

# **CHAPTER 02: ANALYSIS**



### INTRODUCTION:

In this section, an overview is provided on available information that helps us to analyze, interpret and understand the Sedibeng region.

The Sedibeng District Municipality developed IDP 2014/15 taking into account analysis relating to the region-wide issues, co-ordinate and align key development priorities with National, Provincial departments, the local municipalities as well as other private sector departments.

An analysis of the existing problems and challenges faced by the people of Sedibeng District Municipality was conducted. The Sedibeng district municipality did not make assumptions on what the problems are in its area.

The people affected were involved in determining the problems and priorities through IDP process undertaken during 2013/14 financial year.

### HISTORY OF SEDIBENG:

Sedibeng Region landscape reveals the stone circles marking settlements of people that lived in the area from the dawn of time. The area has moved on from its pre-historic roots to play a crucial part in shaping the South Africa we live in. While the landscape has been shaped by the Vaal River, our communities have been carved out of struggles for freedom. The long and bloody history of South Africa's journey through the Boer War, and the long years of apartheid, can all find their story right here in the heart of Sedibeng.

The Treaty of Vereeniging (commonly referred to as Peace of Vereeniging) was the peace treaty, signed on 31 May 1902, which ended the South African War between the South African Republic and the Republic of the Orange Free State, on the one side, and the British Empire on the other. This settlement provided for the end of hostilities and eventual self-government to the Transvaal (South African Republic) and the Orange Free State as colonies of the British Empire.

The Boer republics agreed to come under the sovereignty of the British Crown and the British government agreed on various details. None of this meant a great deal during the long, dark, oppressive years of apartheid that were to follow, and the brutal and violent fight to break down a tyranny of oppression and inhumanity.

The world will never forget what is now marked as our day of Human Rights in South Africa. On 21 March 1960, events were planned for many parts of the country, for people to protest against one of the unjust laws of apartheid. The Pass Law required all Africans living or working in and around towns to carry documents (known as passes) with them at all times. Failure to carry this document would lead to arrest by the police.

On this day people decided to go to police stations without their passes and to demand that they be arrested. The idea was that many people demand that they be arrested. The idea was that many people unjust laws would be exposed to the international world. It was hoped that this would lead to the draconian laws being scrapped. At Sharpeville in Sedibeng, thousands of unarmed people gathered at the police station demanding to be arrested.

They were met by 300 police officers who opened fire on the crowd. Sixty-nine people were killed and more than 180 others were injured in the Sharpeville Massacre. This event precipitated the banning of the ANC and PAC and the start of the armed struggle. Every year on the 21st March, the people of Sedibeng, the country, and the entire world bow their heads to observe the brutal killings of anti-pass laws and

apartheid protestors - making it one of the most historic political events which shook the world and changed the course of history in South Africa.



And so began decades of further oppression and restrictions of freedom that ultimately culminated in the dawning of democracy in 1994. But Sedibeng was to see some much darker days before that beacon of light came into sight. The early 1990s in South Africa, the period when negotiations were unfolding between the ruling National Party and the ANC, is marked as one of the most violent and turbulent times in our history to democracy. And Sedibeng saw some of the worst of it.

On 12 January, 1991, at the Nangalembe Night Vigil in Sebokeng, 39 mourners were viciously murdered and over forty were injured. Mourners were paying their final respects to their community leader, when a sudden invasion by a gang of armed men resulted in a hand grenade being set off and the aggressors began to shoot randomly into the crowd. The Nangalembe Night Vigil Massacre will go a long way into the books of our history as it heralded an undefined and unresolved period of brutal attacks against the Sebokeng community.

Just over a year later, Sedibeng was to mourn again. On the night of 17 June 1992, a heavily armed force of Inkatha members, secretly raided the Vaal township of Boipatong and killed 46 people. The Boipatong Massacre caused the African National Congress to walk out of CODESA, the initial formal negotiations to end apartheid, accusing the ruling National Party of complicity in the attacks. The massacre drew the attention of the United Nations Security Council, which passed Resolution 765 on July 16, 1992, urging a full investigation into the incident.

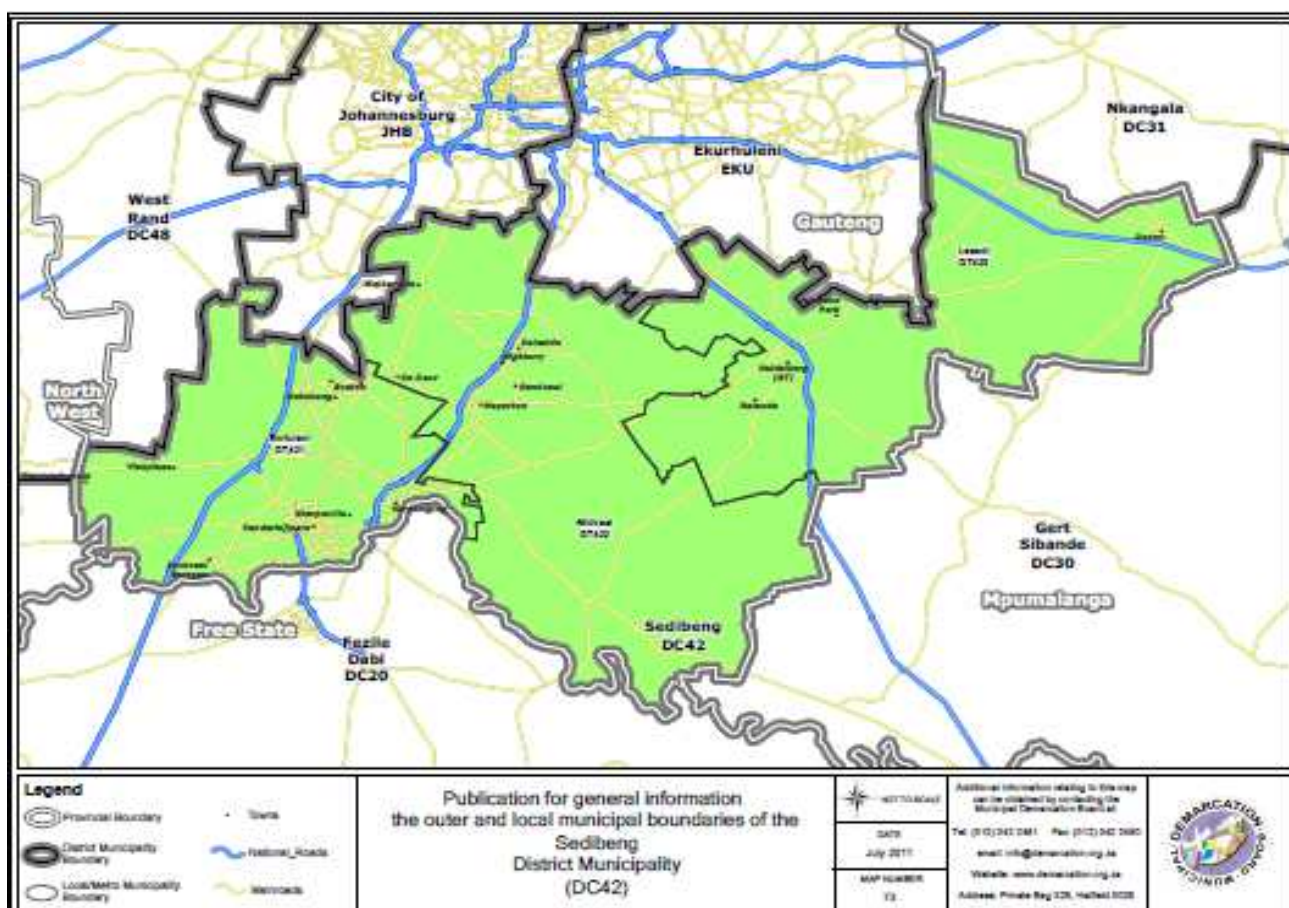
Sedibeng cannot bring back its fallen heroes, but it can celebrate them through its continued struggles to end poverty and bring about economic equality. From 1902, the region seemed to almost have come full circle, and appears to be a most fitting place for the Signing of South Africa's First Democratic Constitution in 1996. The 10th December 2011 marked the 15<sup>th</sup> Anniversary of the signing of the South African Constitution into law - by the then President of South Africa, Mr. Nelson Mandela, in Sharpeville.

The year 2014 will turn out to be a remarkable and amazing year in the history of South Africa and Sedibeng as a rainbow nation, we will be celebrating 20<sup>th</sup> Anniversary of Freedom and democracy since first democratic election held 24<sup>th</sup> April 1994, as the ruling party ANC will also be turning 102<sup>nd</sup> years since its inception and in pursuance of her selfless struggle to liberate South Africa and the African continent, making it a historic moment for all the people of South Africa. The Sedibeng District Municipality has embarked on a major drive to promote and develop the Tourism Industry in the region as a direct result of the decline in economic activity in the Steel and related sectors of the region. Special emphasis is on the development of township tourism.

### OUR AREA:

#### GEOGRAPHICAL CONTEXT OF THE REGION:

Sedibeng District Municipality (SDM) is category C municipality which covers the entire southern part of Gauteng Province and consists of three local municipalities: Emfuleni, Midvaal and Lesedi. Towns within these municipalities include Vereeniging, Vanderbijlpark, Meyerton and Heidelberg. Townships include Evaton, Sebokeng, Boipatong, Bophelong, Sharpeville and Ratanda. The eastern areas of the district are mainly agricultural or rural. The main urban areas are Vereeniging and Vanderbijlpark, as well as the Evaton / Sebokeng residential complex, are concentrated in the western part of the district, in Emfuleni. Smaller urban concentrations are found in Meyerton, in Midvaal, and in Heidelberg / Ratanda in Lesedi.



