng, 2000-2007



Source: Global Insight, 2008

In 2007, Sedibeng's EAP comprised of 375,000 people which constitute 46% of the Sedibeng population for 2007. Figure 7.15 shows that the LFPR for the province and the municipality depict the same trend from 2000 to 2007. However, Gauteng's LFPR was higher than that of Sedibeng. For 2007, the LFPR for Gauteng was over 80% and was close to 70% for Sedibeng.

Figure 1.16: Narrow Unemployment Rate, Sedibeng, 2004-2007



Source: Quantec Research, 2008

Figure 1.16 shows the unemployment rate for Sedibeng for 2004 to 2007. In 2004, unemployment was 40%; this declined by 11 percentage points to 29% in 2005, after which it remained stable, increased by 2.5 percentage points from 29.4% in 2006 to 31.9% in 2007. This periodic decline in the unemployment rate could potentially be linked to the privatisation of the steel industry.

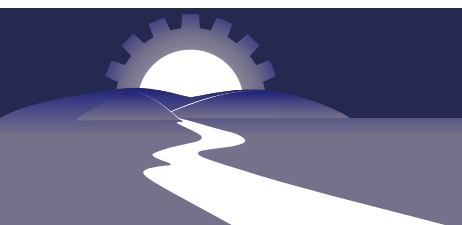




Table 1.4

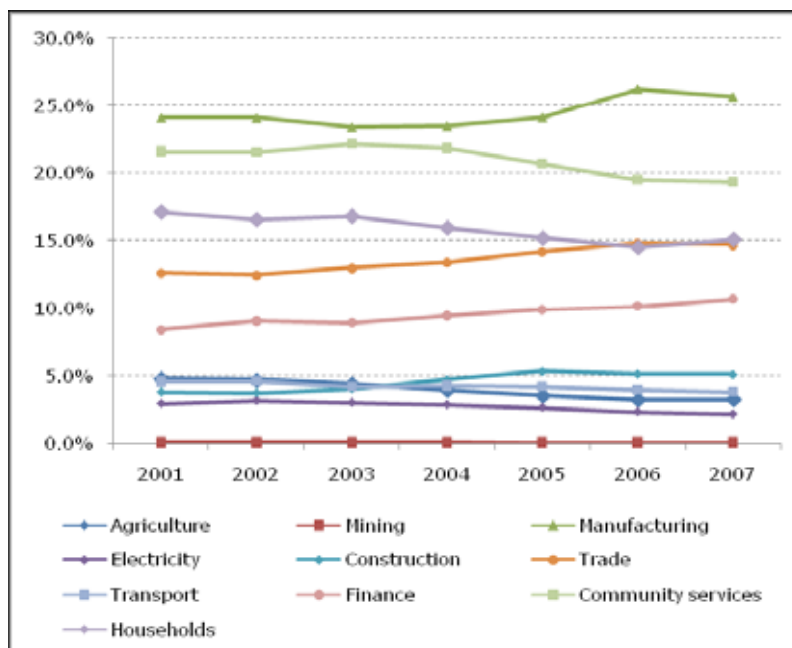
	Male		% Point Change	Female		% Point Change
	2000	2007		2000	2007	
Black	42.6%	36.9%	-5.6%	64.1%	60.1%	-3.9%
White	11.3%	12.2%	0.8%	20.4%	18.2%	-2.2%
Coloured	23.5%	21.9%	-1.5%	36.5%	30.0%	-6.5%
Asian	8.9%	6.8%	15%	18938	11	48826
Total	35.9%	32.8%	3.1%	57.0%	54.9%	-2.0%
Asian	2,031		1%	866	0%	2897
Total	201,572		100%	173,710	100%	375,282

Source: Global Insight, 2008

Table 1.4 analyses the broad unemployment rate by gender for 2000 and 2007. For males and females for both years under review, Blacks had the highest unemployment rates, followed by Coloureds, Whites and Asians. There was an average decline in the unemployment rate for males from 2000 to 2007 for all the population groups, with the exception of Whites where there was a 0.8 percentage point increase. Within the female cohort, there was an overall decline in the unemployment rate from 57% in 2000 to 54.9% in 2007.

1.2.5.3.2. Sectoral Employment

Figure 1.17: Employment by Sector, Sedibeng, 2001-2007



Source: Global Insight, 2008

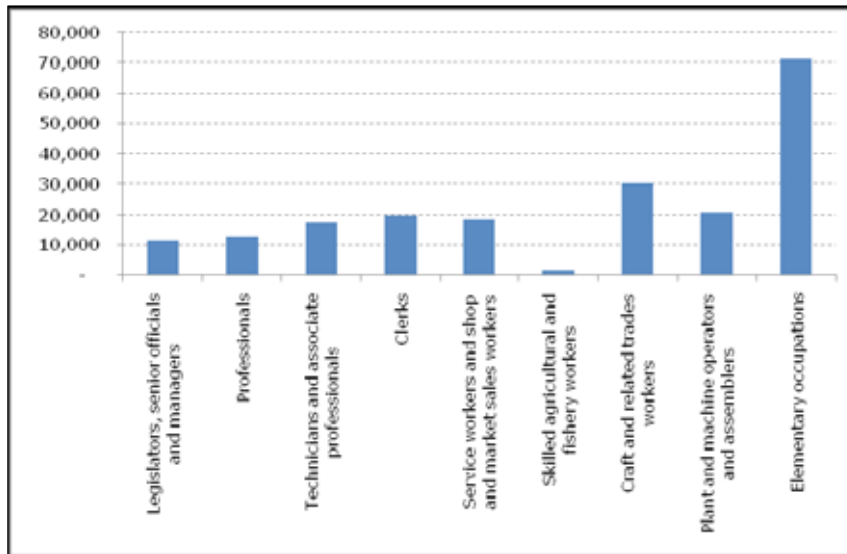
Figure 1.17 show that the manufacturing sector employed the largest share of individuals for the entire period under review. This was followed by employment in the community services sector which declined from 2003 to 2007. The mining sector employed the smallest share of individuals for the entire period under review, constituting approximately 0.1% from 2001 to 2007.





1.2.5.3.3. Employment by Occupation and Skill Level

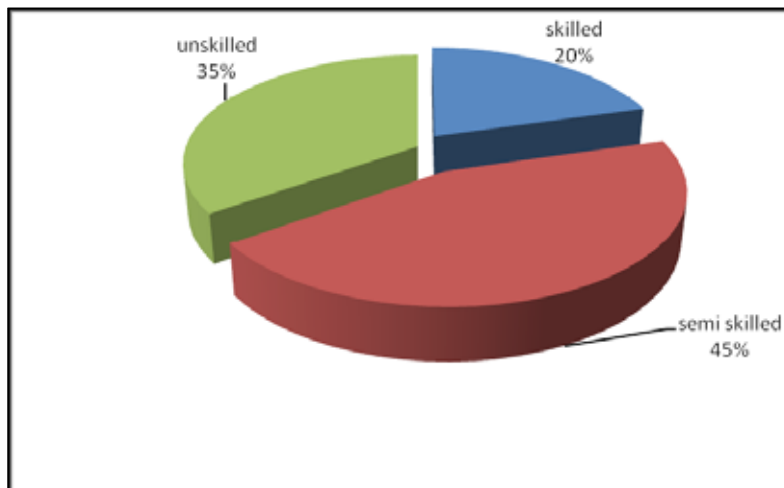
Figure 1.18: Employment by Occupation, Sedibeng, 2007



Source: Quantec Research, 2008

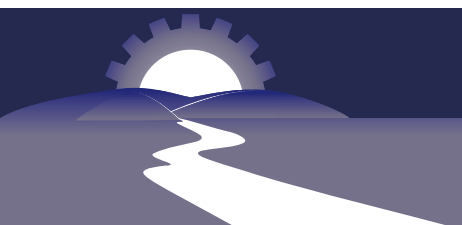
Figure 1.18 shows that the majority of people in Sedibeng in 2007 were employed in elementary occupations, followed by craft & related trades, and plant & machine operators & assemblers. As expected, the smallest numbers of people were employed as skilled agricultural & fishery workers and this corresponds to the relative size of the agricultural industry within Sedibeng.

Figure 1.19: Composition of Employment by Skills, Sedibeng, 2007



Source: Quantec Research, 2008

Semi-skilled occupations accounted for the largest share of occupations in Sedibeng which amounted to 45%, followed by unskilled occupations (35%) and skilled occupations accounted for the smallest share of occupational employment, amounting to 20%. In comparison to the other municipalities, Sedibeng has the smallest share of employment within the skilled occupations, thus indicating a relatively low level of skills endowment within the Sedibeng labour force.





1.3. Access to Service

Sedibeng is the leading district municipality in terms of service delivery. Improvements in access to services were exhibited in respect of piped water inside the dwelling, refuse removal by local authorities, formal housing, sanitation and electricity. However, there were no improvements to education within Sedibeng for the years 2007 to 2008.

1.3.1. Education

There are 148 primary schools and 88 secondary schools in Sedibeng. Of the total 236 schools within Sedibeng, 90.3% are public schools and the remaining 9.7% are either private or semi-private schools.

Table 1.5: Learner-Teacher Ratio, Sedibeng & Gauteng, 2007 & 2008

Type of School	Sedibeng		Gauteng	
	2007	2008	2007	2008
Primary	32.0	32.1	34.3	33.8
Secondary	30.4	30.4	31.8	29.5

Source: Gauteng Department of Education, 2008

Table 1.5 provides a comparison of the learner-teacher ratio between Gauteng and Sedibeng for 2007 and 2008. In comparison with the learner-teacher ratio for Gauteng, Sedibeng had a lower ratio for primary school for both years. However, the ratio was larger for secondary school in Sedibeng at 30.4 in comparison to 29.5 in Gauteng.

1.3.2. Housing

Table 1.6: Access to Housing by Dwelling Type, Sedibeng & Gauteng, 2001 & 2007 in percentage

Dwelling Type	Sedibeng		Gauteng	
	2001	2007	2001	2007
Formal	81.2%	83.2%	74.5%	73.5%
Informal	16.8%	14.1%	23.8%	22.7%
Traditional	1.6%	0.6%	1.3%	0.4%
Other	0.4%	2.0%	0.3%	3.5%

Source: Stats S.A, Census 2001 (P0300) & Community Survey 2007 (P0301)

*Other includes living in a boat/ship, caravan/tent, and workers' hostel as well as any misspecifications filled out during the two surveys.

Table 2: Access to dwelling type by location in quantities

Area	Informal	% Informal	Formal	% Formal	Total Number of Households
DC42: Sedibeng District Municipality	33777	100	222662	100	256439
GT421: Emfuleni	19632	52	149518	67	169150
GT422: Midvaal	3345	10	27422	12	30767
GT423: Lesedi	10800	38	45722	21	56522

Source: MHDP 2006

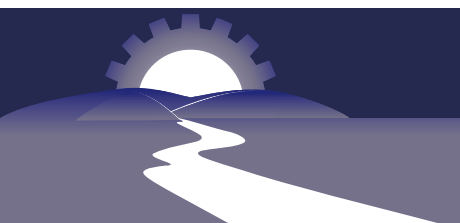




Table 7.6 shows that access to formal dwellings in Sedibeng improved from 81.2% in 2001 to 83.2% in 2007 with a decline in informal dwellings and traditional dwellings for the same period. In comparison to the other municipalities, the Sedibeng population has the largest percentage of formal dwellings and the smallest share of informal dwellings, amounting to 14.1% in 2007.

1.3.3. Health Services

Table 1.7: Health Service Indicators, Sedibeng, 2004/05–2006/07

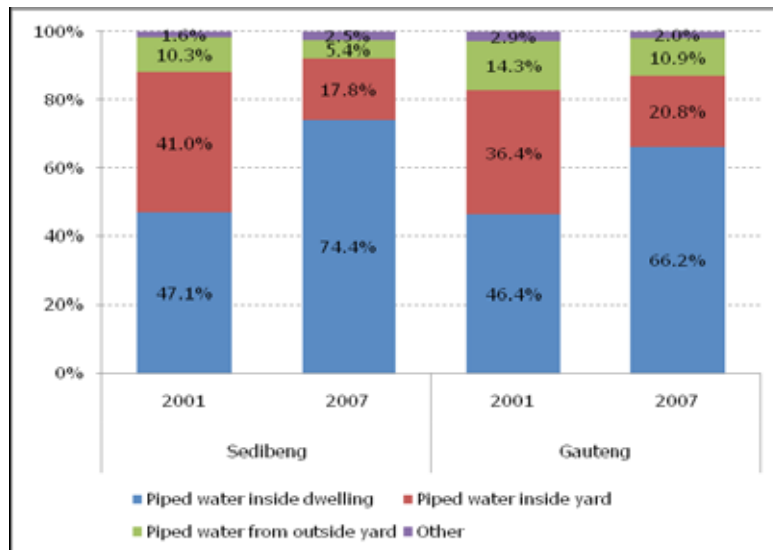
Indicator	2004/05	2005/06	2006/07
Medical Aid coverage	-	14.8%	14.5%
Nurse clinical workload	42.7	39.3	36
Bed utilisation rate (BUR)	68%	72%	65%
TB cure rate	57% -	66% -	-

Source: Gauteng Department of Health, Health Status Report 2006/2007

Table 1.7 indicates that Sedibeng had the lowest medical aid coverage in Gauteng in which only 14.5% of the populations were covered in the 2006/07 financial year. Public health care facilities in Sedibeng consist of one regional hospital, two district hospitals, 31 clinics and their seven private hospitals. There has been a decline in the nurse clinical workload from 42.7 patients per nurse in 2004/05 to 36 patients per nurse in 2006/07. The bed utilisation rate decreased by seven percentage points from 68% in 2005/06 to 72% in 2006/07. There has been an improvement in the TB cure rate from 57% in 2004/05 to 66% 2005/06.

1.3.4. Water and Sanitation

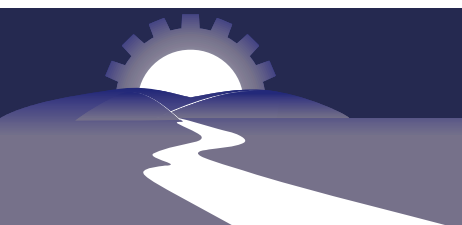
Figure 1.20: Access to Water, Sedibeng & Gauteng, 2001 & 2007



Source: StatsSA, Census 2001 (P0300) & Community Survey 2007 (P0301)

*Other includes borehole, spring, rain tank, dam, pool, river & stream

Figure 1.20 compares access to water between Sedibeng and Gauteng as a whole for 2001 and 2007. The figure shows an improvement in access to piped water inside the dwelling, which increased from 47.1% in 2001 to 74.4% in 2007 for Sedibeng. This was a relatively large increase in comparison to the 19.8 percentage point increase in access to piped water inside the dwelling in Gauteng. This increase in





Sedibeng was accompanied by corresponding decreases in access to piped water inside the yard from 41.0% in 2001 to 17.8% in 2007.

Table 1.8: Sanitation, Sedibeng & Gauteng, 2001 & 2007

	Sedibeng		Gauteng	
	2001	2007	2001	2007
Flush toilet (connected to sewerage system)	80.0%	86.4%	77.8%	81.2%
Flush Toilet with septic tank	1.6%	1.6%	2.4%	2.3%
Pit Latrine	11.6%	7.8%	12.9%	9.8%
Chemical Toilet	0.5%	1.6%	1.1%	2.2%
Bucket Latrine	2.3	0.6%	2.2%	1.0%
Dry Toilet	-	1.1%	-	1.9%
None	2.6%	0.9%	3.6%	1.6%
Total	100.0%	100.0%	100.0%	100.0%

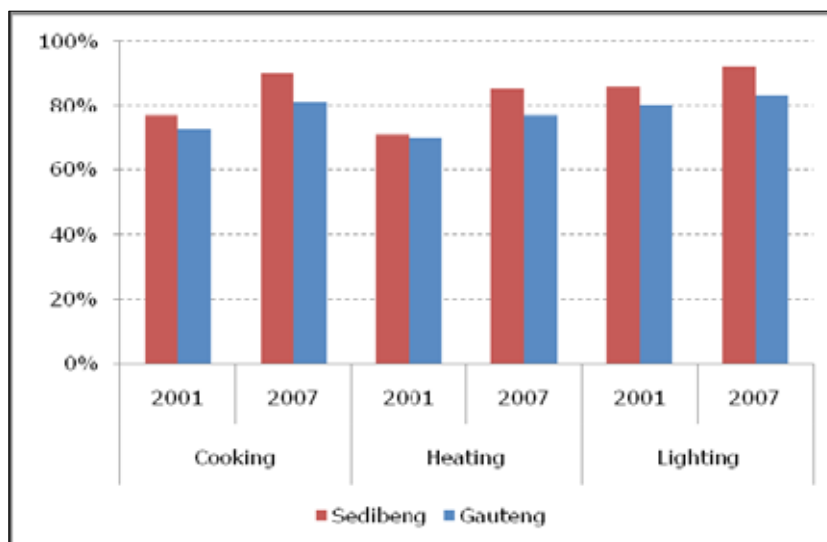
Source: StatsSA, Census 2001 (P0300) & Community Survey 2007 (P0301)

Table 1.8 compares access to sanitation between Sedibeng and Gauteng for 2001 and 2007. The table shows that access to flush toilets that are connected to a sewage system increased from 80% in 2001 to 86.4% in 2007.

Sedibeng has the second highest share of households that have access to flush toilets that are connected to a sewage system in comparison to the other municipalities. There was also a decline in the share of households that do not have access to any form of sanitation from 2.6% in 2001 to 0.9% in 2007.

1.3.5. Electricity

Figure 1.21: Access to Electricity, Sedibeng & Gauteng, 2001 & 2007



Source: StatsSA, Census 2001 (P0300) & Community Survey 2007 (P0301)

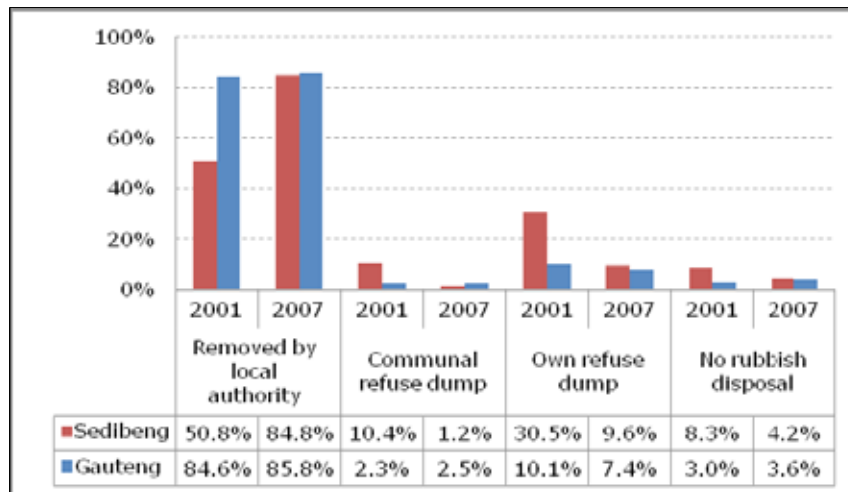
Figure 1.21 compares access to electricity for the purposes of cooking, heating and lighting in Sedibeng with that of Gauteng between 2001 and 2007. There were increases in access to electricity for all three uses, with access for the purposes of cooking and lighting for Sedibeng at over 90% for 2007. It should be noted that overall, access to electricity in Sedibeng was higher than that of the provincial average. Increases in access to electricity have led to decreases in the use of paraffin and coal for cooking and candles for lighting.