Source: Municipal Demarcation Board

The district is surrounded by the following municipalities;

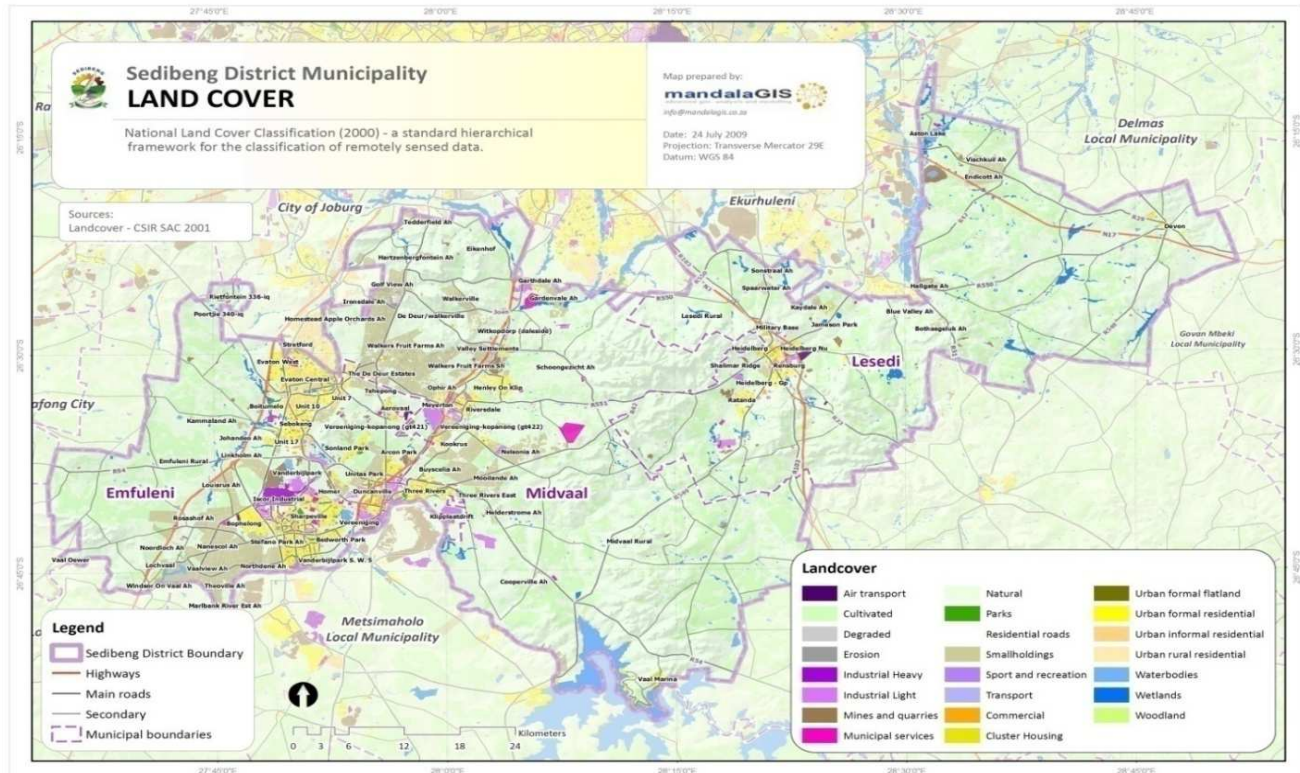
- City of Johannesburg to the North;
- Ekurhuleni (East Rand) to the North-East;
- Delmas Local Municipality to the East;
- Metsimaholo Local Municipality to the North of Free State
- Merafong City of North West





### SEDIBENG LAND COVER:

The total geographical area of the municipality is 4.185 square kilometer (km<sup>2</sup>) of the land cover of which Midvaal occupies almost half of the area of Sedibeng District, over 80% (1,728km<sup>2</sup>), followed by Lesedi at (1,489 km<sup>2</sup>) and Emfuleni at (968 km<sup>2</sup>).

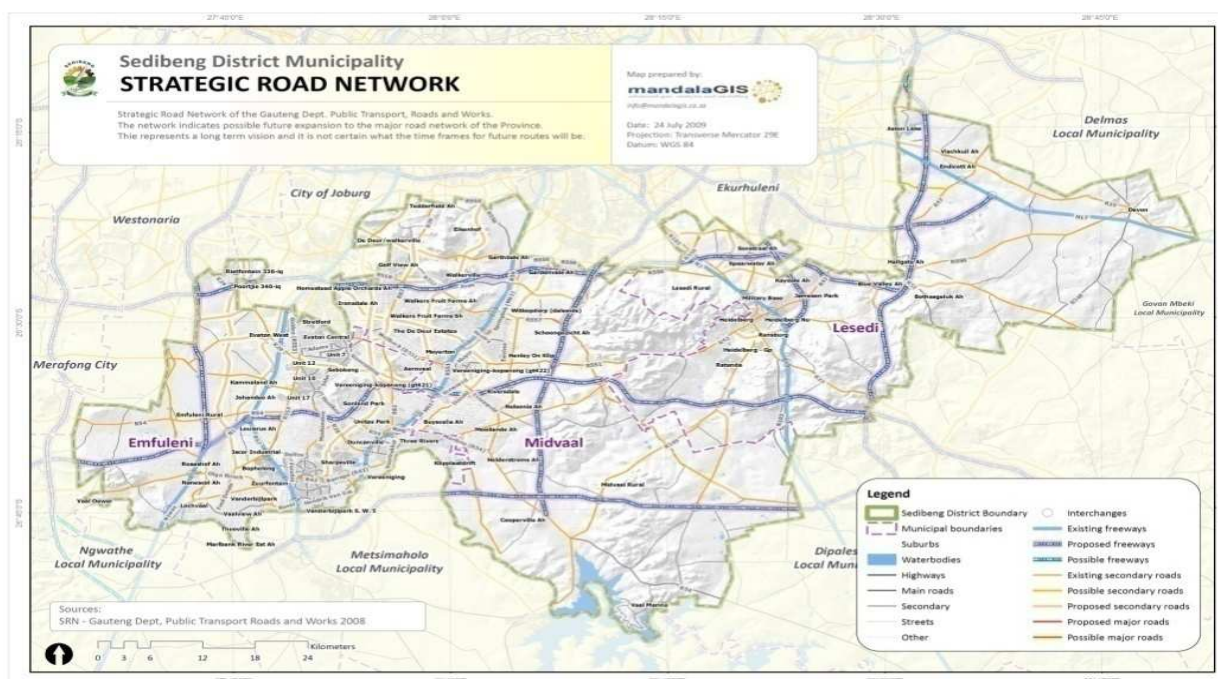


Source: SDM (Spatial Development Framework)

### STRATEGIC ROAD NETWORKS (DEVELOPMENT NODES):

The district has an extensive road network at both the national and regional level, including the N1 toll-road, the R59 in the West and the N3 in the Eastern section of the district, which traverse the district and connect with the Ekurhuleni and City of Johannesburg Metropolitan. All major routes are predominantly on a North - South and tend to converge on the City of Johannesburg.

Regional main roads operating on a district tend to radiate out from or converge on the commercial centres of Vereeniging and Heidelberg. The R42 provides the main East-West linkage across the district. The highest concentration of roads is situated in the West, in Emfuleni in accordance with the high population density, extensive residential areas, proximity to large services centre (for example, Vereeniging and Vanderbijlpark). It also provides connectivity to Johannesburg and the Free State Province (SDM, 2003a).



The following identified roads provide important linkages and should be optimized to link historically disadvantaged communities to areas of major employment. These include:

- **Provincial Route R29** – main East-West linkage running parallel to the N17 in the North-Eastern part of the study area, linking Devon/Impumelelo with Vischkuil/Endicott and further West with Springs in Ekurhuleni.
- **Provincial Route R42** – this is the main East-West linkage through the district, stretching from the N1 at Loch Vaal in the South-West through Vanderbijlpark, Vereeniging, Heidelberg, and Nigel to Vischkuil/Endicott in the North-Eastern part of the study area and onwards towards Delmas in Mpumalanga.
- **Provincial Route R59** – The main North-South linkage through the study area, linking Vereeniging/Vanderbijlpark with Meyerton and northwards towards Alberton in Ekurhuleni.
- **Provincial Route R82** – a secondary North-South link, linking Vereeniging with De Deur and Walkerville and Johannesburg towards the North.
- **Provincial Route R54** – the main link between Sebokeng, Vereeniging and Vaal Marina in the South.
- **Provincial Route R553** – [Golden Highway] – an important North-South link between Vanderbijlpark through Sebokeng/Evaton towards Johannesburg in the North.
- **R57 from the N1 Southwards** – towards Metsimaholo Local Municipality.
- **R28** linking North-West Province from the West with Vereeniging.

### ENVIRONMENTAL ANALYSIS:

Environmental quality has been an ongoing concern in the Sedibeng Region for a number of years. The Growth and Development Strategy through the pillar of “Reviving Our Environment” finally gives the region the means to comprehensively address this issue and ensure that its citizens live in an environment that supports a positive quality of life for them, their children and future generations. Sedibeng has identified awareness as a key intervention to assist communities to understand issues around the environment.

A number of programmes are implemented such as Bontle Ke Botho (Clean and Green programme) celebration of ad-hoc environmental calendar days. Lack of environmental skills in the region is addressed through the implementation of career exhibition programs which are supported by various stakeholders. The Environmental Division developed an **Environmental Programme of Action (EPoA)** as one of the outcomes of the regional environmental retreat that was held in June 2007. The aim of the EPoA is to provide strategic guidance for the environmental revival as envisaged in the Sedibeng Growth and Development Strategy.

The aim of the EPoA is to assist in ensuring a consistent approach across the municipalities and other key government stakeholders towards environmental management in the region. The EPoA identified three priority areas for intervention to address major environmental challenges namely: only 3 are mentioned i.e. water, waste and air quality.

### WATER POLLUTION:

Sedibeng is faced with serious water pollution challenges in river systems and water bodies, notably the Kliprivier and Blesbokspruit which are polluted from runoffs from industrial areas, townships and waste water treatment works. The Kliprivier is one of the most polluted rivers in the Sedibeng District as a result of mining and industrial activities in the upper catchments, outside the borders of the Sedibeng.

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The state of Sedibeng’s surface and ground water quality is influenced by activities within and beyond the boundaries of Sedibeng. External pressures, emanating from mining and industrial







activities on the West Rand (Roodepoort and Randfontein) and East Rand (Germiston, Boksburg, Brakpan and Springs), are major contributing factors to the current state of surface and ground water quality in Sedibeng.

The largest internal pressures are limited to the industrialised and urban areas in Emfuleni, including Meyerton, Vanderbijlpark and Vereeniging. Rural areas in Midvaal and Lesedi, where agricultural activities dominate, have a lesser, but nonetheless important, influence on the surface and ground water quality. Heidelberg and Devon, which are the main urban areas of Lesedi, also contribute to surface and groundwater deterioration through urban associated pollution.

The main pressures on the quality of surface and groundwater resources in the Sedibeng District are the following:

- Mining activities, including physical mining practices and mining effluent release from mineral extraction and mine dumps;
- Industrial activities;
- Water treatment works;
- Informal settlements, which usually lack services;
- Poorly serviced high-density residential settlements;
- High-density urban areas;
- Coal combustion on the Mpumalanga Highveld, which results in acid rain in the Sedibeng District;
- Water abstraction for urban and agricultural use;
- Flow reduction in streams and rivers as a result of dams and weirs; and
- Agricultural activities.

### WASTE:

Sedibeng's history with regards to waste management is not that different to the South African situation in general. The issue of waste as with most local, provincial and national departments has many facets including economical, physical, social and political. Waste management has traditionally taken place on an ad-hoc basis to meet the current needs, with very little foresight into the future needs of an ever-increasing population.

Identification of landfill sites has generally taken the form of unplanned site location with little or no thought of design to reduce potential impacts to the environment, neighbouring communities, etc. With the development of the minimum requirements by the Department of Water Affairs and Forestry (DWAF) for waste disposal by landfill the identification of landfill sites now take a much more pro-active approach in reducing further negative consequences related to an activity such as planning and design.

Local authorities in Sedibeng have indicated that they have neither sufficient funding nor adequate trained staff, to effectively plan and execute their waste management functions in a sustainable manner. Communities have also not been involved in the identification of the landfills, which has resulted in community resistance and/or limited support. The level of services varied by area and in particular the previously disadvantaged areas have been left without proper waste management services. In order for Sedibeng to address waste management it needs to address the following:





- Waste prevention;
- Waste minimization;
- Resource recovery;
- Treatment; and
- Safe disposal

### AIR QUALITY:

Air quality is affected by the climate, the landscape, natural and economic activities that take place in an area. There are different sources of Air pollution: emissions from industrial processes, domestic fuel burning, vehicle exhaust emissions and waste facilities.

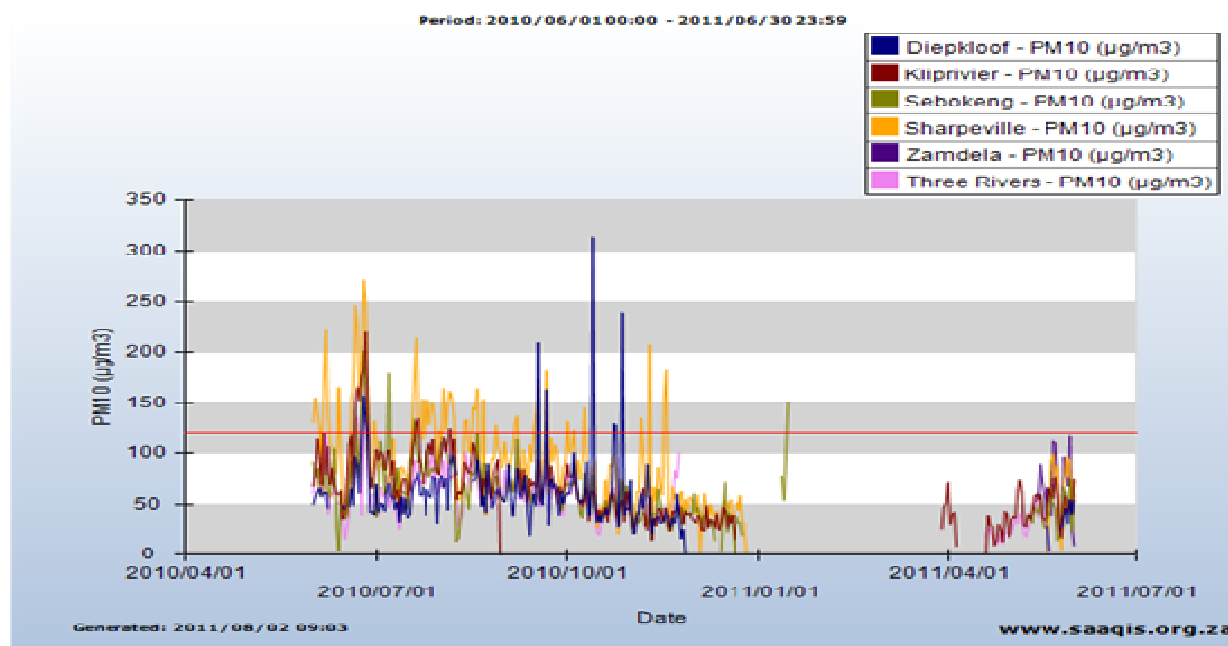
Sedibeng District Municipality is regarded as one of the most polluted municipality because of the level of industrialization in the areas within the Emfuleni Local Municipality and Midvaal Local Municipality. The Emfuleni Local Municipality and Midvaal Local Municipality have been declared to be part of the first national priority area the Vaal Air-shed Priority Area because of the elevated level of pollution within the area. Lesedi local Municipality is also included in the second declared priority area, that of the Highveld Priority Area which includes areas in Mpumalanga and Ekurhuleni. Particulate matter has been identified as a pollutant of concern within the region and the major contributors for particulate matter (PM10) is both industrial sources and domestic sources especially in winter.

#### a) Climate Change:

SDM needs to assess the vulnerability of the region towards effects of climate change. The assessment will inform adaption or mitigation measure which the district can implement. In an attempt to improve the quality of air in the region Sedibeng is participating fully in both priority area Air-shed implementation forum that seeks to ensure the implementation of projects that are identified in the priority area plans (Vaal Triangle Air-shed Priority Area and Highveld Priority Area Air Quality Management Plan).

The plans have been adopted by Sedibeng District Municipality as the region's Air Quality Management plan in order to inform the management of air quality within the region. The objectives of the priority area plans are the same as the district objectives that of achieving clean air for the residents of the region.

The graph below indicates the elevated levels of particulate matter as measured by ambient monitoring stations within the priority area. It is evident that most of the accidents are recorded in winter months which could be linked to domestic coal burning and temperature inversions over this period.



Source: [www.saaqis.org.za](http://www.saaqis.org.za)

Sedibeng District Municipality has as of the 1<sup>st</sup> April 2010 been delegated the function of an Atmospheric Emission licensing authority in terms of the Air Quality Act 39 of 2004. The licensing authority functions involves the licensing of listed industrial activities. The licensing of industrial activities is identified as an important function of the municipality towards regulating emissions and ensuring atmospheric emission control

The municipality is currently having a number of challenges with regard to availability of both human and financial resources to efficiently execute the function of air quality management. The lack of these minimum resources results in the district not being able to implement programmes that are directed at reducing air pollution within the region.

Despite the number of challenges to date the municipality has managed to issue a number of licenses to industries in the region. The licensing of industries has been identified as a critical mechanism of ensuring that industries are regulated and emissions improved. The focus is rather not on issuing licenses only, but together with the local municipalities and with the support from province compliance monitoring exercises are conducted in the region.

### b) Municipal Health Services

All citizens in the Sedibeng District require a safe and clean environment to work and live in. Analysis on the state of Municipal Health Services in the district highlighted the following aspects:

- Poor ambient air quality as a result of Industrial activities and the burning of fossil fuel at household level (Poor indoor air quality)
- Unhygienic production, storage and transport of fresh milk within the District. (The bulk of fresh milk for the Gauteng province is produced in the Sedibeng District)
- Non compliance of Funeral Undertakers with minimum environmental health standards.



- Poorly maintained sanitation facilities at some state owned premises (schools, public buildings and health institutions)
- Preparation, storage and transport of game meat specifically during winter months from May – September
- Hygienic standard of Informal foods specifically at pay out points for pensioners and other social grants
- Non compliance at Informal crèches with minimum environmental health standards
- Occasional Organo Phosphate poisoning in rural areas from time to time.
- Indiscriminate dumping of waste including hazardous waste.(None of the solid waste sites are licensed within the District)
- The illegal use of tobacco products within public buildings, facilities and in the workplace

**TOURISM:**

The Sedibeng region, with its diverse tourism offerings, embedded in rich cultural and natural heritage products, has the potential to grow into a major tourism destination.

Sedibeng district has been classified as an area with above average tourism potential.

The classification is based on the following:

- Natural Resources, Cultural Heritage Resources, Scenic Attractions, Close proximity to Johannesburg and major travelling routes, Proximity to markets and airports, Strong infrastructure, Inland water resources, Tertiary Education Facilities, Quality medical facilities.

**INTERNATIONAL TOURIST VISITING SEDIBENG:**

Sedibeng received a total of 134 276 international tourist in 2010. In 2011 the total number of international tourist visiting Sedibeng increased to 145 513 (Table below). Emfuleni was patronized by 74% of the total number of international tourism visiting Sedibeng and received a 7.78% year on year increase between 2010-2011.