1.3.6. Refuse Removal

Figure 1.22: Refuse Removal, Sedibeng & Gauteng, 2001 & 2007



Source: StatsSA, Census 2001 (P0300) & Community Survey 2007 (P0301)

Figure 1.22 compares refuse removal services for Sedibeng and Gauteng for 2001 and 2007. There was a relatively large increase in access to refuse removal by local authorities from 50.8% in 2001 to 84.8% in 2007 for Sedibeng. This led to a decrease in the use of communal and own refuse dumps, each decreasing by 9.2 and 20.9 percentage points respectively.

1.3. Development

1.4.1. The Poverty Rate

Table 1.9: Poverty Indicators, Sedibeng, 2000-2007

Year	Number of people living in poverty	% people living in poverty	Poverty Gap (Rm)
2000	331,077	42.3%	421
2001	335,986	42.8%	429
2002	331,251	42.0%	441
2003	332,215	41.9%	519
2004	337,693	42.3%	530
2005	330,359	41.1%	556
2006	229,554	37.0%	519
2007	286,806	35.2%	511

Source: Global Insight, 2008

Table 1.9 provides a trend of the number of people living in poverty and the poverty gap in Sedibeng for the period 2000 to 2007. In 2000 there were approximately 331,000 people living in poverty which declined to 287,000 people in 2007. The prevalence of poverty peaked at 42.8% in 2001 and then declined to 35.2% in 2007. In 2000 the poverty gap amounted to R421 million and this amount had increased to R511 million by 2007. It is important to note that although the poverty rate has decreased, the poverty gap has increased owing to a higher level of income that is required in order to meet the basic needs of individuals.

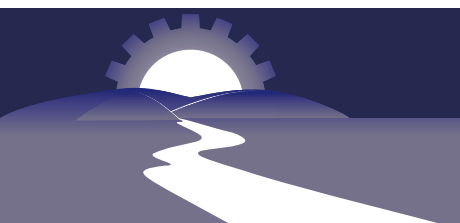
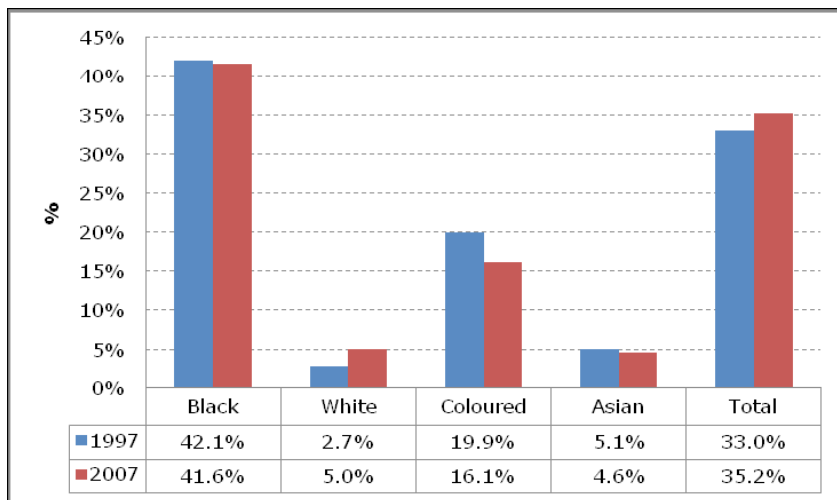




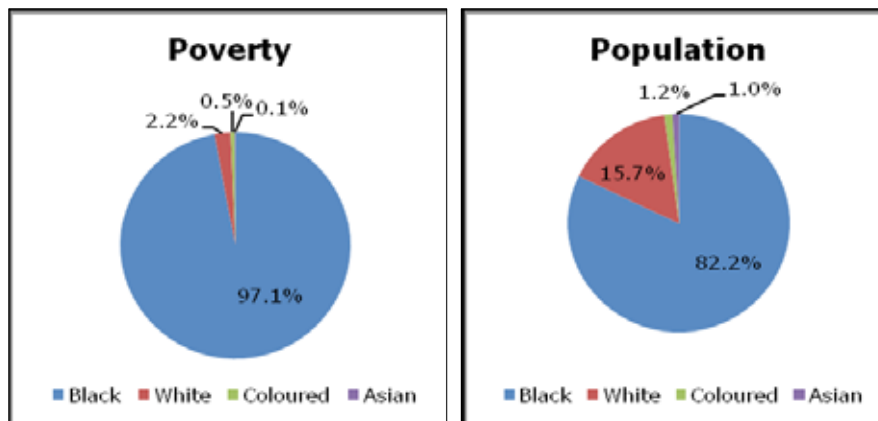
Figure 1.23: Share of Individuals Living in Poverty by Population Group, Sedibeng 1997 & 2007



Source: Global Insight, 2008

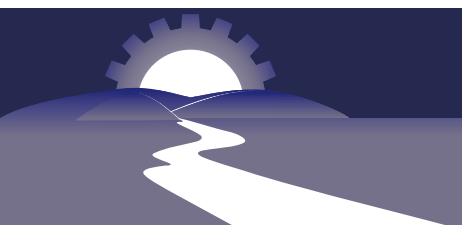
Figure 1.23 provides a comparative analysis of the share of individuals living in poverty by population group for 1997 and 2007. There has been a decline in the poverty rates for Blacks (0.5 percentage points), Coloureds (3.8 percentage points) and Asians (0.5 percentage points) but an increase of 2.3 percentage points in the poverty rate for Whites. For 2007, the highest poverty rate was within the Black population group (41.6%), followed by Coloureds (16.1%), Whites (5%) and Asians (4.6%).

Figure 1.24: Poverty and Population Comparison by Population Group, Sedibeng, 2007



Source: Global Insight, 2008

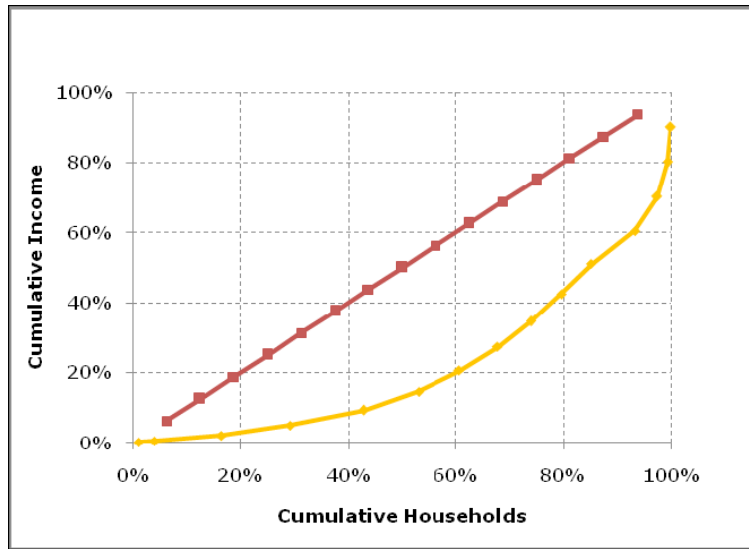
In order to contextualise the poverty rate by population group it is necessary to compare the population group spread by poverty rate and the population in Sedibeng in general. Figure 7.24 makes this comparison and shows that, of those 287,000 individuals in Sedibeng who were living in poverty, 97.1% were Black, 2.2% were White, 0.5% were Coloured and the remaining 0.1% were Asian. This reveals the racially skewed characterisation of poverty prevalence in Sedibeng due to the fact that the population spread as a whole is comprised as follows: Black (82.2%), White (15.7%), Coloured (1.2%) and Asian (1%). Therefore, the prevalence of poverty is far greater in the Black population group and is far smaller in the White population group, with the remaining poverty rates being relatively close to their overall population sizes.





1.4.2. Income Inequality

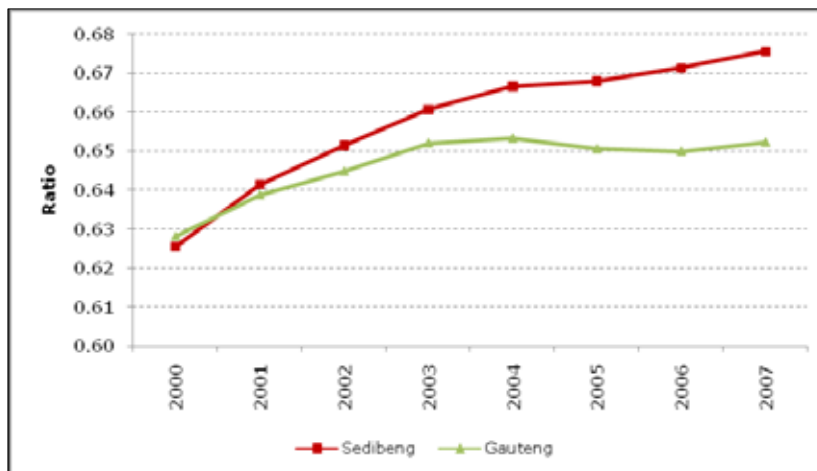
Figure 1.25: Lorenz Curve for Sedibeng, 2007



Source: Global Insight, 2008

Figure 1.25 shows the Lorenz curve for Sedibeng in which the gap between the line of equality and the other line shows the level of income inequality. The Lorenz curve deviates from the line of equality the most at middle levels of income as shown on the graph.

Figure 1.26: Gini Coefficient, Sedibeng & Gauteng, 2000-2007



Source: Global Insight, 2008

Figure 1.26 compares the trend of the Gini coefficient for Sedibeng with that of Gauteng. The figure shows that the Gini coefficient was initially larger for Gauteng in 2000 and thereafter Sedibeng's Gini coefficient was larger. The Gini coefficient for Sedibeng was initially about 0.63 in 2000 and has increased to 0.67 in 2007, indicating an overall increase in income inequality in Sedibeng.



Table 1.10: Gini Coefficient by Population Group, Sedibeng, 1998 & 2007

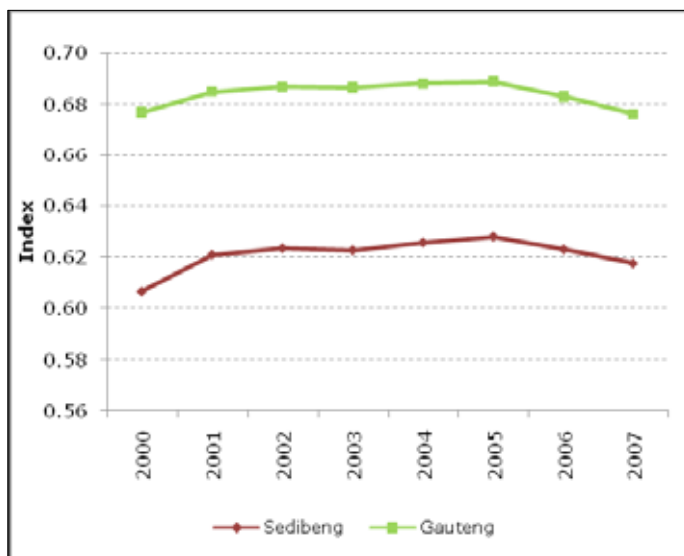
	1998	2007	Change
1998 2007 Change	1998 2007 Change	1998 2007 Change	1998 2007 Change
Black	0.53	0.60	0.07
White	0.48	0.46	0.02
Coloured	0.56	0.66	0.11
Asian	0.51	0.52	0.02
Total	0.60	0.68	0.07

Source: Global Insight, 2008

Table 1.10 disaggregates the Gini coefficient for Sedibeng by population group and further compares the measure for 1998 and 2007 in order to provide an idea of how income inequality by population group has changed over the period under review. In 1998, the distribution of income was most unequal in the Coloured population (0.56) followed by Blacks (0.53), Asians (0.51) and Whites (0.48). This pattern of inequality in terms of population group was the same for 2007 with only the magnitude of inequality differing. During the period under review, income inequality increased within all the population groups with the exception of Whites, in which the Gini coefficient declined. Overall, income inequality in Sedibeng increased from 0.6 to 0.68 between 1998 and 2007.

1.4.3. Human Development

Figure 1.27: Comparison of HDI Levels, Sedibeng & Gauteng, 2000-2007



Source: Global Insight, 2008

Figure 1.27 compares HDI levels between Sedibeng and Gauteng during the period 2000 and 2007. The level of human development in Sedibeng is lower than that of Gauteng for the entire period under review. Although development levels increased from 2000 to 2005, the HDI started to gradually decline from 2005 to 2007 from 0.63 to 0.62.

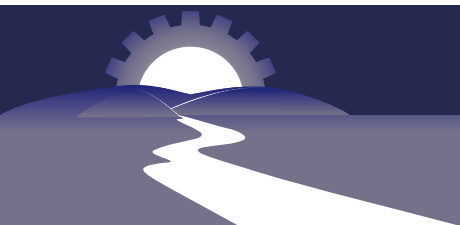
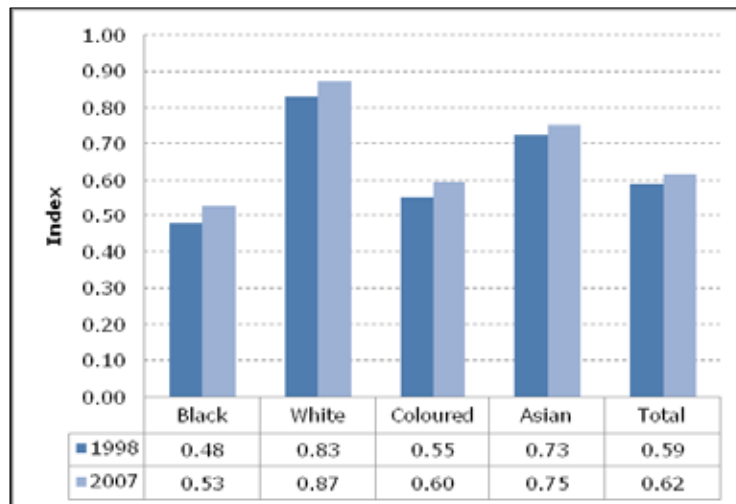




Figure 1.28: HDI by Population Group, Sedibeng, 1998 & 2007



Source: Global Insight, 2008

Figure 1.28 decomposes the HDI measure by population group from 1998 and 2007. HDI levels were higher in 2007 than 1998 for all of the population groups. In 2007, HDI levels for Whites were the highest (0.87) followed by Asians (0.75), Coloureds (0.6) and Blacks (0.53). The overall development level increased marginally, by 0.03 over the ten year period under review.

1.5. Municipal Sustainability

Table 1.11: Sedibeng Budget (R'000), 2006/07 & 2007/08

Revenue	2006/07		2007/08	
	Budget	%	Budget	%
National Transfers	1,025	0.4%	530	0.2%
Provincial Transfers	182,451	76.6%	217,043	76.6%
Municipal Transfers	0	0.0%	1,719	0.6%
Own Revenue 55	55,401	23.2%	63,945	22.6%
Loans/Other Sources	57	0.0%	0	0.0%
Total Revenue 238	238,934	100.0%	283,237	100.0%

Source: Sedibeng Municipality, 2008

Table 1.11 provides the sources of revenue for Sedibeng in 2006/07 and 2007/08. The table shows that provincial transfers constituted the largest share of the revenue in both years at 76.4% in 2006/07 and 76.6% in 2007/08. Own revenue constituted a 23.2% share of Sedibeng's total revenue. This relatively small share of own revenue could be attributed to the relative size of the population of Sedibeng and its economy. National transfers made up less than 1% of total revenue for both years under consideration. A small amount of revenue was raised from loans/other sources for 2006/07. For 2007/08, Sedibeng launched a Closed Circuit Television programme (CCTV) in collaboration with the South African Police Service (SAPS). All the local municipalities contributed toward the CCTV programme and this accounts for the revenue raised from municipal transfers, which contributed 1% of the total revenue.

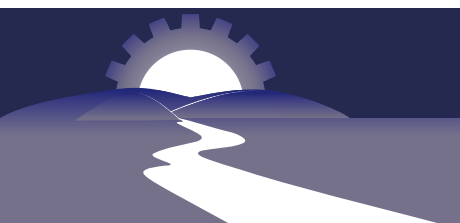
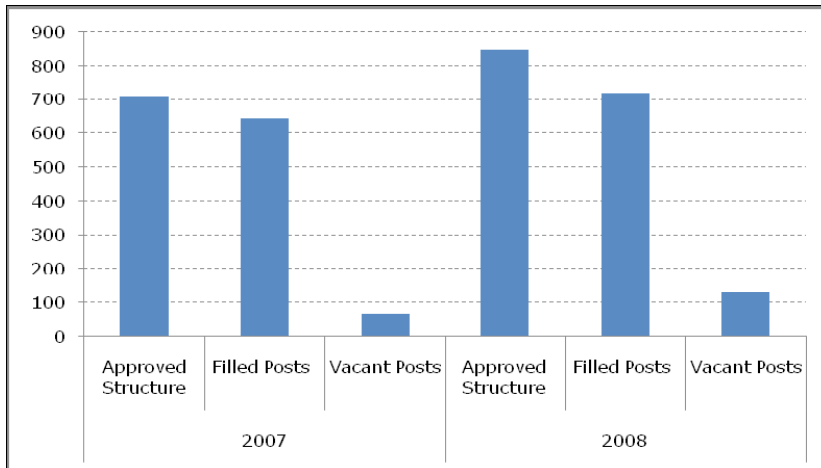




Figure 1.29: Personnel Sustainability, Sedibeng, 2007 & 2008



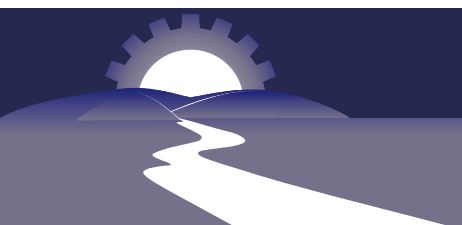
Source: Sedibeng District Municipality, 2008

Figure 1.29 indicates that in 2007, the approved personnel structure of Sedibeng stood at 707 posts, 642 of which were filled for that year leaving 9% of the posts vacant. In 2008, the approved structure increased to 849 posts, 85% of which were filled and therefore the vacancy rate was 15%.

1.7. Conclusion

Sedibeng is the largest of the three district municipalities in Gauteng in terms of population size and second largest in terms of economic contribution to Gauteng's GDP. The driving force of the Sedibeng economy is the manufacturing sector, contributing 28.1% to its GDP and employing approximately 25% of the working population within the municipality. Sedibeng is also characterised by a trade surplus and 71.1% of its export base is comprised of base metals. Although the LFPR in Sedibeng is lower than the Gauteng average, it must be noted that the unemployment rate in Sedibeng has declined by 2% between 2001 and 2007.