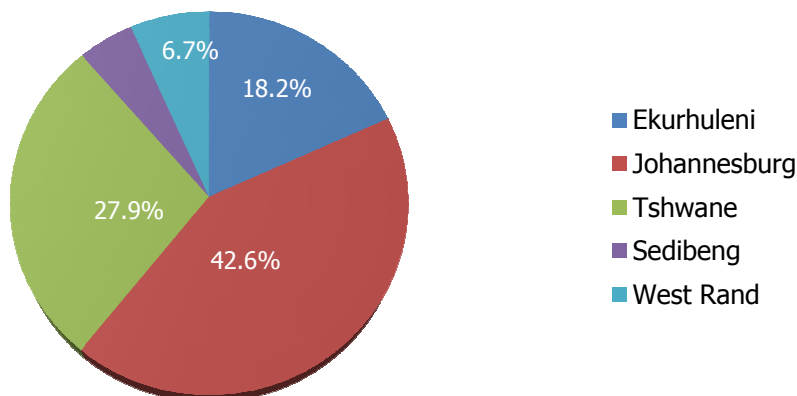
*Total number of International Tourist in Sedibeng:*

IHS Global Insight Regional eXplorer 646 (2.5h)		2010	2011	2012	% increase
Code		TSTOI10	TSTOI11	TSTO112	
DC42: Sedibeng District Municipality					
H421	Emfuleni Local Municipality (GT421)	99 653	107 967		7.70%
H422	Midvaal Local Municipality (GT422)	21 178	23 273		0.00%
H423	Lesedi Local Municipality (GT423)	13 440	14 273		5.80%
<b>Grand Total:</b>		<b>134 270</b>	<b>145 513</b>		<b>7.73%</b>

Source: Global Insight 2011

Sedibeng only receives 4.7% of international tourist visiting Gauteng as demonstrated by the graph below. West Rand receives 6.7% of Gauteng’s international tourist. A large portion of International Tourist spend the night in the City of Johannesburg and City of Tshwane which have a percentage of 42.6% and 27.9% respectively (*Source, Global Insight 2011.*

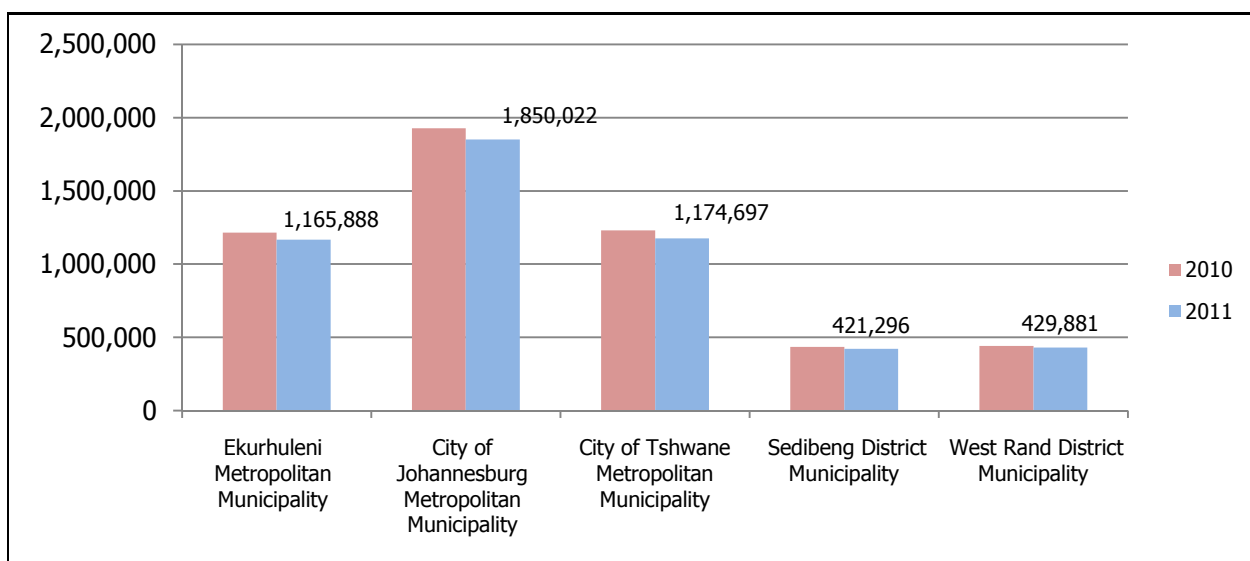
### Gauteng's regional share of arrivals



Source: Global Insight 2011

### DOMESTIC TOURIST:

Sedibeng still receives the least number of domestic tourist (421 296) when compared with the other regions in Gauteng, including West Rand District Municipality (429 881). As is the case with international tourist, City of Johannesburg receives the highest number of domestic tourist as demonstrated by the table below (Source, Global Insight 2011).

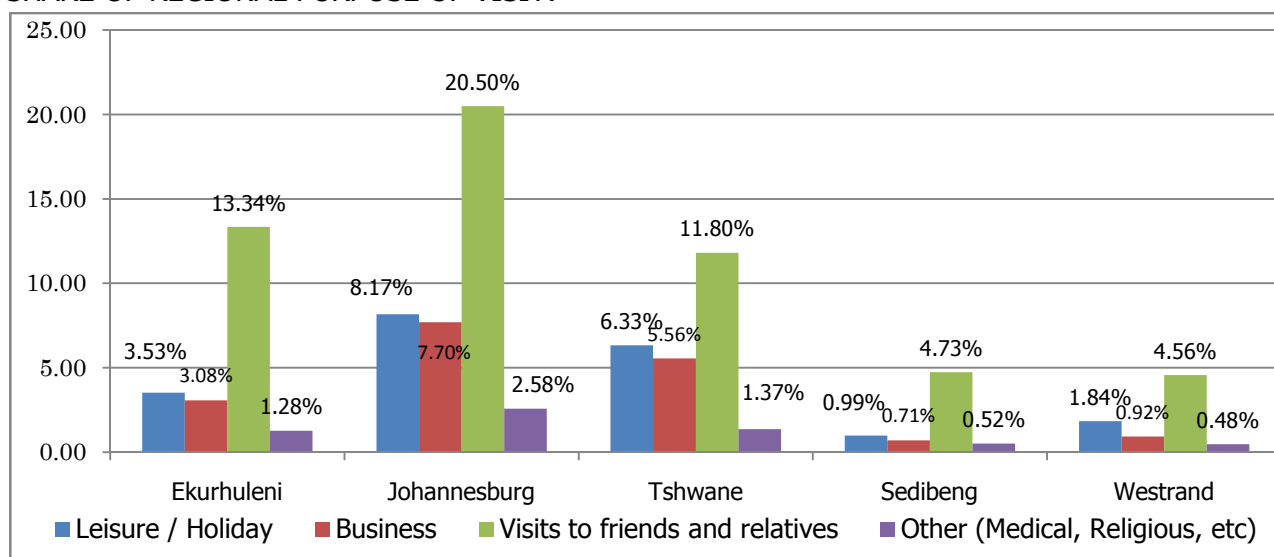


Source: Global Insight 2011

Research further shows that although Sedibeng has world class accommodation facilities, less than 1% of domestic tourists come to Sedibeng for holiday or leisure when compared to the rest of Gauteng. The main reason cited by domestic tourists in Sedibeng come to visit friends and relatives, 4.73% as shown by the table below.



### SHARE OF REGIONAL PURPOSE OF VISIT:



Source: Global Insight 2011

### REVENUE GENERATED FROM TOURISM:

Sedibeng receives the least amount of total revenue generated from tourism in Gauteng, 5.07%. West Rand receives 6.62% whereas City Joburg spend is 42.09%. Considering that R27.5 billion of revenue was generated in 2011 from tourism in Gauteng in 2011, there is great potential for tourism to create sustainable jobs and attract foreign direct investment. Furthermore, Gauteng enjoys the lion's share of bednights in South Africa, 40% as per table below, of which Johannesburg has the biggest share. Of the 66.2 million bednights spent in the country, Gauteng enjoyed almost 40% share.

Sedibeng is only 50km from Johannesburg and has more scenic routes, cultural heritage sites as well as a river running through. It is imperative that intensive marketing of the region be done to attract both international and domestic tourist who are already in Johannesburg to Sedibeng.

### SEDIBENG REGIONAL TOURISM:

Recognising the volatility of the manufacturing sector that is the backbone of Sedibeng, tourism has been identified as a key alternative sector that needs to be promoted and developed intensively. During the economic downturn of 2009, Sedibeng's Gross Domestic Product per Region (GDP-R) dropped by 7.6% compared to 1.5% drop nationally. Also Manufacturing and Community Services account for 40% of employment in the region. This strong dependency of Sedibeng on Manufacturing makes the economy extremely vulnerable to fluctuations in the global market and demand for steel.

It is for this reason that the RTO (a municipal entity in partnership with the private sector) is being established with a mandate to promote and develop the Sedibeng Region as the preferred destination of choice for all facets of tourism to attract domestic and international tourists to the benefit of the local community.



*The objectives of the RTO are as follows.*

- Raise tourism awareness, develop custodianship and build capacity within the community.
- Facilitate business support services aimed at improving competence and build capacity in the tourism sector (e.g. education and training) and improve the quality of tourism products (quality assurance)
- Identify and profile potential tourism resources (e.g. routes and experiences) and attractions within local communities
- Facilitated the creation of job opportunities in the tourism sector.
- Build the Vaal 21 Brand

Through the RTO, Sedibeng will be able to contribute towards the achievements of the targets set out in the National Tourism Sector Strategy which are increase tourism total and indirect contributions to the economy from R189,4 billion (7.9%) in 2009 to R318,16 billion in 2014 to R499 billion in 2020.

The Strategic Objectives of the National Tourism Sector Strategy are;

*Theme 1: Tourism growth and the economy;*

- To grow the tourism sector's absolute contribution to the economy
- To provide excellent people development and decent work with in the tourism sector
- To increase domestic tourism's contribution to the tourism economy
- To contribute to the regional tourism economy

*Theme 2: Visitor experience and the brand*

- To deliver a world class visitor experience
- To entrench a tourism culture among South Africans
- To position South Africa as a globally recognised tourism destination brand

*Theme 3: Sustainability and good governance*

- To achieve transformation within the tourism sector
- To address the issue of geographic, seasonal and rural spread
- To promote "responsible tourism" practices within the sector
- To unlock tourism economic development

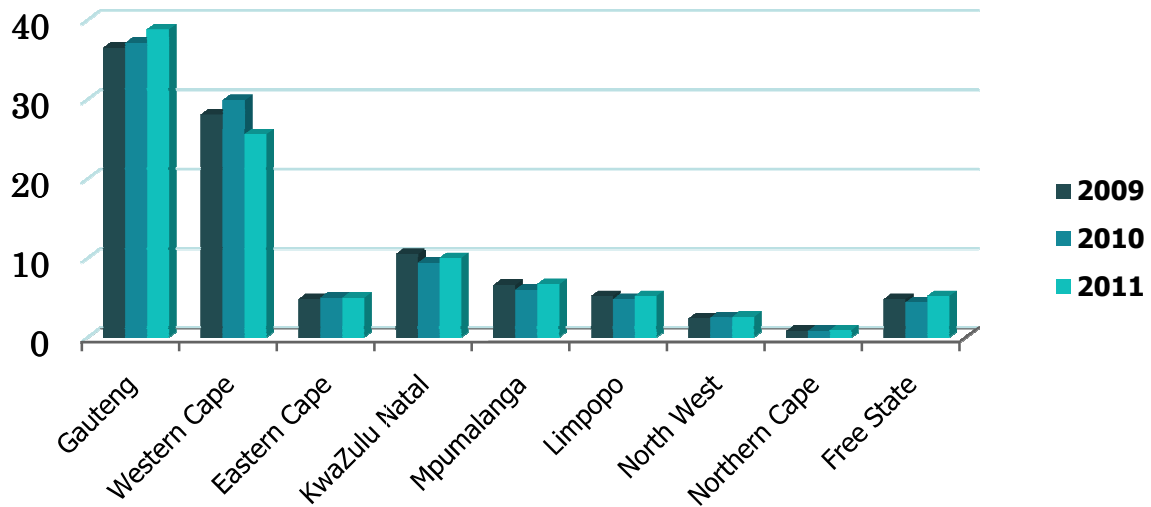
Each of themes have five (5) specific yearly targets which are further elaborated in the National Tourism Strategy.

Domestic Tourism for the next 10 years according to the NTSS are as follows

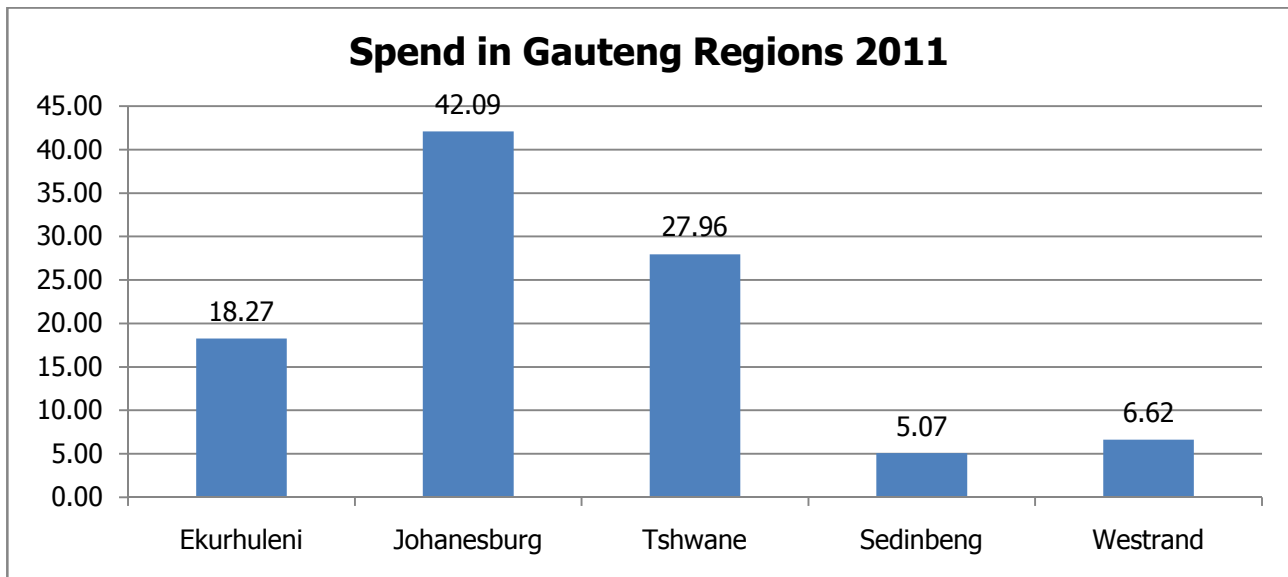
- Increase the contribution of domestic tourism as a percentage of the overall tourism contribution to GDP from 54.8% in 2009 to 55% in 2015 and 60% in 2020
- Increase the total number of domestic trips from 30,3 million in 2009 to 40 million in 2015 and 54 million in 2020 and
- Increase the total number of domestic holiday trips from 4 million in 2006 to 6 million in 2015 and 9 million in 2020.



**Percentage of Bednights Spent in Province**



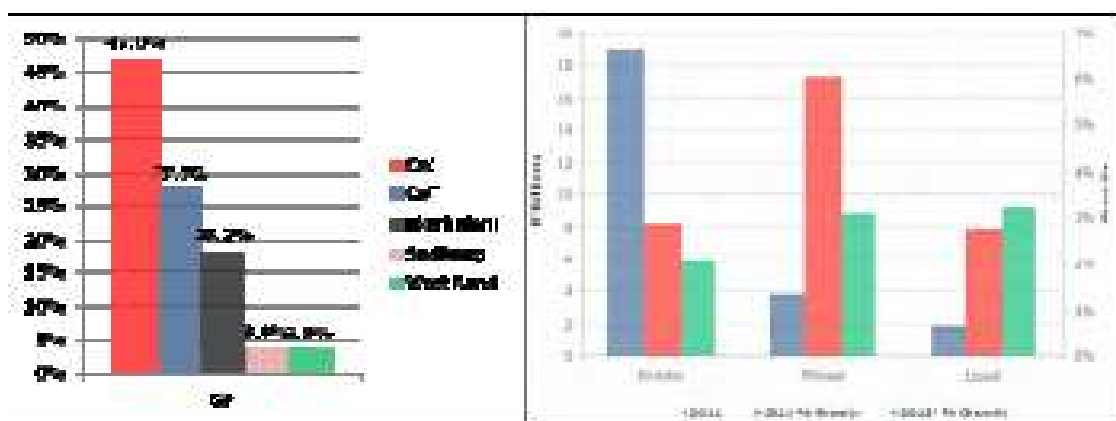
**Spend in Gauteng Regions 2011**



### ECONOMY AND EMPLOYMENT:

The economy of Sedibeng is measured in terms of the Gross Value added (GVA), which is the total value of the final goods produced and services rendered within a geographical area, within a particular year. The economy of the region is important as it can affect employment, influence migration patterns and enable improvements in living conditions. The economies of the Sedibeng local municipalities are analyzed in this subsection in terms of their GDP-R, sectoral composition and trade position.

#### Gross Domestic Product-R and Outlook, 2011 & 2013



Source: Global Insight 2012.

The figure above shows total GDP-R in 2011, the growth rate that year, for the three local municipalities of Sedibeng and forecasts for 2013. Sedibeng remain the fourth largest contributor to the Gauteng economy at 3.8% and followed by the West Rand at 3.6% while the City of Joburg remains the highest contributing municipality.

Emfuleni had the largest of the three economies in the region, at just under R19 billion in 2011 after 2.9 percent growth during that year. In 2013, Emfuleni was expected to record a lower growth rate, at 2.1 percent. Midvaal had the second largest economy, with a GDP-R of R3.8 billion.

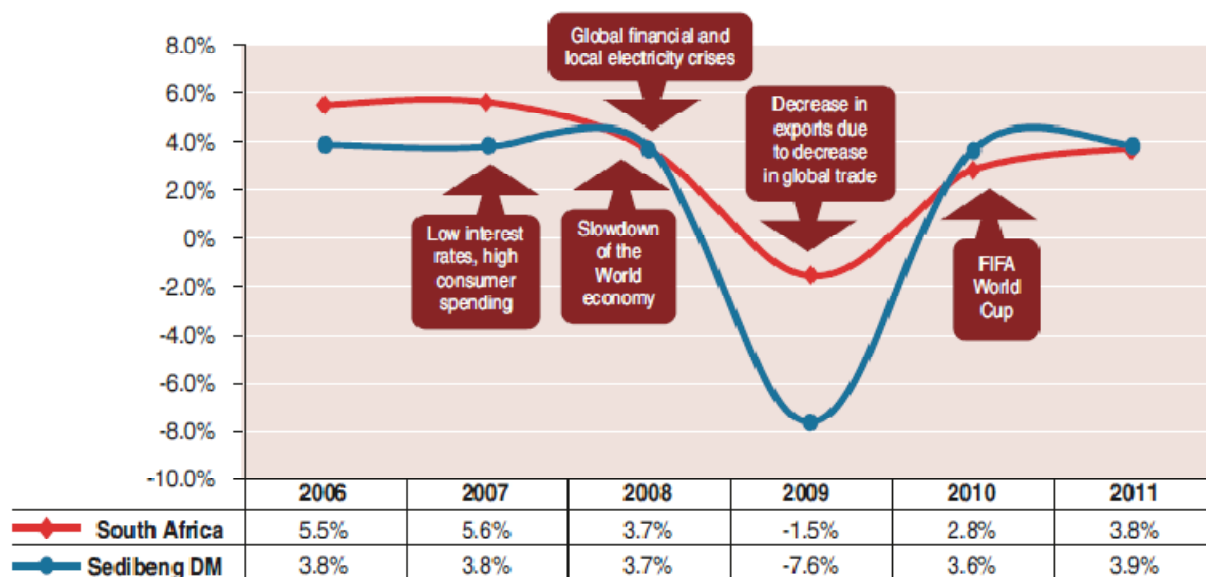
The Midvaal economy is about a fifth the size of the Emfuleni economy, but almost twice as large as that of Lesedi. Midvaal had the fastest growing economy in Sedibeng, at 6 percent. At 3.1 percent, the 2013 forecast for Midvaal is approximately half the rate it recorded in 2011. Lesedi had the smallest and slowest growing economy. Its GDP-R was just R1.9 billion in 2011, and its growth rate of 2.8 percent was slightly lower than that of Emfuleni. Lesedi is the only Sedibeng municipality predicted to experience faster economic growth in 2013, with a forecast of 3.2 percent.