In addition to this, the poverty rate has also declined; however, the prevalence of poverty within Sedibeng is skewed along race lines whereby over 97% of individuals living in poverty in 2007 were Black.





2. Sedibeng Spatial Development Framework

2.1. Principles

The Spatial Development Framework (SDF) on the basis of certain identified principles identifies spatial guidelines to give effect to the Sedibeng Growth and Development Strategy. The principles are:

ONE: Spatial development must facilitate managed economic growth and development, taking into accounts the availability of infrastructure and our natural resources.

TWO: Spatial development must seek to overcome the legacy of apartheid settlement patterns and promote compaction of urban areas and residential development on well located land close to economic opportunities. This should lead to a more sustainable rates base.

THREE: Polluting industries should not be mixed with or adjacent residential land use.

FOUR: Residential developments with a diversity of housing typologies, mixed income and mixed land use must be promoted;

FIVE: Development must be concentrated around identified nodes and corridors to promote an efficient urban form and improved accessibility and mobility of people and goods. There should be an improved relationship between land use and transport planning.

SIX: Spatial development must seek to maximise the responsible use of the municipalities natural resources, promote and conserve the region's natural features and cultural heritage and ensure a district wide open space network.

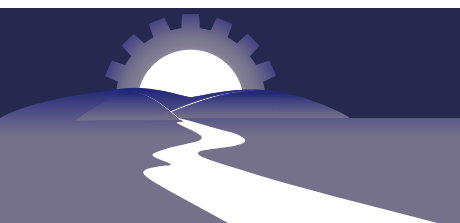
SEVEN: Spatial development must seek to promote increased safety and security through avoiding development on potentially dangerous areas e.g. close to the flood line or on dolomitic land on other hand through design principles such as well lit open spaces in urban areas.

In view of the above principles, the Spatial Development Framework reflects a medium term development vision and as such should indicate the respective land use proposals. With the urban edge aligned to the future short term development vision, proposed developments beyond the urban edge may be indicated which will reflect the Municipal long-term spatial vision.

The implementation of the development proposals over the short-term should be subject to the availability of bulk engineering infrastructure and the normal planning requirements for approval.

The SDF as indicated in the first Growth and Development Strategy (GDS), to align the vision for 20 years with the Spatial Development Framework of the municipality, the following guidelines have been adhered to in the preparation of the Sedibeng and Local Municipalities SDFs:

- The establishment of integrated, sustainable and viable communities;
- The establishment and definition of a network of transportation corridors with complimentary economic development nodes;
- The promotion of the establishment of job opportunities in close proximity to Historically Disadvantaged areas;
- The promotion of the establishment of "Clean Cities" by reducing air and water pollution;
- The promotion of the development of the tourism sector by maximising the natural assets of the area (Vaal River, rural environment and nature reserves and conservancies); and
- Improvement of the region from environmental degradation by enforcing implementable environmental management plans.





In the 2007/08 SDF, the following spatial objectives were identified and needed to be addressed, namely:

- To promote the creation of sustainable human settlements and quality environments;
- To contain urban sprawl and promote residential intensification;
- To encourage settlement integration and redress the imbalances of the past;
- To guide the land use management system.

These objectives led the region to achieve the following outcomes:

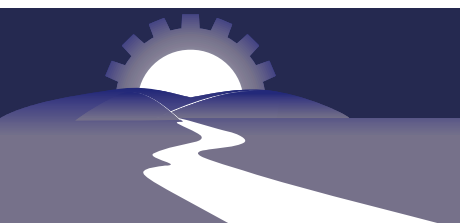
- Restructure spatially inefficient settlements.
- Promote the sustainable use of land and resources.
- Channel resources to areas of greatest need and development potential, thereby redressing the inequitable historical treatment of marginalized areas.
- Take into account the fiscal, institutional and administrative capacities of role players, the needs of communities and the environment.
- Stimulate economic development opportunities in rural areas.
- Support an equitable protection of tenure and land use rights.
- Promote accountable, open and transparent decision-making in terms of land use and development.
- Improve co-operative governance and information sharing.

As per the legislative compliance to the Development facilitation Act,1995(Act 67 of 1995), as prescribed in Section 3[1], the main principles which should underpin development are as follows:

- Integration of the social, economic, institutional and physical
- Aspects of development;
- Promotion of the availability of residential and employment opportunities in close proximity to or integrated with each other;
- Optimisation of the use of existing resources;
- Promotion of a diverse combination of land uses, also at a detail level;
- Discouragement of the phenomenon of “urban sprawl” and the promotion of a more compact town;
- Correction of the historically distorted spatial patterns of settlement and the optimization of the use of existing infrastructure;
- Promotion of environmentally sustainable land development practices and processes.

Lastly, the Spatial Development Frameworks have enabled municipalities to identify trends for growth and development of the Sedibeng region and the following trends have been identified:

- Due to former land development policies, many small pockets of dispersed peri-urban settlements create a distorted urban form which is inefficient and unsustainable to maintain;
- A clearly defined hierarchy of settlements is lacking;
- Informal settlements with high population densities have poor access to basic services;
- Informal settlements are not integrated in the urban fabric; and
- Small holdings are being threatened by non-complimentary uses.





2.2. SWOT ANALYSIS OF THE SDF

The following key issues were identified per sector in terms of a SWOT Analysis (**S**trengths, **W**eaknesses, **O**pportunities and **T**hreats):

Strengths
<ul style="list-style-type: none"> The existence of hierarchical nodes within the municipalities in Sedibeng area, resulting in development planning accordingly.
Opportunities
<ul style="list-style-type: none"> Opportunity in terms of nodes and corridors (especially R59) which could be used to develop a commercial / industrial activity zone. Land development in areas identified within the Urban Edge would have many positive spin-offs for the surrounding communities.
Weaknesses
<ul style="list-style-type: none"> Poor living standards in rural areas, particularly in areas with high population concentrations. Poor assistance to marginalized and impoverished farming communities. Vast rural areas to the south of Midvaal. Provision of services is hampered. Housing backlog in local municipalities, especially Emfuleni Local municipality due to high population growth as compared to Lesedi local municipality as well as Midvaal Local Municipality.
Threats
<ul style="list-style-type: none"> Increasing population densities around informal settlements like Mamello, Sicelo, Winnies Park, Polomiet, Sonderwater and others without the basic services being in place. Threat of farm evictions and abandonment associated with illegal occupation, a shortage of running water, shack farming and a lack of law enforcement.

Strategically, the SDFs outlined components of the local spatial structure include the following:

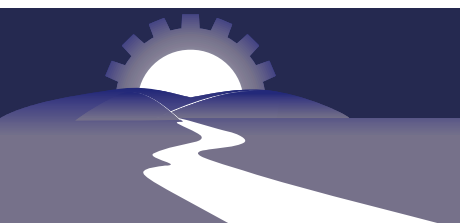
- ❖ Nodes;
- ❖ The movement network; and
- ❖ Open spaces.

The SDF as an enabling framework of development corridors and nodes has identified and created linkages within and between the proposed development zones, as identified by each Local Municipality to provide and increase accessibility within regional context. The framework is based on the interaction and support between existing linkages and the development potential of specific areas. As transportation corridors tend to direct growth and development in the urban-and the rural environment, it has been proposed that the existing network is strengthened. Based on the principle of creating linkages, each potential development zone requires specific levels of accessibility and hence specific intensities of linkages.

Transportation nodes and corridors in Sedibeng region as identified in the SDF are:

- ❖ The R59, which provides a link between Johannesburg in the south and the Free State in the north.
- ❖ The R42 runs, which runs from east to west through Midvaal and links Meyerton with Heidelberg and the N3.
- ❖ The R82, a secondary north-south route linking Vereeniging and Johannesburg via Walkerville, situated in Midvaal.
- ❖ N3, which provides a link between Johannesburg, through Heidelberg in the north and the Free State in the south.
- ❖ N17, which provides a link between Springs and Devon/Mpumalelo to Mpumalanga in the eastern side.
- ❖ R42, which provides a link between Heidelberg and Vereeniging through to Parys (Free State) and the west.
- ❖ R23, running parallel to N3 to Mpumalanga (Balfour)

These nodes and corridors have been identified and structured to create economic opportunities.





In view of the extensive nature of Sedibeng region, the development and definition of the respective roads in the area is of utmost importance. Apart from the functionality of the respective roads, the linkage between the roads is important for the following reasons:

- Accessibility to remote settlements needs to be improved which will have an impact on economic growth;
- Access between respective settlements need to be improved which will facilitate improved public transport systems, efficient access to community services and the establishment of economic opportunities;
- Identification of spatial development options; and
- Large areas within municipalities have development opportunities from an agricultural and tourism perspective. With the establishment of effective linkages, these areas will present various economic opportunities.

SDFs have developed guidelines for development of corridors and nodes for specific areas, namely, the R59 transport corridor and Vaal Dam tourism development node respectively. The SDF has identified the marketing elements of different nodes and corridors. These should contain the following within each local SDF:

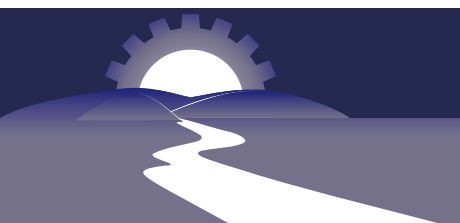
- A specific name for the corridor or node with the intention to create an identity;
- Signage: Appropriate signage at the gateway and at the different nodes;
- Marketing material: Promotional material such as a website and advertisements;
- Information Centre: A centre where information about development opportunities and existing businesses along the corridor and at nodes can be readily obtained. This should be combined with a tourism information centre;
- Development Incentives: Specific incentives will be offered to prospective investors; and
- Performance monitoring and aftercare: Ensure that marketing measures and development guidelines are effective. Implementation should also be monitored and indicators of problem areas should be identified at early stage.

It is hoped that outcomes of the SDF will guide the process to the Sedibeng District Municipality's second generation GDS.

2.3. Land Use Management and Urban Edge

The Land Use Management Bill [30 March 2002] prescribes five "directive principles" in Chapter 2, which can be summarized as follows:

- Sustainability – sustainable management and use of the resources making up the natural and built environment;
- Efficiency – the desired development results should be achieved with the minimum consumption of resources; integration – the separate and diverse elements involved in
- Spatial planning, land use management and land development should be combined and co-ordinated into a more complete or harmonious whole;
- Fair and good governance – spatial planning, land use management and land development should be democratic, participatory and legitimate in nature;
- Equality – everyone affected by spatial planning, land use; and management and land development processes and decisions should enjoy equal protection and benefits and no one should be subjected to unfair discrimination.





A Land Use Management Systems (LUMS) is acknowledged as the mechanism used for administration and execution of the spatial development framework in order to obtain /secure the municipality's desired spatial form through addressing property/land use rights at a level of each property/erf. It is thus the day-to-day administration.

A LUMS must be policy-led within the parameters set the spatial development framework, land use policies, other policies and strategies of the municipality. To be able to effectively apply LUM based on needs of the community, development trends, legislation etc. A continuous re-alignment of policies will be necessary.

Sedibeng District Municipality has led and assisted Local Municipalities to develop policies that are based on the following, namely, sustainability, equality, efficiency and smart governance, integration, and fair and good governance. The district has embarked on the process to address developmental needs, contribute to sustainable development and a healthy environment etc., through LUMS development and the revision of the town planning schemes of municipalities.

Draft land use policy has been undertaken with Emfuleni Local municipality to redress the imbalances brought by the pre 1994 apartheid legislative frameworks. The aim of the exercise was to ensure that LUMS provide effective procedures and policies to ensure that zonings (land use) can be amended give resistance to unwanted practices, changes and land uses; and be enforced.

In terms of the section 17 (1) of the LUMB, a Spatial Development Framework must:

- Give effect to the directive principles;
- Be consistent with the national spatial development;
- Be consistent with the provincial spatial development framework of the province in which the municipality is located;
- Be consistent with any applicable national and provincial legislation on environmental management; and
- Give effect to any national and provincial plans and planning legislation.
- In addition to the above requirements the Sedibeng region SDFs have also reflect the following:
 - a status quo report on land use in the municipality including any spatial dysfunctionality that exists;
 - a conceptual framework reflecting desired spatial growth patterns in the municipality; and
 - a multi-sector based spatial plan, at an appropriate scale, sufficiently formulated to achieve the desired spatial development goals including:
 - the correction of past spatial imbalances and the integration of disadvantaged persons;
 - linkage between settlement development and appropriate transport infrastructure and systems;
 - a multi-sector driven resource plan for implementation of the spatial development framework; and
- vacant land analysis of strategically located land comprising:
 - identity;
 - ownership;
 - current zoning;
 - value;
 - surrounding land use;
 - geotechnical conditions; and
 - most suitable uses.

In addition, land development and land use are guided by the Urban Edge delineation in order that development occurs in a harmonious pattern. The objective of the Urban Edge is to contain urban sprawl and focus on infill and densification, thereby maximizing the use of existing engineering infrastructure and the optimization of the existing transportation network.





Sedibeng District Municipality and the Local Municipalities take part in the process of Urban Edge delineation annually with Gauteng Department of Economic Development (GDED). The process has allowed vast growth and development within Sedibeng region thereby attracting investment and economic opportunities. In many instances, growth and developmental pressure over the last 7 (seven) years within Sedibeng region, has resulted in a large number of applications outside the existing urban edge being approved by the respective Local Municipalities. This excludes illegal activities presently being exercised on the periphery of the urban environment.

2.3.1. Development Tribunals

In order to provide a speedy route for the consideration of land use change and land development applications the DFA provides for a development tribunal to be established in each province. These tribunals consist of experts drawn from provincial and local administrations as well as the private sector. The tribunals are equipped with exceptionally strong powers to ensure that decisions are reached swiftly, and that any obstructions to sustainable and equitable development are eradicated. An applicant can decide whether to submit his or her application to the development tribunal or to use the existing legal routes provided by the various inherited planning laws. The tribunals will be retained under the new planning law, but they will be focused on dealing with certain types of applications only.

2.4. Vision

Sedibeng District Council is an innovative, dynamic, developmental local government that consistently meets and exceeds the expectations of the communities and various stakeholders it serves.

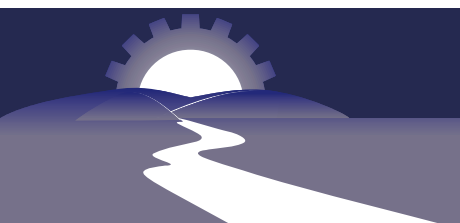
Values

- Service orientation
- Discipline
- Professionalism
- Equity
- Commitment
- Consistency
- Anti-corruption
- Transparency

2.5. Key Performance Areas

Through a process of stakeholder consultations and internal workshops, Sedibeng District Municipality developed, with the intention to realize its broad developmental vision, the following Key Performance Areas (KPA's):

- Reinventing our Economy
- Renewing our Communities
- Reviving a Sustainable Environment
- Reintegrating the Region
- Releasing Human Potential
- Good and Financial Sustainable Governance
- A Vibrant Democracy



Chapter 2



Annual Report 2007/8

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Chapter 2

Human Resources and Management

The institutional arrangements within Council for the period under review are as follows:-

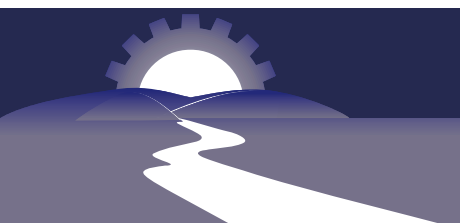
2.1 Breakdown of structures within clusters

Cluster	Structures
Office of the Speaker	10
Office of the Executive Mayor	11
Office of the Chief Whip	5
Municipal Manager's Office	7
Corporate Services	195
Treasury	28
Community Services	260
Planning Economic Development & Housing	46
Infrastructure Transport & Environment	158

2.2 Vacancy rate

Staffing positions in each functional area

Functional Area	Filled	Vacant	Total
Office of the Speaker	-	-	-
Office of the Mayor	4	-	4
Office of the Chief Whip	2	3	5
Office of the Municipal Manager (OMM)	-	-	-
Corporate Services	13	-	13
Community Services	17	11	28
Treasury	-	-	-
Transport Infrastructure & Environment	1	35	36
Planning Economic & Development Housing	1	-	1
New Positions / Contract Employees	78	-	78

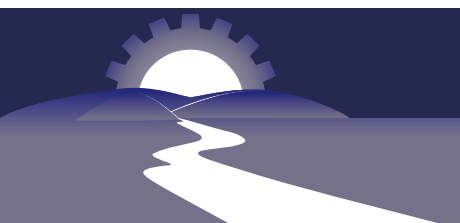




2.3 Organizational Capacity Building and Skills Development

Work Skills Plan Training Interventions 2007 - 2008

Training Course	No of Employees	Staff Levels
Customer Service	39	Clerk / Administrators
Managing Development in Municipal Finance	1	Senior Management & Top Management
Public sector reform	2	Councilors
Labour Law	2	Senior Management
Examiner of Vehicle	2	Clerk / Administrators
CCTV Training	14	Supervisors
Assessor Training	15	Supervisors
Business Writing Skills	24	Clerk / Administrators
Best Practice in Pay Roll	2	Clerk / Administrators
National Health Safety	2	Senior Management
Public Relations	6	Clerk / Administrators
International Classification Diseases	2	Top Management
Records Management	5	Supervisor
Care and Growth	27	Top Management & Semi Skilled
Batho Pele	20	Clerk / Administrators
Project Management	1	Senior Management
Ms Office : Advance Excel	3	Clerk / Administrators
EAP supervisory	95	Senior Management & Top Management
Quidity Software for Records	61	Top/ Senior Management
PMS	345	All Employees
Project Management	1	Clerk / Administrators
Basic Life Support refresher	29	Basic Life Support Attendants
Basic Life Support for health care providers	19	Basic Life Support Attendants
Advance Cordial Life Support	1	Advance Life Support Attendants
Pediatric Advance Life Support	1	Basic Life Support Attendants
Hazmat Awareness	39	Basic Life Support Attendants
Rope Rescue 1	9	Basic Life Support Attendants
Rope Rescue	3	Basic Life Support Attendants
Driver Training	14	Operators
Intro to Project Management	34	Clerk / Administrators
Disciplinary Hearing	73	Senior Management
Programme in Management Development	1	Senior Management
Health & Safety Management	1	Senior Management
TOTAL NUMBER OF PEOPLE TRAINED	931	





2.4 Organizational Restructuring

As early as October 2006, the municipality agreed to align the organization to strategy adapted by municipality after 2006 local government elections. A macro structure was agreed upon with five clusters headed by five Section 56 employees. These clusters were as follows:

- Strategic Planning and Economic Development
- Community Services
- Transport, Infrastructure and Environment
- Corporate Services and
- Treasury.

From 2006 but with increased momentum from April 2007, an organizational restructuring exercise was undertaken which involved management workshops, consultations with staff, staff workshops and also extensive engagement with trade unions through a restructuring forum and the local labour forum. A service provider also assisted for a period and the Mayoral Committee was also involved.

Principles were adopted to guide the restructuring process and included:

- No staff member should lose his or her job
- Structure must follow strategy
- Tasks that belong together should go together
- The organizational structure should be flatter.

By April 2008, the organization had a new structure with about 200 new posts and a number of post levels adjusted. One of the reasons why the process took so long was the absence of job evaluations from SALGA approved by JPEC process. This meant that the municipality had to benchmark new posts against existing posts. While many staff members have benefited from the process and new opportunities created, other staff remains unhappy that their posts were not properly evaluated.

The structure now should ensure that we can more effectively implement our mandate. Some key changes included that:

- Significant new high level posts were given to environment, reflecting the priority that the Council has given this function;
- More posts have been created in the economic development cluster to implement GDS;
- Jobs in service delivery functions such as EMS and registration of licensing have been upgraded to improve service delivery; and
- Jobs across the organization which may have been at different levels have been corrected so that staff get paid the same equal value.

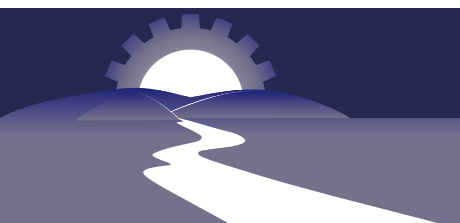
2.5 Performance Management System

Performance Management System training was conducted to all the Departments during the financial year of 2007/2008 to ensure effective implementation of the program.

All Section 57 employees signed their Performance Management contracts and underwent the quarterly reviews process and annual assessment process as required by legislation. Their performance scores were referred to the Remuneration Committee to decide on performance bonuses.

Forty Non-Section 57 Senior Managers signed their Performance Agreements and all underwent through the process of assessments for the financial year of 2007/2008.

Further training and consultation is taking place within the Departments to assist with the signing of Performance Agreements and developing Individual Performance Development Plans for the financial year of 2008/2009.





2.6 Learnerships and Internships

The Council's key performance areas include the alleviation of poverty in pursuit of a better life for all, and contribute to the growth and development of the District's economy. In an effort to realize the key indicators, the municipality has also identified the internships and learnerships as a key route in achieving the human resources development targets on economic level.

These programmes aimed at providing unemployed learners with opportunities to demonstrate their skills and knowledge and assist job seekers to gain work experience. The municipality enrolled 250 unemployed youth on Internship programme and 43 of those were offered permanent employment whilst others were appointed by other institutions, including our Local Municipalities after completing their learnership programme.

Moving forward, the programme will be implemented on a continuous basis by the municipality in order to address the region's scarce skills.

2.7 Care and Growth Leadership Training

Staff development and training is one of the municipality's strategies in creating a working environment in which the personnel is able to maximise its performance, commitment and contribute to its business priorities.

The municipality also requires the quality of personnel who are capable of leading and managing in order to deliver on its mandate. The following programme: Care and Growth Leadership Training was provided to Senior Management to achieve the above.

The programme focused on the following:

- Living with care and growth values,
- Growth and the issue of authority and control,
- How to coach,
- Holding people accountable appropriately,
- Individual performance management

In conclusion, the Care and Growth Programme is aimed at making an explicit connection between strong people, strong groups and successful individuals in both their work and personal lives.

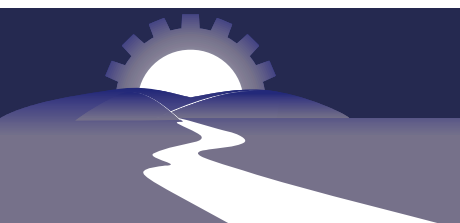
2.8 Employee Assistance Programme(EAP)

Employee Assistance Programme refers to a voluntary and confidential programme including a set of policies and is rendered by a professional in order to help employees balance the demands of daily living and find solutions for ongoing concerns.

The Council maintains that creating an environment that promotes good health for all employees is an essential element to the long term viability of its business. Therefore, the Council has implemented an Employee Assistance Programme and appointed a fulltime professional to fulfill the function of the Employee Assistance Programme.

The objectives of the programme are as follows:

- Provide a strictly confidential programme in order to improve the quality life of employees and their immediate families.
- To provide care and support to employees and their immediate families during the difficult times;
- Encourage healthy working relations through early identification and interventions of wellness challenges,
- Mitigate the impact of HIV/AIDS as well as other dreaded diseases at the workplace,





The benefits of Employee Assistance Programme include the following:

- Absenteeism Management
- Turnover Management
- Ill health /Incapacity Management
- Increased level of performance/productivity
- Increased service delivery.

2.9 Financial information on Pension and Medical Aid fund contributions

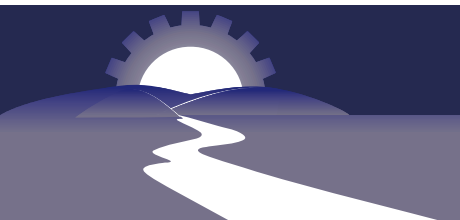
Financial information on pension and medical aid fund contributions from 01 July 2007 - 30 June 2008

Medical Schemes

Name	Total employees	Employee contributions	Comp. Contributions	Annual cost
MUNIMED	82.00	1,303,611.14	1,710,136.86	3,013,748.00
HOSMED	42.00	541,547.10	801,186.60	1,342,733.70
BONITAS	241.00	1,912,310.70	2,840,186.95	4,752,497.65
SAMWU	32.00	153,158.00	229,731.00	382,889.00
LA HEALTH	13.00	109,332.20	144,859.80	254,192.00
TOTAL	410.00	4,019,959.14	5,726,101.21	9,746,060.35

Pension Funds

Name	Total employees	Employee contributions	Comp. Contributions	Annual cost
GRATUITY FUND	402.00	3,843,680.01	9,956,738.47	13,800,418.48
JOINT MUN.PENSIONFUND	5.00	68,435.28	167,286.24	235,721.52
MUN. EMPLOYEES PENS.FUND	68.00	440,550.06	1,293,678.98	1,734,229.04
SALA PENS.FUND	26.00	359,156.89	733,635.89	1,082,792.78
NFMW	43.00	318,333.91	887,687.46	1,206,021.37
COUNCILLORS PENS.FUND	20.00	537,389.40	586,243.14	1,123,632.54
SAMWU	62.00	401,482.97	1,039,993.85	1,441,476.82
TOTAL	626.00	5,959,028.52	14,665,264.03	20,624,292.55





2.10 Employment equity

Occupational Levels	Male			Female				White Male	TOTAL
	AFRICAN	COLOURED	INDIAN	AFRICAN	COLOURED	INDIAN	WHITE	WHITE	
Top management	7	2	2	2	-	-	1	2	16
Senior management	19	1	1	6	-	-	6	15	48
Professionally qualified and experienced specialists and mid-management	13	-	1	11	2	-	1	3	31
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	41	1	1	58	1	2	17	16	137
Semi-skilled and discretionary decision making	128	2	2	117	2	-	9	7	267
Unskilled and defined decision making	51	-	-	41	-	-	-	-	92
TOTAL PERMANENT	259	6	7	235	5	2	34	43	591
Non – permanent employees	65	2	-	82	1	2	3	10	165
GRAND TOTAL	324	8	7	317	6	4	37	53	756

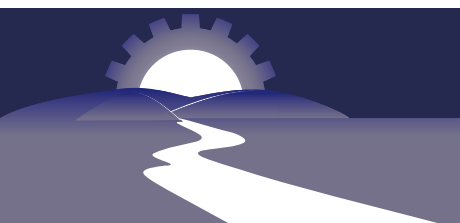
In terms of the Employment Equity Act 55 of 1998 the Council as a designated employer is required to submit an equity report on the 01 October of each year. The report covers the progress made in respect of implementation of the equity plan, targets and numerical goals and policies.

The Human Resources Department has undertaken an analysis to determine progress made towards achieving the compliance, targets and overall implementation in respect of equity.

The following sources were utilized:

- Current municipal employee profile
- Guidelines of the Department of Labour in respect of Designated Economically Active Population.
- Economically Active Population studies for National, Gauteng and Regional (Sedibeng) areas drawn from the Statistics South Africa.
- The latest recommendations by the Director General of Department of Labour:
 - Blacks = 87.5%
 - Women = 45.7%
 - People with Disabilities = 3%
 - Africans = Africans should be at least twice the sum of Coloureds and Indians at each occupational level.

In respect of the above, the Councils profile is compliant and the plan recommended the employment of women and people with disabilities in managerial positions to achieve equity.



Chapter 3



Annual Report 2007/8
Sedibeng District Municipality

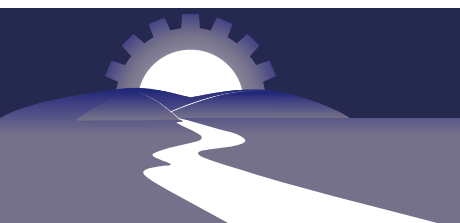




Chapter 3

Key Priority Area 1: Reinvent our Economy

Strategy	Key deliverables	Progress at year end 2007/8
Support the consolidation and expansion of the metal, energy and construction sectors	<ul style="list-style-type: none"> Develop a spatial sector strategy to grow the steel/metal, energy, construction and related industries in the region; Establish a steel industry forum to ensure partnership in the growth of this sector; Conclude the development of an incentive policy and implement incentives to attract and retain industries; and Explore and if feasible initiate and support the establishment of an industrial development zone. 	<ul style="list-style-type: none"> Some progress has been made in engaging with Arcelor Mittal and other manufacturers. Unfortunately, no progress was made the establishment of a steel forum. The incentive policy was developed but not adopted by Council as it was felt that it should be linked with other initiatives such as the 'Vaal 21' initiative. Ways were explored to support proposals for an IDZ (logistics hub) but while air cargo transport was being suggested evidence on the ground suggest that rail and road support is more appropriate.
Promote and develop tourism and leisure sectors	<ul style="list-style-type: none"> Revise the tourism master plan and develop implementation action plans for areas such as the Vaal River, Vaal Marina/Dam and key issues such as Heritage Routes and signage; Establish a tourism and leisure forum with all relevant stakeholders; Develop a process to promote business tourism in the area including facilitation of a possible riverfront convention centre; Develop a specific tourism and accommodation plan for 2010; and Implement a tourism marketing plan for incorporating the issues raised in the SGDS above. 	<ul style="list-style-type: none"> The current Tourism Master Plan was used as a reference and updated as necessary. Signage project is underway, done together with the infrastructure department. Tourism liaison committee has been established with stakeholders. Regional Tourism Organisations are being established in each local municipality as required by legislation. There are continued efforts to promote business tourism. SDM has a 2010 programme that includes working with MATCH to connect accommodation with visitors, assisting with grading of establishments, updating the database of accommodation, advertising and marketing the area at Indaba and through publications. Marketing DVD produced to promote 2010 and the area generally. The Vaal River and associated activities continue to be promoted to develop water activities as a niche.
Promote and develop agriculture sector	<ul style="list-style-type: none"> Identify suitable land and crops for value adding agricultural activities and agricultural hubs; Undertake bio-fuels study in partnership with role players such as Sedichem, to identify the most appropriate way for Sedibeng to promote this sector; Assist to establish agricultural cooperatives; and Support the process of land restitution and promotion of BBBEE amongst black farmers. 	<ul style="list-style-type: none"> Participation in programmes such as Land Care has promoted land release and small agricultural hubs in Heidelberg (Lindindalo) Agriculture projects were supported together with the 3 local municipalities including Work with 'Women in Agriculture' which has seen the promotion of emerging black women farmers. SDM has given support to Lesedi to appoint a service provider to revive agricultural hubs and co-operatives.
Promote opportunities for increased inclusivity in the economy	<ul style="list-style-type: none"> Update the SMME database for the region; Assist with the funding for cooperatives and other emerging small business formations; Conduct training programmes and other forms of support for SMME's in partnership with GEP; Develop a policy/guideline to promote the BBBEE charter at a BBBEE Summit; Development of a process plan together with the Local Municipalities, on the involvement of local businesses (especially SMMEs and the informal sector) during the 2010 World Cup Event; and Complete the study to develop a support strategy for the informal sector. 	<ul style="list-style-type: none"> The database of SMME's in all sectors continue to be updated on a regular basis. SDM continues to work with GEP, DTI, Khula & Ntsika, etc, to give access to resources and training. Direct training was given to SMME's in the tourism sector. No progress was made in hosting the BBBEE Summit as the event was repeatedly postponed. Informal Sector Strategy (ADEC) was completed. SMME's were supported during Tourism Indaba as part of SDM delegation.

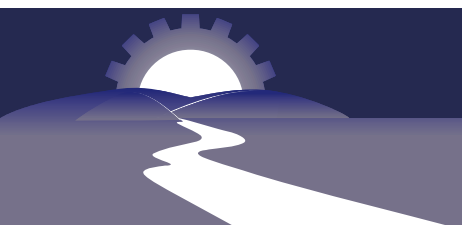




Strategy	Key deliverables	Progress at year end 2007/8
Consolidate, review and monitor the SGDS	<ul style="list-style-type: none"> Complete the second Generation SGDS and launch it; Market and promote the SGDS with stakeholders, communities and investors locally, nationally and globally; Develop appropriate structures to ensure partnership in the implementation of the SGDS; Ensure co-ordination and alignment with local and sectoral strategies that contribute to growth and development; Establishing an appropriate forum and programmes to conduct a skills profile for the region, and the development of a plan to ensure a better match between skills demand and supply; and Monitor and periodically review progress on the implementation of the SGDS. 	<ul style="list-style-type: none"> The work required to translate the GDS into actual projects was taken up in the Vaal 21 initiative. Flagship projects that will form the basis of GDS2 have been identified and were listed in the revised IDP. These include projects to enable development, accelerate growth, promote urban renewal and promote tourism and leisure. Progress on the skills forum was disappointing as engagements with leading academic institutions did not result in the revival of the 'education consortium'. Engagements with Department of Labour continue to be fruitful.

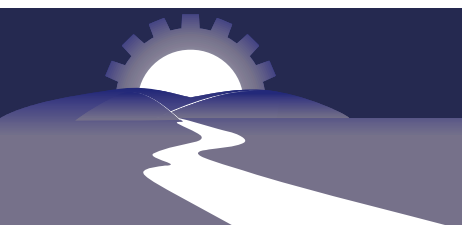
Key Priority Area 2 : *Renew our Communities*

Strategy	Key deliverables	Progress at year end 2007/8
Ensure integrated spatial development planning and promote good land use management	<ul style="list-style-type: none"> Ensure the implementation of a Spatial Development Framework for the Region <i>in such a way that it guide and direct long-term development and inform Master Plans for services;</i> <i>Facilitate development of local spatial development plans (SDP) for nodes and corridors to guide land use and infrastructure planning, including:</i> <ul style="list-style-type: none"> A SDP for the George Thabe Stadium, Sharpeville area as a Sport and Recreation Activity Node (2010); A SDP for the Dickinson Park, Taxido Junction Activity Node (2010); Vereeniging CBD Node; SDPs for possible 2010 Fan Festival Parks e.g. Heidelberg and Sebokeng. Develop and manage a <i>Geographical Information System</i> for the SDM and to support Emfuleni, Midvaal and Lesedi Local Municipalities; and Develop land use management policies and guidelines <i>to assist local municipalities in the development of Land Use Management Systems</i> including on how to use <i>public land</i> to leverage or influence private land use and considering purchasing land ourselves for the implementation of new housing approaches. 	<p>Good progress is being made in implementing, updating and revising the Spatial Development Framework.</p> <p>In collaboration with the DED, revisions of the Urban Edge were made. We have also ensured that infrastructure provision is in line with the development.</p> <p>The nodes and corridors noted in the Sedibeng GDS continue to feature in the SDF revisions.</p> <ul style="list-style-type: none"> Good progress is being made in the Precincts Development Plan for the Vereeniging and Vanderbijlpark CBD's, the Sharpeville sports, heritage and dam precincts as well as the riverfront. Slow progress is noted with other areas such as Boipatong, Sebokeng, Meyerton and Heidelberg. <p>The GIS is maintained and expanded on a continuous basis. During the period under review Emfuleni received substantial assistance with the review on their GIS.</p> <p>All land use applications are signed-off by the District to ensure compliance with the Spatial Development Framework.</p> <p>Assistance has been rendered to ELM with relieving their backlog of applications for development. Assistance was also given to ELM to consolidate the various town planning schemes into a single scheme.</p>





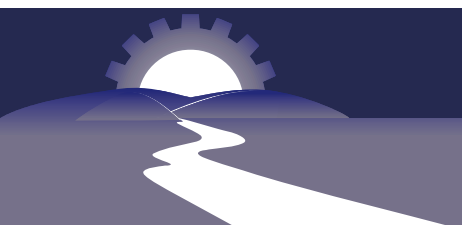
Strategy	Key deliverables	Progress at year end 2007/8
<p>Promote residential development and urban renewal</p>	<ul style="list-style-type: none"> • <i>Complete the development of a Municipal Housing Development Plan</i> to facilitate future housing development and ensure inclusionary housing provision and unblock problems at places like Mamello, River Glen, etc; • <i>Facilitate the Evaton Regeneration Programme</i> and implementation of projects together with Emfuleni and the Gauteng Department of Housing; • <i>Facilitate the Top 20 Townships Programme</i> especially with regards to spatial planning, infrastructure development and housing; • <i>Facilitate the implementation of Shack Down Programme</i> together with the Gauteng Department of Housing and the local municipalities; and • <i>Work in partnership with the local municipalities to implement a number of precinct or residential development projects</i> including: <ul style="list-style-type: none"> ○ A government precinct in the CBD of Vereeniging; ○ A 2010 precinct and public viewing site along the Vaal River; ○ Heritage precincts at Sharpeville and Boipatong; ○ A local development plan for the area in the surrounds of the Fresh Produce Market; and • A local development plan for the Doornkuil area in Walkerville. 	<ul style="list-style-type: none"> • Slow progress is noted in the finalization of the draft MHDP which is being done in consultation with the Provincial DOH. • Study completed on 'Changing the Nature of Housing Delivery in Sedibeng'. • Support given to the Evaton Renewal Programme where possible. Most activities relate to support the Evaton Renewal Development Forum. • Support has been given to the Province's Top Twenty Township Programme. • The Shackdown programme has been supported in the form of a campaign to educate and promote elimination of shacks in formalized areas. <p>Good progress has been made with support to residential development projects in locals such as Doornkuil in Midvaal.</p>
<p>Plan for effective, efficient and sustainable infrastructure for water and sanitation services, and provision of electricity</p>	<ul style="list-style-type: none"> • Facilitate the Sedibeng Regional Sewer Scheme to build a major new regional sewage plant that will serve the demand for water and sewer purification in the region, and to feed clean waste water into the Vaal River system; • Develop master plans for bulk services in conjunction with locals in order to plan for future demand for water, sewer, roads, storm water and electricity as planned for in terms of the regional spatial development framework; • Prepare for becoming a water service authority in terms of a recent Cabinet decision; • Bring together the different authorities to improve the management of the Vaal River and other waterways; and • Ensure improved sanitation in worst affected areas and eradication of bucket system within national target timeframes. 	<ul style="list-style-type: none"> • The tender for the study on the Engineering, EIA, and institutional arrangements for the regional sewer works has been awarded to Arcus Gibb consortium. The Political Steering Committee and the Technical Steering Committee meet regularly to oversee the regional sewer scheme implementation.