### ECONOMIC TRENDS:

The GDP-R historic trends of the Sedibeng District Municipality compared to the GDP-R historic trends of South Africa are shown in the figure below. It indicates that the growth of Sedibeng has been steady between 2006 and 2007, and then declined sharply before increasing again in 2010, where it has been growing steadily again in 2011. In 2009, the sharp drop in the economic growth



can be ascribed to the global economic crunch, affecting the global economy as exports declined. The economic growth for Sedibeng is estimated to be higher than the economic growth for South Africa.

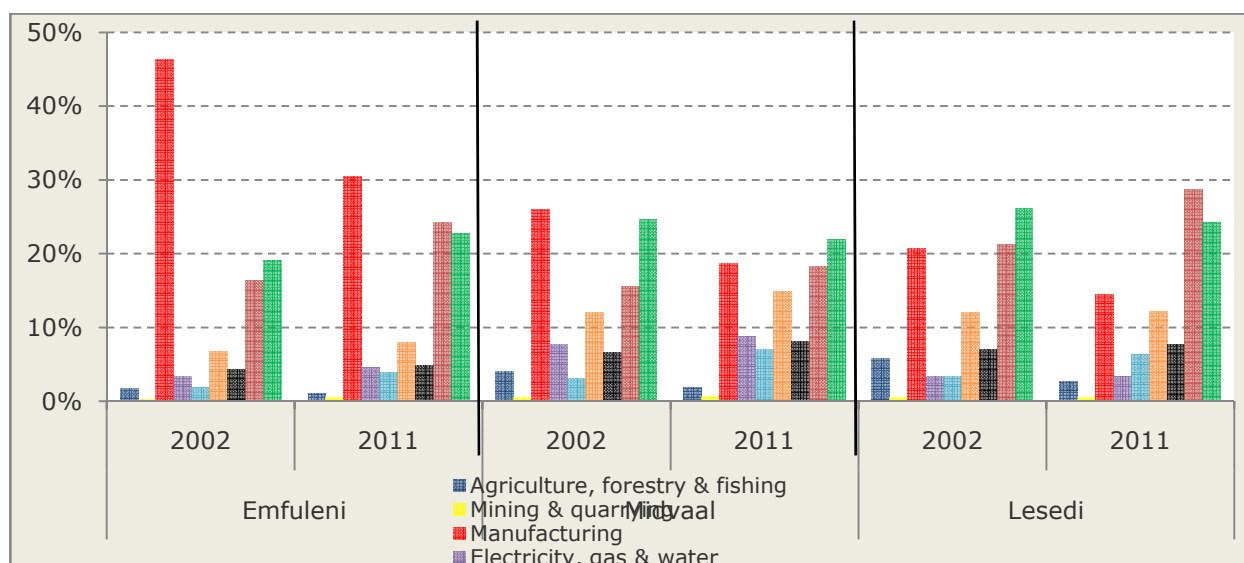


Urban Econ calculations based on Quantec data, 2012

### SEDIBENG REGION SECTORAL ANALYSIS:

The sectoral analysis gives overview and understanding of the contributions made by different economic sectors of the region and also with that of the Province and the National.

Percentage contribution of economic sectors to the total GVA of Sedibeng Region, 2002 - 2011:



Source: HIS Global Insight, 2012

The figures above shows the shares of Gross Value Added by Region (GVA-R) accounted for by each economic subsector for each of the local municipalities in the years 2002 and 2011. The Emfuleni local municipality experienced little growth in the economic sub-sectors which account for

the largest shares of its economy. Manufacturing, for example, grew by 16.6 percent between 2002 and 2011, a rate of 1.32 percent p.a. It thus accounted for only 37 percent of the Emfuleni GVA-R in 2011, down from 48.8 percent in 2002.

According to Global Insight 2012, the GDP-R growth of Midvaal was the highest compared with the other local municipalities. This growth can be explained by the fact that Midvaal had strong growth in sub-sectors which accounted for large shares of its economy, while the strongest growing sub-sectors in Emfuleni and Lesedi were those which account for low shares of their economies, such as mining & quarrying and construction. Midvaal has experienced growth of 1.52 percent p.a. in manufacturing over the ten-year period.

Manufacturing's share Manufacturing's share fell, however, from 25.5 percent in 2002 to 20.6 percent in 2011, because other sub-sectors grew even faster. Two other sub-sectors which make up a large share of Midvaal's economy, finance & business services and wholesale & retail trade,

respectively grew by 98.8 and 100.4 percent (or 1.58 and 1.9 percent p.a.) between 2002 and 2011. Finance & business services increased its share of the Midvaal GVA-R from 16.7 percent in 2002 to 20.1 in 2011, while the share accounted for by the wholesale & retail trade rose from 11.8 percent to 13.8 percent. The construction sub-sector in Lesedi grew by 1.65 percent p.a. between 2002 and 2011, raising the sub-sector's share of the municipal GDP-R from 3.5 to 7.5 percent. Finance & business services in the municipality grew by 1.56 percent p.a., with its share increasing from 17.4 to 21.7 percent

### a) Manufacturing Sub Sector:

The predominant economic sector in the district is the manufacturing of fabricated metal and chemicals. In the metal sector, the Arcelor-Mittal (Formerly known as ISCOR) Steel plant, the Cape Gate Davsteel Wire and Steel plant and the Ferromanganese plant of Samancor are the three main large baseline plants in the district while DCD-Dorbyl Heavy Engineering is the biggest manufacturer of the engineered products in Southern Africa.



Sedibeng region has experienced high level of investor confidence that has seen a phenomenal investment growth for the region in a number of manufacturing, metal and engineering sectors. SASOL, which the primary plant of the District is based in Metsimaholo Local Municipality in the Free State, is the major player in the chemical industry in the district. Manufacturing projects more recently introduced include a Heineken plant, a Liquid Fuel Mass Storage Hub and a Coca-Cola South Africa plant. Sedibeng is one of the five most important centres of high value mass production manufacturing in South Africa. According to the Provincial socio economic review and outlook 2012, the trade effect of the world recession hit the manufacturing sub-sectors hardest in many of Gauteng municipalities. The share of the sector to the economy of the region was at 43.3% in 2001 and 35.3% in 2009 and 30.8% in 2011.

The manufacturing sub-sector lost a portion of its share of GDP-R by 2010, while the construction sub-sector grew but from a low base. However the region's larger base, still remain manufacturing being the largest sub-sector in 2010.

The absolute changes in the manufacturing sector in the period from 2006 – 2011 is indicated in the figure below. Although the metals, metals products machinery and equipment subsector is the biggest contributor to the Manufacturing sector, it has also seen the biggest decrease in GVA in this period, at about -10.7%. The other main contributors are the Petroleum products, chemicals, rubber and plastic, rubber and plastic sector and the food, beverages and tobacco sector.

Figure: Absolute changes in the manufacturing GVA (R'mil, constant price 2005)



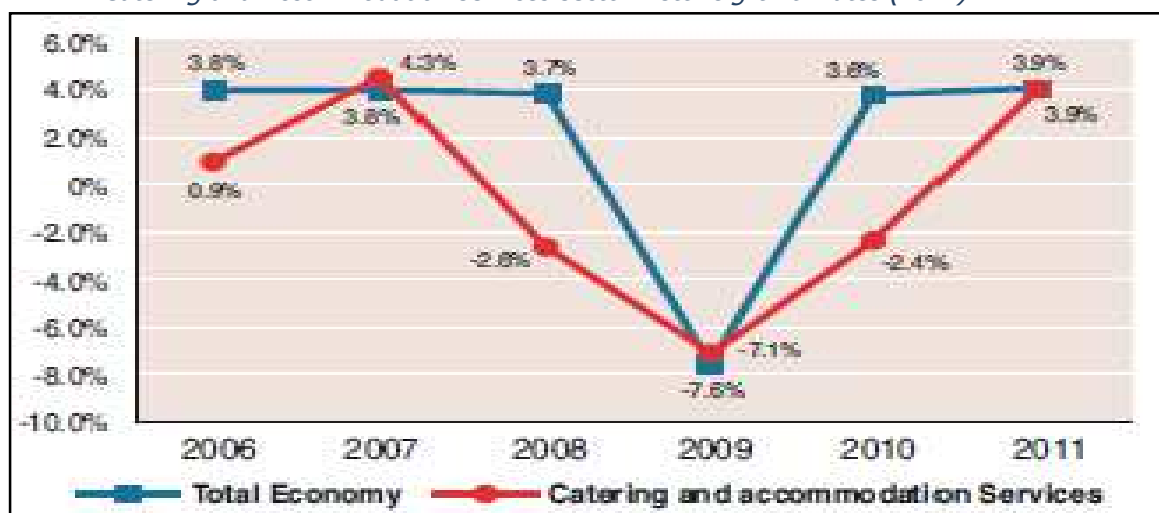
Source: Urban Econ Calculations based on Quantec data 2012

### b) Tourism Sub Sector:

For this section of the analysis, the subsectors catering and accommodation services have been used to indicate the growth rate of the Sedibeng District Economy's Tourism, as tourism in itself is spread over all other industries and sectors. The Figure below presents the catering and accommodation services subsector in terms of the historic growth between 2006 and 2010, and compares it to the total economy of Sedibeng.