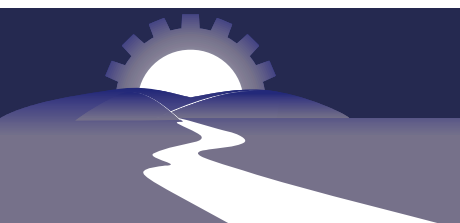
Key Priority Area 3 : Revive our Environment

Strategy	Key deliverables	Progress at year end 2007/8
<p>Ensure the minimisation of waste and the maximize recycling of waste</p>	<ul style="list-style-type: none"> • Update our Integrated Waste Management Plan (IWMP) to be line with the GDS objectives and strategies; • Implement the Industrial Waste Exchange Programme (IWEX) together with the locals municipalities; • Facilitate waste recycling with the locals municipalities; • Develop a Waste Information System for the region; and • Facilitate the closure/upgrading of existing landfill sites and the sale of methane gas from land fills to secure carbon credits. 	<ul style="list-style-type: none"> • Updating our integrated Waste Management Plans is being done together with the local municipalities. • Funding has been raised for the Integrated Waste Exchange Programme from DANIDA. Various Industries have indicated their support for the programme and some agreements are in place where industry is already selling waste to secondary industries to assist with minimization of waste. • The Waste Information System will be developed in conjunction with the development of the Waste Information System for Gauteng. • There is ongoing support for the permitting of landfill sites. The permit for the closure of Zuurfontein Landfill site has been received from DEAT. • The methane gas from landfill site project is progressing well with a MoU being negotiated between Emfuleni Local Municipality and the Central Energy Fund.
<p>Create healthy environment through effective environmental health management</p>	<ul style="list-style-type: none"> • Render environmental health services; • Build the capacity of and ensure the successful establishment of environmental health services at the district level; • Implement clean household energy project (Basa Njengo Magogo Project); • Develop, adopt and implement environmental health by laws including for hazardous installations and scheduled trades; and • Finalise the Air Quality Management Plan for Vaal Airshed Priority Area and ensure its implementation including development of an emissions inventory and the management and maintenance of the six air quality monitoring stations. 	<ul style="list-style-type: none"> • Service Level Agreement for the rendering of Municipal Health Services (MHS) for the 70/08 financial was signed with the local municipalities who rendered MHS on behalf of the Sedibeng District Municipality. The total expenditure for the 2007/08 financial year is R8,594,074. • 14 Environmental Health Practitioners were trained on Air Quality Management at the University of Johannesburg as well as on Environmental Health Legislation and Law Enforcement for Local Government at the University of North west. • Two staff members were trained as Environmental Management Inspectorate (EMI's) by the University of Pretoria through the Urban Environmental Management Programme. • The Clean Fires Campaign was launched by Sedibeng District Municipality in collaboration with DEAT. • More than 300 community members and relevant staff from local municipalities, adjacent municipalities and metro's were trained on the Basa Njengo Magogo (BnM) methodology. All the Trainees were awarded with Certificates. The role out of the BnM method is done by the local Municipalities. • The development of bylaws is in progress and is being done together with local municipalities and the Provincial Health Department. • The draft Air Quality Management Plan for the Vaal Air-Shed Priority Area has been completed following the submission from Industry on their intervention strategies. • The SDM has approved the establishment of an Air Quality Management Sub Division and has also procured a service provider to undertake a study to identify and assess the resource and operational systems requirements for the delivery of an effective air quality management service to the Sedibeng District Municipality.





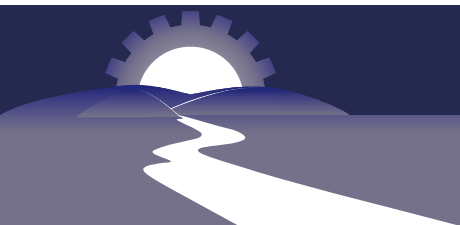
Strategy	Key deliverables	Progress at year end 2007/8
<p>Build partnerships to ensure integrated environmental awareness, planning and management</p>	<ul style="list-style-type: none"> • Develop an updated database on environmental policy and legislative requirements of local government; • Finalise an Environmental Management Framework and Plan for the region in partnership with GDACE, DEAT and the local municipalities; • Facilitate the implementation of an Environmental Action Plan for region which has been developed together with and identifies roles and responsibilities for all government and non-government stakeholders including the private sector and NGOs; • Engage with local industries to ensure that rehabilitation measures have economic spin offs for the local area; • Assist with a "Tree planting and Landscaping Plan for 2010" along pedestrian and other routes, fan festival parks and recreational areas; • Develop an environmental monitoring plan to monitor the implementation of the above; and • Run awareness programmes particularly around particular events and days e.g. World Environment Day for various stakeholders including school children in partnership with them. 	<ul style="list-style-type: none"> • Through the development of an environmental legislation database, the region was continually updated on the development of new environmental policies and reports from National and Provincial government. • The Sedibeng Environmental Management Framework (EMF) is being drafted as a co-operative process between National DEAT, Provincial GDACE and Sedibeng. Similar EMF's have been developed for Lesedi and Midvaal LM and are incorporated as part of their land use decisions making tools. • The Regional Environmental IGR was established in May 2007 and various meetings were held throughout the financial year to assist with coordination of environmental processes and projects. • IGR structures are coordinating the greening processes with projects in all three the Local Municipalities. Special projects are being identified for assistance from various possible donors. • The Suikerbosrand Biosphere and the Sharpeville Dam have been identified as areas with conservation potential by the Gauteng Department of Agriculture, Conservation and Environment and have been included in the Conservation Plan as either areas of high value or irreplaceable areas. Support was given to the Local Municipalities in the Bontle ke Botho programme as well as the World Environmental Day celebrations.
<p>Promote conservation of environmental resources and biodiversity</p>	<ul style="list-style-type: none"> • Develop a plan for wetlands and grasslands including conservation, rehabilitation and support for job creation projects to achieve their conservation and rehabilitation; • Facilitate greening projects, Working for Wetlands, Working for Water and other EPWP projects in the area of conservation; and • Facilitate the development of a bio-sphere conservation area in and around Suikerbosrand. 	<ul style="list-style-type: none"> • Due to the detailed work being done by the EMF project on the ecology of the area, it is envisaged that the Wetland Inventory will be delayed until more information is available from the project in January 2009. • In order to support the conservation of wetlands and other sensitive areas in our region the division participates in the Gauteng Wetland Forum that meets on a monthly basis. Sedibeng has been able to register various wetlands on the Wetland in crisis list creating the possibility of receiving funding for rehabilitation of the wetlands. • GDACE is facilitating a process of obtaining funding from International donors to assist in the procurement of land available for extension of the Suikerbos rand as well as agreements with land owners in the Biosphere area





Key Priority Area 4 : Reintegrate our Region

Strategy	Key deliverables	Progress at year end 2007/8
Plan and provide for effective efficient and sustainable road infrastructure	<ul style="list-style-type: none"> • <i>Develop a master plan for roads infrastructure</i> and revive a proper pavement management system to prioritise and sequence investment in road infrastructure and consider the establishment of a regional road agency; • <i>Develop and implement corridor development plans</i> for the R82, R59, K11 and Golden Highway in partnership with the provincial government; • Work with provincial government and the local municipalities to ensure that <i>outdated signs are removed, new signs are installed and tourism signage is installed and maintained</i> for all tourist attractions in our region; • Work with all relevant stakeholders on a "Signage Plan for 2010" for erection of permanent signs and temporary signs such as directions to parking areas, fan parks, advertisements and billboards; • Support the province and locals to <i>upgrade and tar township roads</i>, particularly in the identified Top 20 Townships Programme and Evaton; and • Work with the SARCC/Metrorail on the <i>upgrading of rail infrastructure</i>. 	<ul style="list-style-type: none"> • The Infrastructure IGR: Roads Management is meeting every quarter where the development of the district roads master plan for classes 1, 2, 3, 4, and 5 roads is being co-ordinated. • The development of the corridor development plans will be covered in the roads master plan development. • The tender for the road signage project has been advertised and there should be progress on the identification of exact locations for road signs as well as the manufacturing and installation of such signs in next financial year. • There is co-ordination with SARCC and the Intersite which will be spending R2 million for upgrading of the Vereeniging Station. • The SDM co-ordinated Public Transport Month activities.
Plan and develop accessible, safe and affordable public transport systems and facilities	<ul style="list-style-type: none"> • <i>Update the Sedibeng Integrated Transport Plan</i> to include updated travel demand figures ensuring accessible transport (to new areas and for people with disability) and to align it to the SGDS and other national and provincial transport developments including the establishment of a single Transport Authority; • <i>Develop and implement a 2010 transport plan</i> to ensure that visitors and sport spectators can move around our region and to matches easily and safely;] • <i>Maintain our taxi ranks</i>; and • <i>Identification of key intermodal facilities</i> for upgrading and development as precincts/economic hubs including bus stops, Taxido Junction, Bophelong Rank and Mpumelelo Rank 	<ul style="list-style-type: none"> • A tender was issued for the Integrated Transport Plan.
Promote efficient movement of freight	<ul style="list-style-type: none"> • <i>Develop and implement a feasible and appropriate freight facility</i> including in possible partnership with the North West University and its partners; • <i>Determine the future of Heidelberg and Vereeniging Airports</i> to ensure maximum contribution to the SGDS; • <i>Work with Spoornet</i> to increase the use of rail for the movement of freight; and • Work with various stakeholders to ensure the <i>safety of freight, pedestrians and private cars along the R59 industrial corridor</i>. 	<ul style="list-style-type: none"> • The Freight Strategy and feasibility will be part of the ITP. • A turn around strategy is in progress for the Vereeniging and Heidelberg airports. • Improvements in management of Vereeniging airport were initiated. • The law enforcement agencies from Emfuleni, Midvaal Local Municipalities and Provincial Community Safety and Liaison have increased patrols along R59 industrial corridor particularly during peak hours.

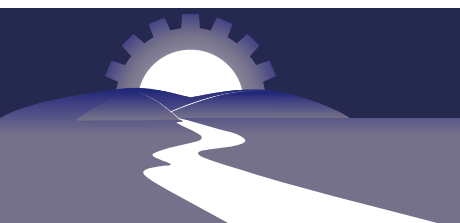




Strategy	Key deliverables	Progress at year end 2007/8
Render an efficient and corruption free vehicle registration and licensing service	<ul style="list-style-type: none"> • <i>Improve the best practice model</i> so that clients are better served and staff are more productive; • <i>Undertake a change management process and increase training and capacity building</i> to improve the staff morale, capacity and productivity; • Install measures such as CCTV cameras to <i>improve monitoring of staff and clients</i> in all sections of the four License Service Centres; • <i>Construct of a learner license examination hall and office accommodation</i> at the Vereeniging License Service Centre; • <i>Build undercover waiting areas</i> for clients at all License Service Centres; and • <i>Establish a License Service Centre</i> offering all the services in the northern area of Sedibeng. 	<ul style="list-style-type: none"> • Workshops were held with managers to revive the Best Practice Model. An improvement of between 80 – 100% was realized thereafter. • 21 supervisory vacancies were filled (80%). Of the 25 staff members identified for training, 18 have been trained (72%) with 7 to follow. • Preparatory work has been done in respect of installation of CCTV cameras and improvements to offices.
Improve ICT connectivity in Sedibeng	<ul style="list-style-type: none"> • <i>Develop an ICT connectivity master plan</i> drawing on experiences of other cities in South Africa and elsewhere; • <i>Review the implementation of CCTV cameras in Emfuleni</i> to establish how it improve the service as well as how to leverage the provision of other services from the fiber optic cable already installed; and • Explore providing a <i>centralised call centre</i> service for all municipal services. 	<ul style="list-style-type: none"> • Connectivity Forum has been established and cooperation continues with the Provincial B-Linked project. • Efforts are being made to improve e-governance, starting with website development and rolling out online services at the levels of locals such as purchase of electricity online and access to information online.

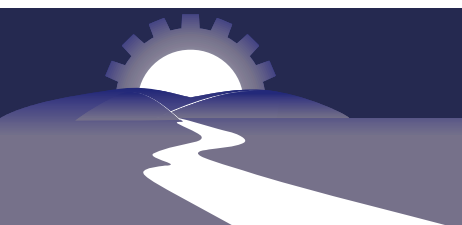
Key Priority Area 5 : *Releasing Human Potential*

Nurture the development of people's potential through sport, recreation, arts and culture	<ul style="list-style-type: none"> • Facilitate the establishment of district councils in identified sporting codes; • Facilitate the development and upgrading of sport facilities in our region including multi-coded hubs in Midvaal and Lesedi; and • Implement a plan to nurture development and interest in soccer in the run up to 2010 Fifa Soccer World Cup Plan. 	<ul style="list-style-type: none"> • Partnership with province was established in respect of mass participation multi-purpose sporting hub programme. • District Sports Council was established. • Facilities audit was done.
	<ul style="list-style-type: none"> • Develop and implement the "Arts to the People" programme including the establishment of a School for the Arts; • Explore ways in which art and culture can become an economic driver; • Implement a programme to support artists and crafters including support to ensure sustainability, identifying events and sites for markets and upgrading certain identified sites; • Develop and implement strategy to improve the theatre facilities and their use; and • Develop a set of annual identified events and programmes e.g. choral festival, soccer festivals and human rights day linked activities. 	<ul style="list-style-type: none"> • Workshops to develop Arts to the People programme were held. • Stakeholder workshops and school visits organised to improve audience participation and explore ways of bringing productions to local venues. • Audit and site inspections of theatre facilities was done to determine improvements needed. • Extensive community developmental activities were organized for Human Rights Festival, Women's, Youth and Heritage Months. • Support was given to Heidelberg Media and Culture Centre plus Music School. • Partnered with Province on development of carnival troupes who participated in Human Rights Fair and State of District Address. • Theatre Tariffs were revised.



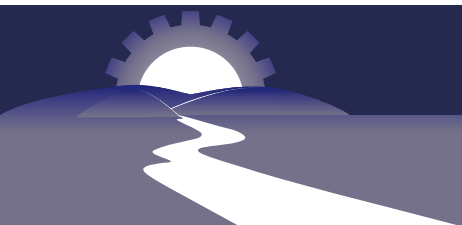


Strategy	Key deliverables	Progress at year end 2007/8
<p>Promote and develop the heritage of our region</p>	<ul style="list-style-type: none"> • Develop and implement identified heritage routes; • Develop a district policy in respect of changing certain geographical names and identifying public places and roads for name change, including the commemoration of the life of Adelaide Tambo; • Arrange a programme of appreciation of veterans and survivors in our region including those related to the Sharpeville massacre, Sebokeng uprising and Boipatong massacre; • Develop and upgrade identified heritage exhibitions, sites and precincts including Sharpeville Exhibition Centre and Precinct, Vaal Technorama and a possible Boipatong peace garden; and Develop and implement a marketing strategy to increase the number of local residents, school students and tourists visiting our heritage sites and museums. 	<ul style="list-style-type: none"> • Participated in precinct development and Legacy Projects meetings (Sharpeville, Boipatong) to ensure heritage development. • Ensured public participation in Boipatong Heritage Project. • Arranged Boipatong Commemoration meeting and activities on 17th June 2008. • Vereeniging Heritage Route developed and launched. • Heritage Forum meetings organised and held successfully in Local Municipalities to develop district wide integrated approach. • Ongoing preparation for journey of appreciation for Boipatong massacre survivors. • Initiated discussions with City of Joburg on partnership in respect of Transport Museum in Heidelberg.
<p>Promote a safe and secure environment</p>	<ul style="list-style-type: none"> • Establish and support victim support centres in partnership with the police, communities and other spheres of government; • Co-ordinate and manage social crime prevention programmes including community awareness and school based programmes; • Support and co-ordination of volunteers to improve visible policing and enhance crime prevention; • Manage, improve and expand CCTV street surveillance system in Vereeniging, Sharpeville, Sebokeng and Evaton and consider integration with other local municipal systems; • Explore new institutional arrangements for the management of traffic police; • Co-ordinate and foster co-operation between the different public safety and criminal justice agencies including the newly established municipal courts in Sedibeng for improved crime prevention and enforcement; • Perform the disaster management function efficiently; • Co-ordinate fire fighting and rescue, run awareness programmes on fire and rescue and ensure training of local fire fighting officials • Develop a 2010 Public Safety and Security Plan involving all relevant stakeholders: and • Develop a 2010 Disaster Management Plan involving all relevant stakeholders. 	<ul style="list-style-type: none"> • 11 VEC have been established within Sedibeng. Audit of the centres have been done in respect of equipment and training. • Hosted 16 Days of Activism in Sharpeville • 15 preventative projects implemented across the district targeting women, children and youth at schools. • Community Patroller Scheme rolled out within the District. • Review of CCTV system done and recommendations made on improvement and expansion of service. • Appointed a Service Provider to maintain and repair the existing CCTV systems. • Trained 5 officers in Law Enforcement. • Community Safety Forum hosting integrated projects were planned. • Developed a Five Year Community Safety Plan , which was launched in May 2008. • A Draft 2010 Safety and Security Plan has been developed and circulated amongst the stakeholders. • Disaster Management Advisory Forum established as per legislation. • Risk assessments were done and risk profile in respect of disaster management was done for district. • Awareness campaigns including in respect of river safety and fire safety were. • Developed a turn around strategy for Communication Centre. • 20 Staff members were trained in Sysman Call taking and despatching. • Assisted the locals with information material to complete the PIER programs • 24 Fire officials trained in Hazmat Technician. • Response to xenophobia crisis included setting up stakeholder committee and forum, relief for affected families especially in Lesedi and ongoing monitoring together with SAPS.





Strategy	Key deliverables	Progress at year end 2007/8
<p>Promote HIV and AIDS understanding, treatment, care and support</p>	<ul style="list-style-type: none"> • Strengthen and support internal HIV and AIDS workplace programmes; • Facilitating and supporting the functioning of the District Aids Council chaired by the Mayor; • Hosting a District Aids Summit; and • Co-ordinate and support the implementation of ward based HIV and AIDS plans including overseeing the funding of community based organizations, community capacity building and training of community development workers on HIV and AIDS issues. 	<ul style="list-style-type: none"> • Sedibeng, Lesedi and Midvaal have finalised their employees' HIV and AIDS impact assessments. • Workplace programmes in place and more than 50% of employees participate in programmes. The District held the HIV/AIDS Summit in October 2007 and emanating from that, there was the District HIV/AIDS Strategy and the Annual Plan. • The district HIV/AIDS Council is functional. More than 30 stakeholders participate in the Council, including government departments. • Local Municipalities funded community based organisations. More than 40 CDWs and more than 50 civil society structures, including Faith Based Organisations and Traditional Health Practitioners and government departments were trained by Pretoria University on Comprehensive HIV and AIDS Management. Twenty wards were identified for ward-based implementation.
<p>Promote efficient delivery of primary health care and emergency medical services</p>	<ul style="list-style-type: none"> • There are improved response time and enhanced quality of care by Emergency Medical Services; • The Provincialisation of Primary Health Care and Emergency Medical Services be implemented without disruption of service delivery; • An Emergency Medical Services facility is established In Evaton; • There is improved Emergency Medical Services in Devon and surrounding areas; and • There is a EMS strategy developed for the 2010 Fifa Soccer World Cup. 	<ul style="list-style-type: none"> • Emergency Medical Services complied with set indicators. • No progress in respect of provincialisation. • GPG is in the process of establishment of facilities which includes Evaton. • There are improved services in Devon. Two emergency vehicles 60% of the time.
<p>Promote social development of our communities</p>	<ul style="list-style-type: none"> • through: <ul style="list-style-type: none"> ◦ supporting the establishment of a senior citizens forum ◦ ensure that appropriate community based facilities are built for the elderly; • Build capacity for gender equality through supporting programmes that empower women including the women's dialogues; and • Support children through: <ul style="list-style-type: none"> ◦ Initiating and support a local inter-sectoral forum to prevent, intervene and rehabilitate children in need of care; Ensure the effective implementation of the Bana-Pele single window programme; ◦ Ensure the effective roll out of the provincial early childhood development strategy. 	<ul style="list-style-type: none"> • Forum for elderly people established and functioning. • Sites for establishing community based facilities for the elderly identified in Lesedi and Emfuleni together with Twenty Prioritised Township programme of Gauteng Department of Social Development. • Mainstreaming committee established and developed a Gender based plan against women abuse. • Gender policy developed. • Sites for establishment of early childhood development centres identified in Lesedi and Emfuleni as part of the Top 20 Priority programme of Social Development. Work for the first phase to erect the facilities is in progress.

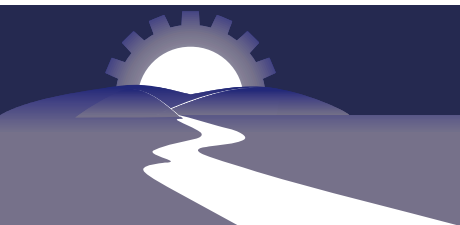




Strategy	Key deliverables	Progress at year end 2007/8
Promote skills development and training	<ul style="list-style-type: none"> Improve skills development and employability of young people through the establishment of four Youth Advice Centres in partnership with Umsombomvu Fund. Centres are in Sebokeng, Bophelong, Boipatong and Ratanda; Increase opportunities for young matriculants to further their studies through the provision of bursaries; 	<ul style="list-style-type: none"> Four Youth Advisory centres established and launched. Three of the centres are fully functional; providing a full basket of the products and services in line with guidelines as provided by Umsombomvu Youth Fund. The fourth centre is operating from a temporary venue as the site is under renovation. Youth policy has been developed. External bursary policy has been developed and implemented. Sixty nine (69) students have been awarded bursaries for tertiary education.

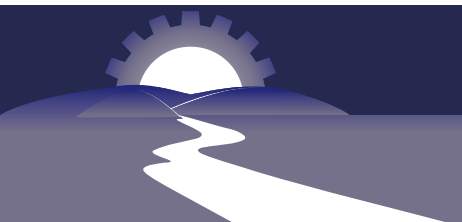
Key Priority Area 6: Good and Financial Sustainable Governance

Ensure financial sustainable local government	<ul style="list-style-type: none"> <i>Clean Audit Programme</i> to achieve an unqualified audit by 2008 through: <ul style="list-style-type: none"> Better management of fixed assets; Ensuring completeness of revenue; and Zero tolerance to lack of MFMA compliance. <i>Effective Supply Chain Management function</i> which aims to ensure value for money for the council and promote BBBEE in our communities through: <ul style="list-style-type: none"> Introduction of improved policy and procedures; Procurement of an e-procurement package; and Programme to support SMME's to tender for government tenders. <i>Revenue enhancement programme</i> through: <ul style="list-style-type: none"> Review of existing tariffs while mindful of the need to keep tariffs affordable to the poor; Exploration of ways to leverage private sector funds; and Identify the credit rating of the Council. <i>Improved financial planning and management</i> through: <ul style="list-style-type: none"> Development of a medium term expenditure framework and/or regional fiscal framework; Going out for tender for new banker including possibly together with the local municipalities; Moving towards zero-based budgeting and activity based costing; and Policies for donations, grants and discretionary funds. 	<ul style="list-style-type: none"> Achieved an unqualified audit opinion from the Auditor General for the financial periods 2005/2006 and 2006/2007. Implemented and monitored the Auditor-General Implementation Plan for the year 2005/2006 and 2006/2007 accordingly. Short-term insurance saving initiated for Municipality and optimal cover negotiated for Political Office Bearers. Asset register completed in line with GAMAP&GRAP standards. Achieved optimal returns on our investments and revenue appropriated towards service delivery to the amount of R14 776 208.10. Financial Statements status closed off with a strong reserve, which means that our municipality is liquid. Complied with the submission of all MFMA requirements to Provincial and National Treasury in respect of Section 71 reports and requests through our IGR CFO's Forum for the Region. Reviewed our existing Supply Chain Management policies and procedures to comply with BBEEEE, Preferential Procurement Act, Co-operatives. In process of updating database register by requesting service providers to register according to commodity categories identified. Manually complied with MFMA – Supply Chain Management Regulations by submitting Implementation Plan to Provincial and National Treasury as request. Implemented updated Tariff and Credit Control Policy and procedures in line with Finance Summit objectives to manage all liability appropriately but still making it affordable for the poor through the conduction of a detail public consultation process. Precinct Development initiated to attract private sector funds. State of the district address conducted by Executive Mayor which included the MTEF and Regional Fiscal consolidation of key budgetary programmes and projects in conjunction with Locals and Provincial Government Departments. Appointed an approved bank for duration of 5 years with SLA in place outlining key involvement with municipality on Socio Economic programmes for the Region. Policies for donations, grants and discretionary funds approved by Council. Implemented Donation Policy to enhance donations payable and donations received by the private sector. Conducted a support module internally to optimize service levels of Finance and measuring it through a customer satisfactory survey among Clusters. Conducting training for Treasury staff (22) and Municipal staff on system and processes internally and externally.
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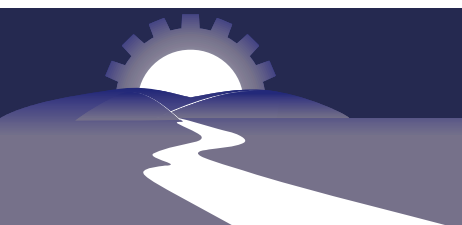


Strategy	Key deliverables	Progress at year end 2007/8
<p>Effective management of council business</p>	<ul style="list-style-type: none"> • <i>Effective secretariat</i> to service Council, Mayoral and related committee meetings; • <i>Effective legal support and contract management</i> to ensure legislative and legal compliance by all departments of Council and provide support to bye-law development; and • <i>Effective internal communications</i> through upgrading of telephone system, improving internet connectivity and producing an internal staff newsletter. 	<ul style="list-style-type: none"> • Effective Secretarial services have been provided to all designated council committees. These included quality manual and quidity records management as well as quality minutes and neatly binded agendas timeously delivered for all scheduled meetings. • Provided quality legal advice/opinions on time to all internal clients, including the council committees, as well as the provision of comments on reports to be submitted and or submitted to mayoral and council committees. • All SLAs/Contracts checked for legal compliance and filed in fire protective cabinets and on quidity. The Contract Management Policy to be adopted by the council in August and all relevant staff members trained on quidity and general contract management to ensure compliant and the institutional contract management team established. • The internal Communication element of internal news letter not achieved due to lack of staff with relevant knowledge. • Finalising negotiations with Telkom regarding the installation of the centrally controlled and or managed PABX Switch Board.
<p>Render effective IT services</p>	<ul style="list-style-type: none"> • <i>Enhance the current network</i> to link remote offices, libraries, clinics and youth advice centres to the wide area network (WAN). This involves investment in hardware, security, masts etc.; • <i>Develop a business continuity plan</i> to ensure that there are back-ups are available in the situation of a disaster; and • <i>Roll out IT enhancements</i> including Phase 2 of Novell Netware and working with different internal departments to provide them with IT solutions to enhance their work. 	<ul style="list-style-type: none"> • Fourteen (14) additional sites connected on the WAN, including the three (3) YAC sites connected as well as the four (4) additional libraries. One (1) YAC 1 outstanding due to circumstances beyond control of the Cluster due to a delay in signing of SLA between SDM and ELM. • Basic Disaster Recovery Plan (DRP in place (backup process). District wide DRP on hold subject to decentralization process and possible implementation of e-Venus financial system. • Completed and GroupLink Help Desk system successfully implemented.





Strategy	Key deliverables	Progress at year end 2007/8
<p>Ensure effective, competent and motivated staff</p>	<ul style="list-style-type: none"> • <i>Restructuring or organizational re-engineering of the council</i> to ensure that the staffing and structure matches the strategy and role of Council; • <i>Implementation of performance management system</i> for all employees to enhance productivity and deal constructively with poor performance; • <i>Skilling and building the capacity of officials and councilors</i> through ensuring that each employee and councilor has a personal development plan cascaded up into a workplace skills plan. Particular attention needs to be given to women and young people in Council; • <i>Implement our Employment Equity Plan</i> to ensure the adequate representation of previously disadvantaged people, women, young people and people with disabilities at all levels of our staff; • <i>Implement an effective Employee Assistance Programme</i> including an HIV and AIDS workplace programme and support to employees and councilors on financial planning; and • <i>Revitalisation of Batho Pele Concept</i> 	<ul style="list-style-type: none"> • Organizational Structure was approved by council and the implementation through placement and recruitment to take effect in July due to further discussions with Labour. • Though later than anticipated the task was finally achieved in a much more qualitative way. It has also contributed in strengthening the relationship and mutual trust between organised labour and the management. Successful management of the recruitment selection processes. • All 6 section 57 employees signed their Performance Contracts and 40 Non-Section 57 employees signed their Performance Contracts for 2007/2008. Subject to signing of PMS contracts. • Workplace Skills Plan was submitted timeously to LGSETA and received levies back. Whilst still to formulate PDP based on PMS, 898 people have been trained through 34 different courses. • The Councils EE status stand 92%-83% compliance, the numerical EE plan has been approved by the MAYCO subject to the development of the Policy to guide its implementation. • This is well above the natural required standard of 85%. In the next financial year people with disability will be target employed to reach 100% compliance. • Successful implementation of EAP intervention, EAP supervisor- Stress Trauma Domestic and Debriefing etc. • The HIV & AIDS KAP is completed and recommendation will be implemented in 2008/2009. • A champion was appointed to handle the Batho Pele concept.
<p>Develop and maintain high quality municipal facilities</p>	<ul style="list-style-type: none"> • Development of a well maintained connected government precinct in Vereeniging to contribute to service delivery and the regeneration of the Vereeniging CBD; • Development of Sharpeville Precinct both as an integrated service delivery point and as a dynamic heritage site; • Accessible, attractive and safe facilities for clients at our service points including vehicle registration and licensing centres, public safety facilities, museums and youth advice centres; • Effective fleet management so that safe vehicles are available to staff and councilors; • Promotion of and support to local SMMEs and BEE businesses who are contracted to construct or maintain our facilities; • Develop a long term plan and model for the efficient management of our facilities including looking at how to partner with private sector: and • Develop a maintenance and management plan for each council facility to be utilized during the 2010 World Cup Event to ensure clean and safe facilities 	<ul style="list-style-type: none"> • Project preparation phase and Service Providers appointed Urban framework completed and the concept model has now being completed for both Vereeniging CBD and Sharpeville Precinct. • R2,5 million was spent in the current financial year to maintain and to improve the existing facilities of the Council. • Additional 18 vehicles were purchased to enhance efficiency in service delivery. • Approximately R2,1 million worth of construction work has been given to our local SMME'S, in the construction and maintenance Industry. • Could not be done due to lack of capacity Service • Maintenance and management plan could not have been drawn due to the fact that Facilities to be utilized during the 2010 World Cup have not been finalized.

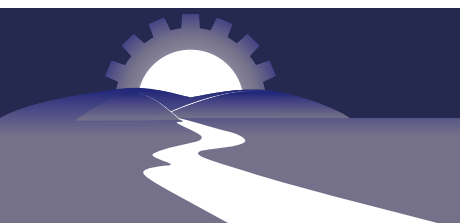




Strategy	Key deliverables	Progress at year end 2007/8
Facilitate access to relevant information and promote knowledge	<ul style="list-style-type: none"> Establish a 'knowledge centre' at district level which will assist with research, gather information and disseminate information including statistics, new policies from other spheres of government, etc.; Support and participate in the District Learning Network to share experiences across districts; and Use and strengthen local websites as a form of information sharing 	<ul style="list-style-type: none"> Good progress has been made with policy development. Implementation plan being finalized. Knowledge sharing is intermittent and the policy should assist in this regard. Communities of Practice established and are active. Participation in the District Learning Network has been consistent. Archiving and information retrieval is still scattered across the organization. Website renewal made little progress, but updates on current site has been regular.
Ensure measurable performance and transparent monitoring of the municipality	<ul style="list-style-type: none"> Establish Key Performance Indicators which will be measurable and measured on a regular basis. There will also be a strong link between the performance of the organization and the performance management system of officials. Ensure that there are quality quarterly, mid-year and annual reports which are conveyed to our stakeholders and constituencies. 	<ul style="list-style-type: none"> Key performance indicators were reported on in IDP and revised. Quality quarterly reports discussed extensively by Section 80 and Mayoral Committees. State of District Address was attended by over 1000 people and also accompanied by media adverts ensured that progress was conveyed to stakeholders. Six monthly reports were also advertised in local media and reports were given as part of IDP process.

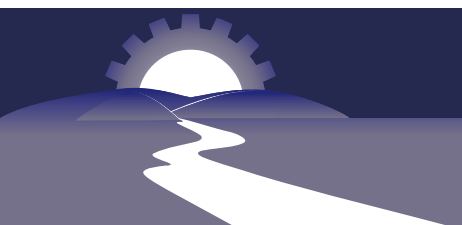
Key Priority Area 7 : Vibrant Democracy

Strategy	Key deliverables	Progress at year end 2007/8
Build high level of stakeholder relations and effective communication and branding	<ul style="list-style-type: none"> Ensuring ongoing communication with our stakeholders including through holding regular stakeholder forums, sector based forums with relevant ward committees representatives, and the development and maintenance of a stakeholder database; Ensure the branding of Sedibeng District Council as part of the branding of Sedibeng; Development and implementation of a marketing strategy to attract investors and tourists; Develop and implement a number of key communication vehicles to the public including izimbizo, council meetings, taking council meetings to communities, newsletters, use of media adverts, etc.; Co-ordinate a district communication forum and strategy which includes ensuring that councilors are profiled on local radio; and Support the effective functioning of the Mayor's Investment Council and the establishment of a united business forum for the region. 	<ul style="list-style-type: none"> Stakeholder database has been updated. Stakeholder forums were convened around human rights month including with art and culture organizations, in preparation for youth month and also during the Xenophobia crisis. All events extensively branded. A Marketing and Branding Strategy was developed but not approved due to the emergence of the Vaal 21 initiative. Interviews and adverts in key publications District Communication Forum met regularly to share information. One meeting of Mayor's Investment Council was held. Extensive IDP stakeholder participation process including participation in meetings with locals, holding of specific meetings in Boipatong and Sharpeville focusing on heritage and precinct projects and stakeholder engagement with designated groups (women, youth, elderly) etc. Stakeholder summit held to launch 2010 strategy in August 2007 followed by establishment of four working groups including on tourism and accommodation, soccer development and safety and security. Meetings have been held regularly with these working groups. Stakeholder forum set up for Sharpeville precinct development which has met twice and one held for waterfront development.





Strategy	Key deliverables	Progress at year end 2007/8
<p>Promote high level of intergovernmental co-operation and co-ordination</p>	<ul style="list-style-type: none"> • <i>Build and support strong IGR structures</i> including a Mayors' Forum, Municipal Managers Forum, sectoral forums, the Broad Inter-sectoral Forum together with sector national and provincial departments and the Joint Mayoral Forum; • <i>Lead a process of improving the allocation of powers and functions</i> between spheres of government including between the district and local municipalities and engaging with other spheres of government in this regard; and • <i>Develop an International Relations Strategy</i> that can support the achievement of our strategic objectives; 	<ul style="list-style-type: none"> • GR Forums meetings were held according to an approved policy and protocol frameworks. • Information dissemination and resolution tracking mechanisms were put in place to ensure effective and efficient functioning of IGR structures. • Took active participation in discussions and even made written submission on Gauteng provincial government study on the allocation of powers and functions and metro system of governance. • Made a written submission on DPLG Policy Review process. • A delegation of Executive Mayors, some senior politicians and Municipal Managers had a successful international study tour that led to the development of Vaal 21 Initiative. This a initiative is between Sedibeng municipalities and neighbouring municipalities of Fezile Dabi municipalities in the northern Free State, and aims at focusing developments along the Vaal River in order to promote economic development, leisure and tourism and access to the river. • Established a district Speakers Forum, chaired by the Speaker of the district. Participate in the Gauteng Speakers Forum chaired by the speaker in the Legislature.
<p>Ensure public participation</p>	<ul style="list-style-type: none"> • <i>Strengthening ward committees and Ward sectoral forums</i> through providing resources for training to local municipalities; • <i>Building the capacity of councillors</i> to be effective public representatives; • <i>Implementing and co-coordinating a petition management system</i> to effectively deal with petitions from members of the public; • <i>Holding public meetings and putting documents into public domain</i> as required in terms of the Municipal Systems Act and Municipal Finance Management Act; and • <i>Arranging izimbizo and dialogues</i> with designated groups including women, youth, the elderly, people with disability, etc. 	<ul style="list-style-type: none"> • In the process of finalizing a Capacity Building Framework for councillors, ward committees and stakeholders. • Consulted with Vaal University of Technology (VUT) on skills development for councillors. • Three (3) women councillors attended mentorship training programme sponsored by the province • Council has a petition management policy and petition management committee in place. • The Sedibeng District municipality received three (3) petitions for the 2007/8 financial year. • Put the draft IDP and Budget (2008/9) at local libraries and public places. • Had stakeholder meetings with designated groups such as elderly, people with disabilities, youth and women. • Providing administrative and logistical support for Womens Dialogues as well as the Sedibeng Disability Forum (SEDIFO)
<p>Mainstreaming of issues relating to designated groups</p>	<ul style="list-style-type: none"> • All our programmes are evaluated as to whether they promote the rights and empowerment of these groups and correction action taken if necessary; • Indicators are developed which specifically measure our programmes in terms of their impact on these groups; and • Develop the capacity and understanding of officials on how to mainstream. 	<ul style="list-style-type: none"> • Held a Take a Disability to work campaign. • Participated in a Take Girl Child to work campaign. • Mainstreaming chapter of IDP concluded. • Mainstreaming committee established to ensure IDP deliverables are mainstreamed.