The shape of the catering and accommodation services subsector curve of Sedibeng and that of the municipality's total economy has more or less the same shape, indicating similar growth during certain periods in time. Sedibeng's catering and accommodation services subsector, however, did not decline as sharply (-4.5%) as that of its total economy (-11.3%) in 2008, and also grew at a slightly lower rate than the catering and accommodation subsector of its total economy in 2010.

*Catering and Accommodation services sector historic growth rates (2011)*



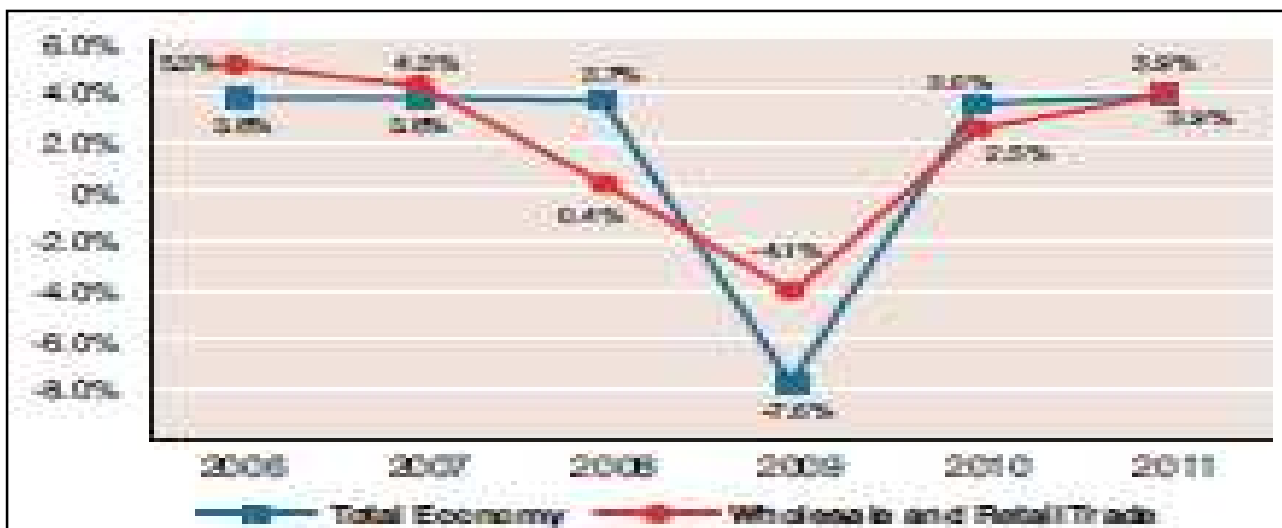
Source: Urban Econ Calculations based on Quantec data 2012

The Sedibeng District Municipality boasts 270 different tourism related products. These include a diverse range of tourism attractions, such as adventure, heritage, arts and culture, nature, sport, business and educational offerings, e.g. the Vaal River, Vaal Dam, Sharpeville Precinct and Suikerbosrand Nature Reserve.

### c) Trade Sub Sector:

The trade section encompasses wholesale and retail trade, and forms part of the Tertiary sector. Again, the shapes of the curves are very much alike, emphasizing a similar sensitivity to the impact on the Sedibeng's economy during certain periods in time. The Trade sector, however seems to have been a bit more resilient to the exogenous impacts of the global economic crisis in 2009, by showing a growth rate of -4.1% compared to the -7.6% growth rate of the total economy. The Trade sector also indicated a more gradual decline in its growth rate in the period from 2007 – 2009. The table below shows the historical growth rate for Sedibeng's Trade sector compared to the municipality's total economy.



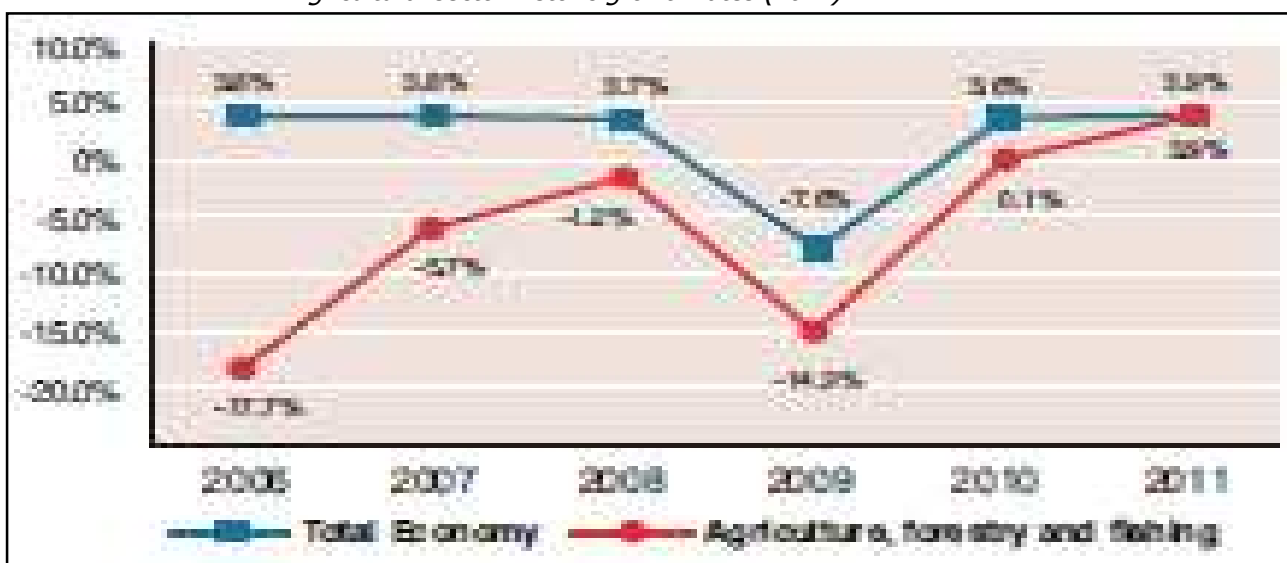


d) Agricultural Sub Sector:

Agriculture sector encompasses agricultural activities as well as forestry and fishing, and forms part of the Primary sector. In 2011, the Agriculture sector contributed a mere 0.4% to Sedibeng's GVA, with a total contribution of R 106 million.

In the figure below, it is evident that the agriculture sector grew at a far lower rate than that of the total economy in 2006, with a growth rate of -17.7%. In 2007, the agriculture sector was still growing at a negative rate of -5.7%, but it has increased from the previous year. In 2009, the growth rate for the agriculture sector declined sharply again, but it has seen a steady increase after that to an estimated growth rate of 3.9% in 2011. In comparison, the growth rate of the total economy was higher in 2006 and in 2007 than that of the agriculture sector, but the shape of the total economy's curve was very similar to that of the agriculture sector in the period from 2008 to 2011.

*Agricultural sector historic growth rates (2011)*



Source: Urban Econ Calculations based on Quantec data 2012

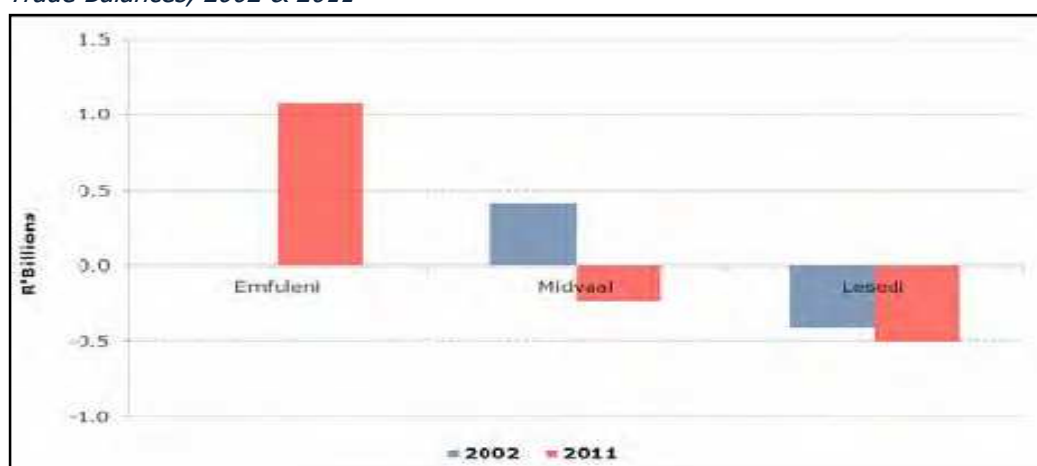
The reasons for the extreme fluctuations in the agriculture sector of the Sedibeng could be ascribed to the fact that the sector's average contribution to the total economy of the Sedibeng is 0.8%. This means that any small change in the economy will reflect as a large change in the growth rate, and because of the relatively small size of the agriculture sector of the Sedibeng, any impact on the municipality's economy will reflect as an enormous impact on the agricultural sector's growth rate.

The Maize Triangle Scheme was launched in 2010, and could be the reason behind the positive growth rate for that year. This scheme aims to provide support for farmers, and to build capacity amongst them, while at the same time assisting them in order to become more self sufficient and to ensure food security. This scheme might also have had a positive reaction to the issue of job creation.