Chapter 4



Annual Report 2007/8

Sedibeng District Municipality





Chapter 4

4. Financial Statements for the Year ended 30 June 2008

4.1 Overview of Financial Statements

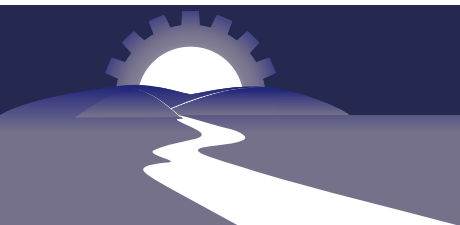
In order to be compliant and in accordance with the MFMA Section 126 (1) (a), our financial statements was prepared and submitted to the Auditor General within the two months after the end of the financial year. Council met the deadline and the financial statements were presented to the Auditor General on the 31 August 2008.

The Minister of Finance, as advertised in the Government Gazette 30013 of 29 June 2007, exempted municipalities to be fully compliant with certain sections of the GAMAP/GRAP implementation, of which Council has taken advantage of and ensured compliance.

Section 122 of the Act deals with the preparation of financial statements, and provides that every municipality and every municipal entity must, for each financial year, prepare annual financial statements which fairly present the state of affairs of the municipality or entity, its performance against its budget, its management of revenues, expenses, assets and its financial results, and its financial position as at the end of the financial year, and which to disclose the information required in terms of Sections 123, 124 and 125.

The financial statements are presented in terms of the GRAP/GAMAP requirements, which are in line with the current approach in the private sector. The financial statements have six components, namely:

- The statement of financial position, previously known as the balance sheet;
- The statement of financial performance, previously known as the income statement;
- The statement of changes in net assets, previously in part the appropriation account section of the income statement;
- The cash flow statement;
- The notes; and
- The appendices.





The overview of our Financial Statements are analyzed and categorized as follows:

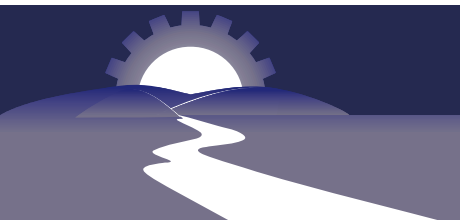
a) Summary of Financial Position Results

The overall financial position of the Sedibeng District Municipality increased by R52,1 million (29%) on Assets and Liabilities. This relates to the following highlights identified:

- Net Assets increased by R59,7 million (50%) as a result of the operating surplus from the statement of financial performance which had a direct impact on the accumulated surplus carried forward.
- Long term liabilities decreased by R328 606.00 (85%) as a result of the loan with ABSA Bank being redeemed in the previous financial year. The lease liability being capitalized.
- Current liabilities decreased by R7,26 million (12%) as a result of unspent conditional grants being utilized during the year specifically with the Top 20 Capital Projects where the projects is near completion.
- Non-current assets increased by R1,1 million (2%) as a result of additional fixed assets proceeds during the financial period.
- Current assets increased by R51 million (41%) as a result of:
 - Debtors increased due to the Department of Health and the Department of Transport not effecting payments due to Sedibeng within the prescribed time.
 - Deferred capital cost has increased as a result of capital projects due on behalf of the Locals but not yet completed.
 - VAT receivable has increased due to the payment from South African Revenue Service (SARS) claimed only received in August 2008.

b) Operational Review (Statement of financial performance)

- Revenue has increased with R44,3 million (19%) in comparison with the previous financial year as a result of an increase in grant subsidies utilized during the year while unspent money were optimally invested which had an impact on interest receivable.
- Expenditure has increased with R35.1 million (19%) which at the end still resulted in an operating surplus of R61,9 million for the year ended. The surplus can be attributed towards the improvement of financial discipline and internal control systems undertaken by the Municipality.



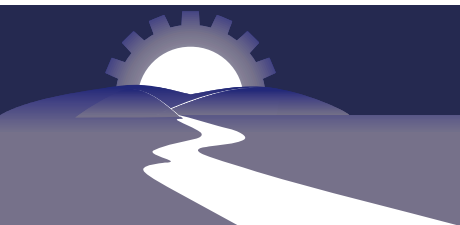


SEDIBENG DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2008

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 26, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 13 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

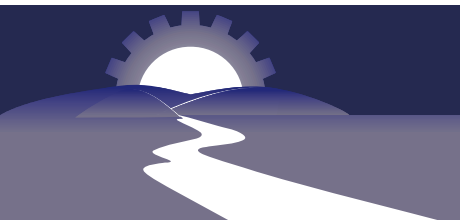
Ms. L SEFTEL
Municipal Manager
10 November 2008





SEDIBENG DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		178,265,607	118,534,901
Government grant reserve		20,589,053	21,841,128
Accumulated Surplus/(Deficit)	18	157,676,554	96,693,773
Non-current liabilities		59,754	388,360
Long-term liabilities	1	59,754	388,360
Current liabilities		52,716,264	59,980,457
Provisions	2	9,433,101	7,989,323
Creditors	2	22,798,238	17,411,464
Unspent conditional grants and receipts	3	20,153,769	34,287,656
VAT	4	0	0
Current portion of long-term liabilities	1	331,156	292,014
Total Net Assets and Liabilities		231,041,625	178,903,718
ASSETS			
Non-current assets		56,754,851	55,654,033
Property, plant and equipment	5	56,710,652	55,607,376
Long-term receivables	6	44,199	46,657
Current assets		174,286,774	123,249,685
Other debtors	7	29,569,932	16,908,793
Deferred capital cost	31	25,586,584	12,887,047
VAT	4	2,006,834	1,138,955
Current portion of long-term debtors	6	0	0
Call investment deposits	8	102,513,492	73,286,287
Bank balances and cash	9	14,609,932	19,028,603
Total Assets		231,041,625	178,903,718





SEDIBENG DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2008

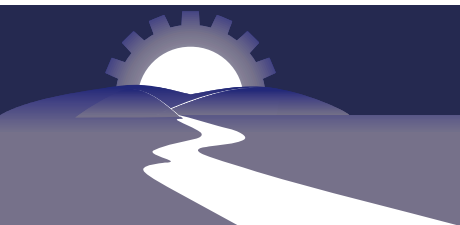
Budget		Note	Actual	
2007 R	2008 R		2008 R	2007 R
REVENUE				
4,400,000	0		0	0
9,800,000	0		0	0
5,414,000	5,770,150		7,556,373	6,306,145
6,000,000	6,384,000		14,788,596	10,423,351
230,000	70,000		140,824	351,296
32,280,593	34,500,000		36,602,220	34,105,779
2,664,653	3,358,702		3,652,677	2,703,653
178,211,652	212,262,997	10	219,292,589	183,533,392
3,169,236	1,457,000	11	1,249,024	1,510,466
				0
				0
242,170,134	263,802,849		283,282,303	238,934,082
EXPENDITURE				
108,112,970	119,446,907	12	120,577,686	101,115,727
5,888,359	6,427,335	13	6,875,035	5,902,959
500,000	450,000		352,563	1,767,513
1,900,000	1,900,000		2,008,489	1,915,113
4,441,080	5,980,460		5,483,078	5,645,479
6,226,837	4,343,671		2,623,603	3,767,017
6,300,569	54,495	14	68,335	6,038,484
11,323,208	17,385,263		10,929,406	10,031,552
8,266,126	9,713,133		8,323,646	7,317,162
12,574,202	20,000,000	15	19,001,178	7,783,935
43,646,395	65,918,894	16	45,092,338	34,950,158
209,179,746	251,620,158		221,335,357	186,235,099
32,990,388	12,182,691		61,946,946	52,698,983
0	0		0	
32,990,388	12,182,691		61,946,946	52,698,983
SURPLUS/(DEFICIT) FOR THE YEAR				
No segmental statement of financial performance has been prepared				
Refer to Appendix E(1) for explanation of variances				



SEDIBENG DISTRICT MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

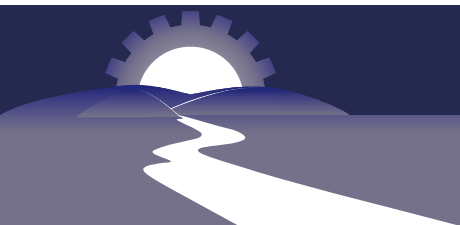
	Pre-GAMAP Old Reserves and Funds	Government Grant Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R
2007				
Balance at 1 July 2007		0	40,000,555	40,000,555
Balance at 1 July 2007	0	0	40,000,555	40,000,555
Surplus/(deficit) for the year			52,698,983	52,698,983
Creditors commitments restated (note 17)			3,994,235	3,994,235
Balance at 30 June 2007	0	0	96,693,773	96,693,773
Implementation of GAMAP		21,841,128		21,841,128
Restated balance	0	21,841,128	96,693,773	118,534,901
Surplus/(deficit) for the year			61,946,946	61,946,946
Transfer to CRR				0
Property, plant and equipment purchased				0
Capital grants used to purchase PPE		29,897		29,897
Adjustments (See note 188)			-964,165	-964,165
Asset disposals		-21,143		-21,143
Offsetting of depreciation		-1,260,829		-1,260,829
Balance at 30 JUNE 2008	0	20,589,053	157,676,554	178,265,607





CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from/(utilised in) operations	20	18,129,570	71,023,727
Interest received		14,929,420	10,774,647
Interest paid		-68,335	-6,038,484
NET CASH FROM OPERATING ACTIVITIES		32,990,655	75,759,890
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-7,892,657	-8,983,319
Proceeds on disposal of property, plant and equipment		0	0
(Increase)/decrease in non-current receivables		0	0
NET CASH FROM INVESTING ACTIVITIES		-7,892,657	-8,983,319
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		0	0
(Decrease)/ Increase in long-term loans		-328,606	-40,201,274
(Decrease)/ Increase in short-term loans		39,142	-3,482,141
NET CASH FROM FINANCING ACTIVITIES		-289,464	-43,683,415
NET DECREASE (INCREASE) IN CASH AND CASH EQUIVALENTS		24,808,534	23,093,156
Cash and cash equivalents at the beginning of the year		92,314,890	69,221,734
Cash and cash equivalents at the end of the year	21	117,123,424	92,314,890





1. SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognized Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

These standards are summarized as follows:

GRAP 1	Presentation of financial statements
GRAP 2	Cash flow statements
GRAP 3	Accounting policies, changes in accounting estimates and errors
GAMAP 4	Effects of changes in foreign exchange rates
GAMAP 7	Accounting for investments in associates
GAMAP 8	Financial reporting of interests in joint ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, plant and equipment
GAMAP 19	Provisions, contingent liabilities and contingent assets

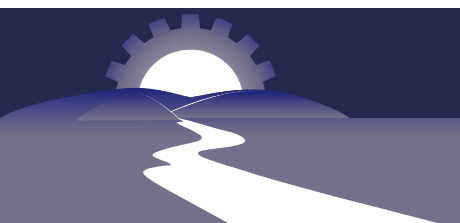
Accounting policies for material transactions, events or conditions not covered by the above GRAP and or GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the policies to the annual financial statements.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

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

GAMAP, GRAP and GAAP standards are fundamentally different to the fund accounting policies adopted in previous financial years. Comparative amounts have been restated retrospectively to the extent possible. The effect of the change in accounting policy arising from the implementation of GAMAP, GRAP and GAAP is set out in Note 18 & 19





1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4 RESERVES

1.4.1 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit). The balance on Government Grant Reserve equals the carrying value of the items of properties, plant and equipment funded from government grants.

When an item of PPE financed from government grants is disposed, the balance in the GGR relating to such items is transferred to the accumulated surplus/(deficit).

1.4.2 Donations and Public Contributions Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions. The balance on the Donations and Public Contributions Reserve equals the carrying value of the item of property, plant and equipment funded from donations and public contributions.

When items of property, plant and equipment financed from public contributions and donations, the balance relating to such item is transferred to the accumulated surplus/(deficit).

1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, is stated at cost, less accumulated depreciation. Land is not depreciated as it is deemed to have an indefinite life.

Land and buildings were recognized as items of property, plant and equipment.

Accounting Policy for the 2006/07 and 2007/08 financial year:

In terms of the exemptions granted by the Minister of Finance no review of useful life of items of PPE or the depreciation method applied to PPE was done as is required by GAMAP 17. No impairment testing was done for non-cash-generating assets as well as cash-generating assets due to the application of an exemption of IAS 36/AC 128 granted in Gazette 30013.

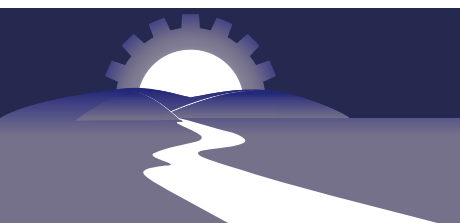
The municipality is exempt from IAS 40 (AC 135) as it has not recognized any property as investment property but as property, plant and equipment in terms of GAMAP 17. It only recognizes its property as investment property when it is certain that it meets the definition of investment property.

Subsequent expenditure is capitalized when the recognition and measurement criteria of an asset are met.

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:-

Other

Buildings	30
Motor vehicles	5
Office equipment/computers	3-7
Furniture and fittings	3-10





The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognized in the Statement of Financial Performance.

1.6 INVESTMENTS

Financial instruments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are stated at cost.

Accounting policy for 2006/07 and 2007/08 financial year:

The municipality does not test for impairment of assets as it is exempted from IAS 36 (AC128) in entirety.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

1.7 ACCOUNTS RECEIVABLE

Accounts receivable are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

1.8 TRADE CREDITORS

Trade creditors are stated at their nominal value.

1.9 REVENUE RECOGNITION

9.1 Revenue from Exchange Transactions

Interest and rentals are recognized on a time proportion basis.

9.2 Revenue from non-exchange transactions

Revenue from Regional Services Levies, both those based on turnover as well as those based on remuneration, is recognised on receipt basis against the appropriation account.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognized when payment is received.

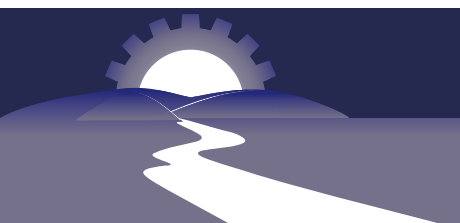
Donations are recognized on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Contributed property, plant and equipment is recognized when such items are brought into use.

Revenue from the recovery of unauthorized, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognized when the recovery thereof is virtually certain.

1.10 CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognized as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognized.





1.11 PROVISIONS

Provisions are recognized when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate.

1.12 CASH AND CASH EQUIVALENTS

Cash is cash on hand and cash with banks. Cash equivalents are all short-term liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, investments in financial instruments and net of bank overdraft.

1.13 UNAUTHORISED EXPENDITURE

Unauthorized expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorized expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.14 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorized expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.15 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.16 COMPARATIVE INFORMATION

1.16.1 Current year comparatives:

Budgeted amounts have been included in the annual financial statements for the current year only.

1.16.2 Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

1.17 LEASES

Accounting policy for 2006/07 and 2007/08 financial year:

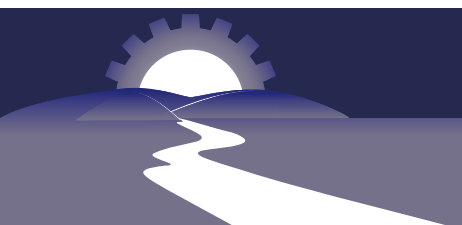
Exempted from recognizing operating lease payments on a straight-line basis if the amounts are recognized on the basis of the cash flows in the lease agreement (IAS 17 (AC 105))

1.18 RETIREMENT BENEFITS

The Municipality provides retirement benefits for its employees and councillors.

Contributions to defined contribution retirement plans are recognised as an expense when employees and councillors have rendered the employed service or served office entitling them to the contribution.

The municipality has been exempted in terms of the government gazette from recognising actuarial assets and liabilities.





1.19.EXEMPTIONS

1.19.1 Full Advantage

The municipality had taken full advantage of all the exemptions by the Minister of Finance in Government Gazette 30013 of 29 June 2007. These exemptions are for the 2006/07 and 2007/08 financial years.

1.19.2 Adjustment for full compliance

By complying fully with the standards that are now exempted and of which full advantage has been taken will result in changes in the following:

1.19.2.1 Statement of Financial Performance:

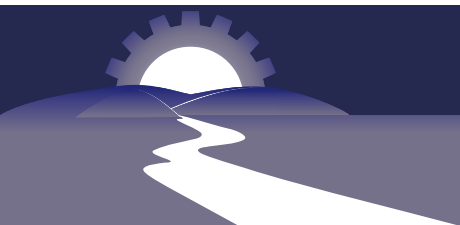
- Impairment loss/gain
- Changes in fair value of assets
- Adjustment expenditure for intangible assets

1.19.2.2 Statement of Financial Position:

- Property, plant and equipment adjusted for impairment
- Property, plant and equipment adjusted for intangible assets
- Recognizing of intangible assets

1.20 DEFERRED CAPITAL CHARGES

Deferred capital charges are capital assets done on behalf of the Local Municipalities. These projects are only handed over after full completion of the project and therefore all those uncompleted capital projects will be shown as deferred capital charges until date of transfer





APPENDIX B

SEDIBENG DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Land and Buildings										
Land and Buildings	28,768,112				28,768,112	3,888,409	973,694	0	4,862,103	23,906,009
Buildings	0				0	0	0	0	0	0
	28,768,112	0	0	0	28,768,112	3,888,409	973,694	0	4,862,103	23,906,009
Infrastructure										
Water	3,773,085				3,773,085	380,144	189,171		569,315	3,203,770
Runways	846,850				846,850	109,721	42,459		152,180	694,670
Fencing	7,813,275	21,518			7,834,793	1,871,949	1,433,377		3,305,326	4,529,467
	12,433,210	21,518	0	0	12,454,728	2,361,814	1,665,007	0	4,026,821	8,427,907
Community Assets										
Cemetries, Theatres and Community centres	11,402,532				11,402,532	678,910	381,126		1,060,036	10,342,496
					0				0	0
	11,402,532	0	0	0	11,402,532	678,910	381,126	0	1,060,036	10,342,496
Heritage Assets										
Paintings	1,876	0	0	0	1,876	0	0	0	0	1,876
	1,876	0	0	0	1,876	0	0	0	0	1,876
Other Assets										
Furniture and office equipment	4,602,224	949,411		-39,511	5,512,124	2,980,878	365,925	-36,076	3,310,727	2,201,397
Plant and Equipment	5,630,447	157,910		-1,843	5,786,514	4,353,015	462,888	-1,843	4,814,060	972,454
Computer equipment and appliances	9,776,614	1,833,736		-507,571	11,102,779	4,970,310	2,033,923	-465,532	6,538,701	4,564,078
Vehicles and Trailers	4,188,243	4,930,082		-100,000	9,018,325	2,352,533	831,056	-100,000	3,083,589	5,934,736
Aircrafts	384,211				384,211	27,719	25,684		53,403	330,808
Watercraft	68,880				68,880	35,385	4,604		39,989	28,891
Medical Equipment	1,500				1,500	1,500			1,500	0
	24,652,119	7,871,139	0	-648,925	31,874,333	14,721,340	3,724,080	-603,451	17,841,969	14,032,364
Total	77,257,849	7,892,657	0	-648,925	84,501,581	21,650,473	6,743,907	-603,451	27,790,929	56,710,652





APPENDIX E(1)
SEDIBENG DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2008

	2008 Actual (R)	2008 Budget (R)	2008 Variance (R)	2008 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Rental of facilities and equipment	7,556,373	5,770,150	1,786,223	31%	Income higher than anticipated due to increase in Fresh Produce Market sales
Interest earned - external investments	14,788,596	6,384,000	8,404,596	132%	Additional income due to interest increases and equitable share allocations received in advance.
Interest earned - outstanding debtors	140,824	70,000	70,824	101%	Credit collection on RSC levies increased which result in old declarations being made while interest has been calculated on those levies.
Licenses and permits	36,602,220	34,500,000	2,102,220	6%	
Income for agency services	3,652,677	3,358,702	293,975	9%	
Government grants and subsidies	219,292,589	212,262,997	7,029,592	3%	
Other income	1,249,024	1,457,000	-207,976	-14%	IT services rendered to Midvaal Local Municipality higher than anticipated as a result of salary claims based on actual expenditure
Total Revenue	283,282,303	263,802,849	19,479,454	7%	
EXPENDITURE					
Employee related costs	120,577,686	119,446,907	1,130,779	1%	
Remuneration of Councillors	6,875,035	6,427,335	447,700	7%	
Bad debts	352,563	450,000	-97,437	-22%	RSC levies possible recovery rate has decreased which implies that we made a provision for the write off in total.
Contribution to leave days	2,008,489	1,900,000	108,489	6%	
Depreciation	5,483,078	5,980,460	-497,382	-8%	
Repairs and maintenance	2,623,603	4,343,671	-1,720,068	-40%	Anticipated repair and maintenance programmes not completed as a result of a new Facility unit being created during restructuring process
Interest on external borrowings	68,335	54,495	13,840	25%	Increase in interest rates had an impact on interest payable
Contracted services	10,929,406	17,385,263	-6,455,857	-37%	Contracted services lower than anticipated as a result of identified programmes being performed inhouse and/or postponed
Local Municipal agency services	8,323,646	9,713,133	-1,389,487	-14%	Vacancies within Municipal health services created less expenditure to be paid to locals on claims submitted
Grants and subsidies paid	19,001,178	20,000,000	-998,822	-5%	Grants paid to Local Municipalities is lower than budgeted as a result of projects not yet finalized in this financial year
General expenses - other	45,092,338	65,918,894	-20,826,556	-32%	Under spending as a result of programmes not being finalized according to SDBIP which had an impact on the alignment of the budget
Loss on disposal of property, plant and equipment		0	0	0%	
Total Expenditure	221,335,357	251,620,158	-30,284,801	-12%	
NET SURPLUS/(DEFICIT) FOR THE YEAR	61,946,946	12,182,691	49,764,255	408%	





APPENDIX F
SEDIBENG DISTRICT MUNICIPALITY
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grants and Subsidies received

Name of Grants	Name of organ of state or municipal entity	Total Receipts for the Year	Total Expenditure for the Year	Delay \ withheld	Gazette amount Municipal year	Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		Total	Total	Total	Total			
Equitable Share	DPLG	161,814,997	161,814,997	0	161,814,997	None	Not Applicable	None
Emergency Medical Services Grant	Dept of Health	27,836,234	27,836,234		27,748,000		Not Applicable	None
Youth Centre Grant	Provincial	480,000	480,000		600,000		Not Applicable	None
FM Grant	National Treasury	500,000	200,071	0	0	None	Yes	None
<i>MIG grant</i>	DPLG	0	1,328,277	0		None	Yes	None
DLG grant	DPLG	10,000,000	19,011,493	0	10,000,000	None	Yes	None
<i>MSP grant</i>	DPLG	0	0	0		None	Yes	None
Incentive Grant	DPLG	0	0	0	0	None	Yes	None
HIV & AIDS grant	Provincial	1,750,000	2,193,445	0	1,750,000	None	Yes	None
Sports, recreation, arts and culture	Provincial	0	144,962	0	0	None	Yes	None
Department of Housing	Provincial	428,647	254,510	0	0	None	Yes	None
Local Economic Development Grant	Dept of Health	300,000	87,719	0	0	None	Yes	None
Dwarf	DWARF	0	0	0	0	None	Yes	None
Health Subsidy	Dept of Health	0	2,367,660	0	0	None	Yes	None
IDP Grant	National Treasury	0	330,087	0	0	None	Yes	None
Municipal Systems Improvement Grant	DPLG	1,000,000	389,571	0	1,000,000	None	Yes	None
Roads Infrastructure	Dept. of Transport	0	1,134,418	2,416,346	0	None	Yes	None
Lotto Sport	Sundries	0	0	0	0	None	Yes	None
CCTV Project	Emfuleni LM	0	1,719,145					
		204,109,878	219,292,588	2,416,346	202,912,997			

Equitable Share, Emergency medical services grant and Youth centre grant shown as expended in order that total grant expenditure recognised as revenue balance with Note 10





AUDITOR-GENERAL

Ms L Seftel
Municipal Manager
Sedibeng District Municipality
P O Box 471
Vereeniging
1930

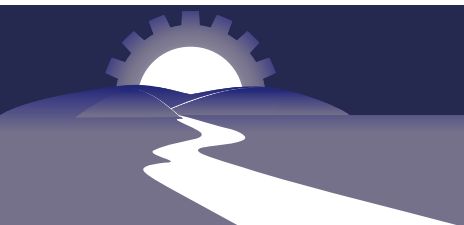
30 November 2008

Reference: TS 98 19611/2

Dear Ms Seftel

Report of the Auditor-General on the financial statements and performance information of Sedibeng District Municipality for the year ended 30 June 2008

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act, 2004 (Act No. 25 of 2004 read in conjunction with section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 121(3) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003)(MFMA).
2. In terms of section 121(3) and 127(2) of the MFMA, municipalities have to include the audit report in the municipality's annual report for tabling within seven months after the end of the financial year. **This report must also please be referred to the Municipal Standing Committee on Public Accounts**
3. Until tabled as required by section 127(2) the report is **not a public document** and should therefore be treated as **confidential**.
4. As your municipality will be responsible for publishing the attached audit report as part of the annual report, you are required to do the following:
 - Submit the final printer's proof of the annual report (which includes the audit report) to the relevant audit manager of the Auditor-General for verification of the audit-related references before it is printed or copied. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
 - The signature at the end of the hard copy of the audit report should be scanned in when preparing to print the report. The signature Auditor-General in the handwriting of the auditor authorised to sign the audit report, as well as the place and date of signing and the logo should also appear at the end of the report, as in the hard copy that is provided to you. The official logo and the authorised signature will be made available to you in electronic format if required.
5. Ten (10) copies of the report must be submitted immediately after printing to the following address:





Auditor-General
Att: Parliamentary Manager
61 Central Street
Houghton

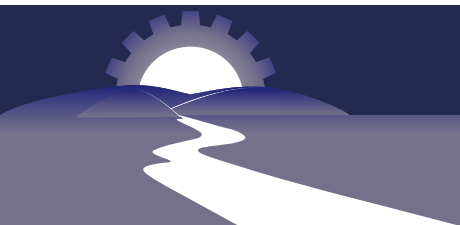
6. Please notify the Provincial Auditor-General (Business Executive) well in advance of the date on which the audit report, or the annual report containing this audit report, will be tabled.
7. Your cooperation to ensure that all these requirements are met would be much appreciated.
8. Kindly acknowledge receipt of this letter.

Yours sincerely

A handwritten signature in black ink, appearing to be 'V. Msibi', written over a white background.

Vusi Msibi
Operations Leader: Gauteng

Enquiries: Ockie Ludick
Telephone: (011) 703-7638
Fax: (011) 703-7699
Email: ockiel@agsa.co.za





REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF SEDIBENG DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

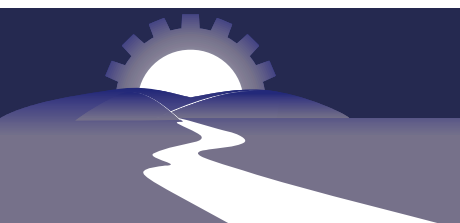
1. I have audited the accompanying financial statements of the Sedibeng District Municipality which comprise the statement of financial position as at 30 June 2008, statement of financial performance and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages [xx] to [xx].

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury as set out in note 1 to the financial statements and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and general notice 616 of 2008, issued in Government Gazette no. 31057 of May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.



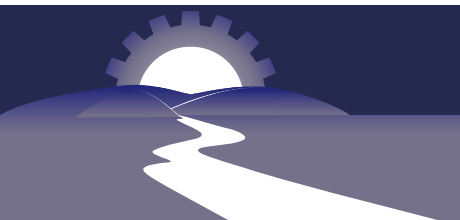


Matters of governance

13. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The municipality had an audit committee in operation throughout the financial year.	✓	
• The audit committee operates in accordance with approved written terms of reference.	✓	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.	✓	
Internal audit		
• The municipality had an internal audit function in operation throughout the financial year.	✓	
• The internal audit function operates in terms of an approved internal audit plan.	✓	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.	✓	
Other matters of governance		
• The annual financial statements were submitted for audit as per the legislated deadlines (section 126 of the MFMA).	✓	
• The annual report was submitted to the auditor for consideration prior to the date of the auditor's report.		✓
• The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		✓
• No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	✓	
• The prior year's external audit recommendations have been substantially implemented.	✓	
Implementation of Standards of Generally Recognised Accounting Practice (GRAP)		
• The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007.4	✓	
• The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP.4	✓	
• The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008.	✓	

22





6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.

7. Paragraph 11 et seq. of the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by Sedibeng District Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.

8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

9. The municipality's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements.

Opinion

10. In my opinion, the financial statements present fairly, in all material respects, the financial position of Sedibeng District Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements and in the manner required by the MFMA and DoRA.

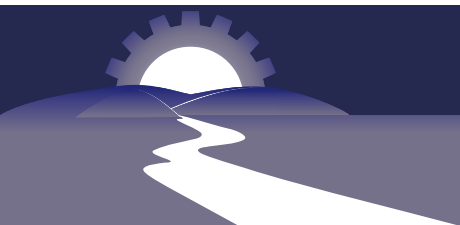
OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)

11. During the year under review the municipality did not have a fraud prevention plan and a risk implementation plan. This was in contravention of section 62(1)(c) of the Municipal Finance Management Act.
12. Irregular expenditure was incurred during the current and prior financial year. However, the reporting requirement in terms of section 32(4) of the Municipal Finance Management Act was not complied with.





Unaudited supplementary schedules

14. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

OTHER REPORTING RESPONSIBILITIES

REPORTING ON PERFORMANCE INFORMATION

15. I have audited the performance information as set out on pages xx to xx.

Responsibility of the accounting officer

16. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Responsibility of the Auditor-General

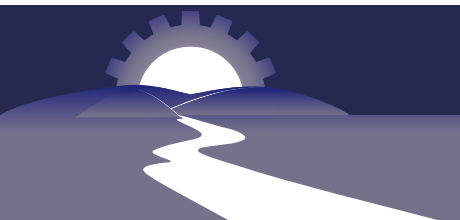
17. I conducted my engagement in accordance with section 13 of the PAA, read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and *section 45 of the MSA*.
18. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate audit evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
19. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

No reporting of performance information

20. The accounting officer did not submit the performance assessment report of the municipality to the National Treasury, and the Provincial Treasury as required in terms of MFMA section 72(1)(b).





Content of integrated development plan

21. While KPI's have been set for each of the seven IDP Key Priority Areas by the municipality, input indicators, output indicators and outcome indicators, in respect of each of the development priorities and objectives set out in the IDP have not been included as required in terms of the Municipal Planning and Performance Management Regulation, 2001, Regulation 9(1)(a).
22. The KPI's recorded in the IDP are not necessarily measurable and precise as required in terms of the Municipal Planning and Performance Management Regulation, 2001, Regulation 9(1) (b).

Existence and functioning of a performance audit committee

23. The performance audit committee did not review the Sedibeng District Municipality's performance management system and make recommendations in this regard to the council of the Sedibeng District Municipality.

Internal auditing of performance measurements

24. The internal audit processes and procedures did not include assessments of the functionality of the Sedibeng District Municipality's performance management system and whether the system complied with the requirements of the MSA.

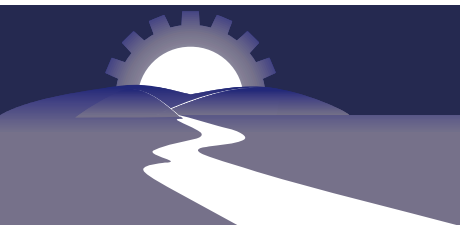
APPRECIATION

25. The assistance rendered by the staff of the Sedibeng District Municipality during the audit is sincerely appreciated.

Auditor-General

Johannesburg

30 November 2008





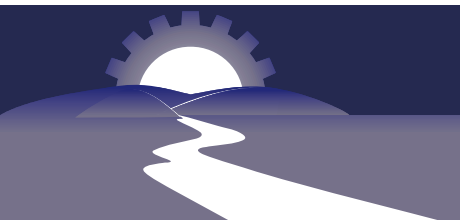
**ACTION PLAN FOR AUDITOR-GENERAL'S REPORT ON THE REGULARITY AUDIT AND
AUDIT OF PERFORMANCE INFORMATION**

PERFORMED AT SEDIBENG DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008

SUMMARY OF AUDIT FINDINGS AND ACTION PLANNED

AUDIT REPORT: OTHER MATTERS

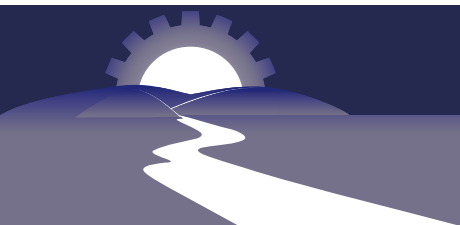
NO.	A G PAR NO.	FINDING	CLASSIFICATION	REPORTED IN PREVIOUS YEAR	CLUSTER AND DEPARTMENT	TARGET DATE
CONTROL ENVIRONMENT						
1	9	Fraud Considerations	Compliance	Yes	Municipal Manager's Office	30-Jun-09
2	29	No evaluation of Audit Committee by Council	Control	Yes	Municipal Manager's Office	30-Jun-09
3	10	No progress on risk implementation	Compliance	No	Municipal Manager's Office	30-Jun-09
4	4	Audit committee – No evaluation of audit committee by the council	Compliance	No	Municipal Manager's Office	30-Jun-09
EMPLOYEE COSTS						
5	30	No written policy on overtime	Control	No	Corporate Services - Human Resources	30-Jun-09
PERFORMANCE INFORMATION						
23	12	Key Indicators	Control	Yes	Planning & LED	30-Jun-09
24	13	Organogram for implementation of the IDP	Control	No	Corporate Services	30-Jun-09
25	14	Review of IDP by the performance audit committee	Control	No	Municipal Manager's Office	30-Jun-09





26	15	Assessment of the functionality of the PMS	Control	No	Municipal Manager's Office & Planning & LED	30-Jun-09
28	17	Community involvement and development, implementation and review of PMS	Control	Yes	Speakers Office	30-Jun-09
29	18	Output, & outcome indicators	Control	No	Planning & LED	30-Jun-09
30	19	KPI's: measurable, relevant & precise	Control	No	Planning & LED	30-Jun-09
31	20	General KPI's	Control	No	Planning & LED	30-Jun-09
32	21	Performance report of half yearly assessment to mayor, national treasury, and provincial treasuries	Control	No	Municipal Manager's Office & Planning & LED	30-Jun-09
33	22	Format and content of annual performance report	Control	No	Municipal Manager's Office & Planning & LED	30-Jun-09
34	23	Public disclosure of annual report and relevant procedures	Control	No	Municipal Manager's Office & Planning & LED	30-Jun-09
35	25	Completeness of processing of performance information	Control	No	Municipal Manager's Office & Planning & LED	30-Jun-09
36	26	Variances between planned and actual performance not explained in the annual performance report	Control	No	Municipal Manager's Office & Planning & LED	30-Jun-09
37	27	Roads infrastructure	Control	No	Transport, Infrastructure & Environment	30-Jun-09
38	28	Publishing of annual performance report in annual report	Control	No	Municipal Manager's Office	30-Jun-09

* All financial related matters of emphasis were complied with in accordance to the MFMA and appropriately substantiated to the Auditor- General.





4.5 Report of the Audit Committee for the year ended 30 June 2008

Due to the backlog of items to be dealt with by the Audit Committee, it can be reported that the Committee is currently in the process to complete its report for submission to the Executive Mayoral Committee and Council.

❖ Audit Committee Members and attendance:

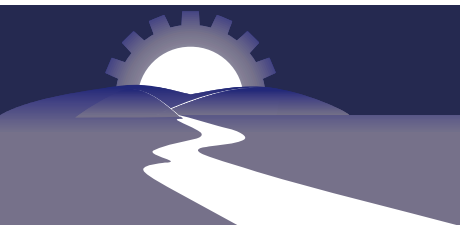
The Audit Committee however, consist of the members listed below and should meet at least 4 times per annum as per approved terms of reference, although additional special meetings may be called as the need arise:

Chairperson: MFX Mogodi
Member: M Moleleki
Member: Dr A Pittendrigh
Member: M P Phaswana
Member: M D Mazibuko

Other meetings with the Executive Mayor, Municipal Manager, Auditor-General and Internal Audit were held.

In conclusion the Audit Committee is committed in its responsibility to report on matters in compliance to its responsibilities arising from its terms of reference which includes relevant legislation but not limited to the reporting of the following aspects:

- Review and evaluation of the Annual Financial Statements
- Efficiency and effectiveness of internal control (Internal Audit function)
- Performance measurement of the municipality
- Risk Management
- Anti-Fraud and Corruption Matters which occurred in the municipality.





4.6 Disclosure concerning: Councillors and Executive Directors Remuneration for 2007/2008

	2008
REMUNERATION OF COUNCILLORS	R
Executive Mayor	541,572
Speaker	426,842
Councillors	5,320,378
Councillors' pension contribution	586,243
Total Councillors' Remuneration	6,875,035

30 JUNE 2008	Municipal Manager	All Executive Directors and Treasury (CFO)
	R	R
Annual Remuneration	891,984.72	488,851.92
Performance Bonuses	0	0
Car Allowance	-	102,000.00
Medical, pension fund and other allowances	44,599.20	124,358.04
Total	936,584	715,210