### e) Trade Position:

Local municipalities in Sedibeng are not isolated entities, pursuing their economic objectives in seclusion. They trade with one another and produce goods and services which are traded internationally. This sub-section examines the trade positions of the Sedibeng local municipalities.

*Trade Balances, 2002 & 2011*

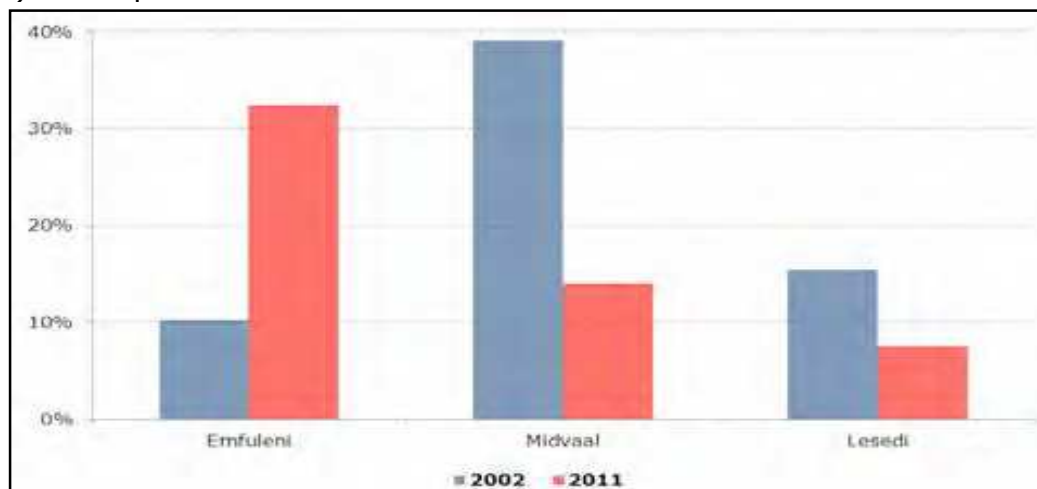


Global Insight 2012

The figure above shows the trade balances of the Sedibeng local municipalities for the years 2002 and 2011. In 2002, Emfuleni had a comparatively small trade deficit of R4.5 million. By 2011, this municipality was the only one to record a trade surplus, with a substantial R1.1 billion. As shown in the figure below, Emfuleni has significantly increased the percentage of its economy accounted for by exports. Midvaal had a positive trade balance of R412 million in 2002, but by 2011 had a trade deficit of R231 million.

This is due to the relatively small increase in total export value from Midvaal when comparing 2002 and 2011. There was also a significant increase in the total value of imports, with greater demand likely fuelled by rising incomes. As shown in Figure 3.20, of the three municipalities Midvaal also has the highest income per capita. The trade deficit of Lesedi increased from R409 million in 2002 to R504 million in 2011.

f) Exports:



Source: IHS Global Insight

The figure above shows total export values for Emfuleni, Midvaal and Lesedi, as percentages of the GDP-R, for the years 2002 and 2011. The percentage for Emfuleni rose from 10.3 percent in 2002 to 32.4 percent in 2011. This municipality recorded low increases in traditionally export-commodity-oriented sectors such as mining & quarrying and manufacturing, as shown in Figure 3.6, but has increased exports significantly.

According to information from IHS Global Insight, the largest export categories for Emfuleni in 2011 were iron & steel and articles of iron, with 81.3 and 9.6 percent respective shares of total exports. The Midvaal export value, as a percentage of GDP-R, fell from 39 percent in 2002 to 14 percent in 2011.

The GDP-R of the municipality has risen significantly, but its export value declined for 2011, suggesting that the majority of the municipality's additional output is being consumed locally. The highest shares of Midvaal's exports were made up of electrical machinery & equipment (at 29.2 percent) and iron & steel (26.9 percent). The majority of Lesedi's economic growth has been in non-export sectors, such as construction, with the municipality's export value as a percentage of GDP-R falling to 7.5 percent in 2011 from 15.4 percent in 2002. At 26.4 and 16.6 percent respectively, Lesedi's exports consisted primarily of vehicle parts & accessories and articles of leather.



### LABOUR MARKET:

This section reviews the labour market of Sedibeng's local municipalities. It includes a review of each local municipality's labour profile, followed by a sectoral analysis of employment and a review of unemployment.

*Table: Labour force Statistics per municipality in Sedibeng (2011)*

Indicators	Emfuleni	Midvaal	Lesedi
Working age population	501, 784	67,182	68,254
Economically active	310, 097	45,956	42,560
Employed	202, 543	37,336	31,518
Unemployed	107, 554	8,620	11,042
Not economically active	191, 687	21,226	25,694
Unemployment	34.7%	18.8%	25.9%

Note: Census data is used in this table because the QLFS does not give data on local municipalities. The QLFS is, however, officially recognised as the most accurate source of labour statistics.

The table above shows the labour profiles of the local municipalities within Sedibeng. Because of its larger population, Emfuleni had the highest number (501,784) of persons in its working age population in 2011. This was followed by Lesedi (68,254), while Midvaal had the smallest number, at 67,182. At 61.8 percent, Emfuleni had the smallest percentage of economically active persons compared with its working age population.

This means that 38.2 percent were in the NEA category. 68.4 percent of the working age population of Midvaal was economically active, while Lesedi had 62.4 percent. Their NEAs thus accounted for 31.6 and 37.6 percent, respectively. At 202,543, the employed in Emfuleni made up 40.4 percent of the working age population. Midvaal had the highest percentage of its working age population employed, at 55.6 percent.

The 31,518 people who were employed in Lesedi accounted for 46.2 percent of the working age population. There were 107,554 unemployed people in Emfuleni, thus giving an unemployment rate of 34.7 percent, the highest unemployment rate of all the municipalities in Gauteng. Midvaal had 8,620 unemployed people, an unemployment rate of 18.8 percent. Lesedi had 11,042 unemployed people, an unemployment rate of 25.9 percent.

### EMPLOYMENT

According to the Adcorp Employment Index report for August 2011, points to the uncertainty currently surrounding economic conditions in the country. According to the report, Stats SA's of July 2011, figures for mining and the manufacturing indicate a slowdown in production. The EPWP is one of the interventions that Gauteng is pursuing in order to alleviate the pressures of unemployment and poverty.

#### *Employment by Sector in the region, 2011*

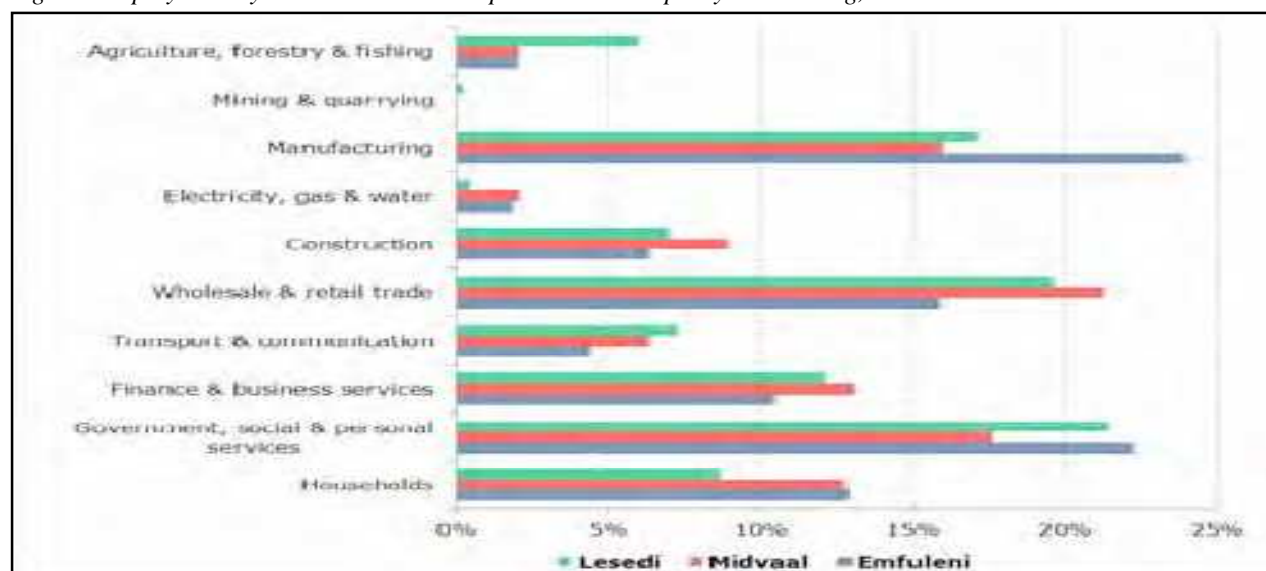
Sector	Gauteng	Gauteng	Emfuleni	Midvaal	Lesedi
Formal Sector	76.6%	75.9%	77.5%	71.0%	71.9%
Informal Sector	8.9%	9.6%	9.4%	9.8%	10.6%
Private Households	12.1%	12.1%	11.0%	16.2%	13.6%
Do not know	2.4%	2.5%	2.5%	3.1%	3.9%

**Source:** Stats SA 2012

The table above shows employment by economic sector in the region as well as Gauteng in 2011. It indicates that the Formal Sector had the biggest employers in the region at 75.9%. In all three local municipalities in Sedibeng, Emfuleni with high population rate had the highest percentage of 77.5 percent, followed by Lesedi local municipality at 71.9% and Midvaal at 71.0%.

In terms of the informal sector only who are struggling to find employment in the mainstream economy can be able to work in this sector. As people struggle to find work in the formal economy, they will turn to the informal sector. In terms of informal employment per local municipality in Sedibeng, Lesedi had the highest in this category, at 10.6% followed Midvaal at 9.8% and Emfuleni at 9.4%

*Figure: Employment by Sectoral sub sectors per local municipality in Sedibeng, 2011*



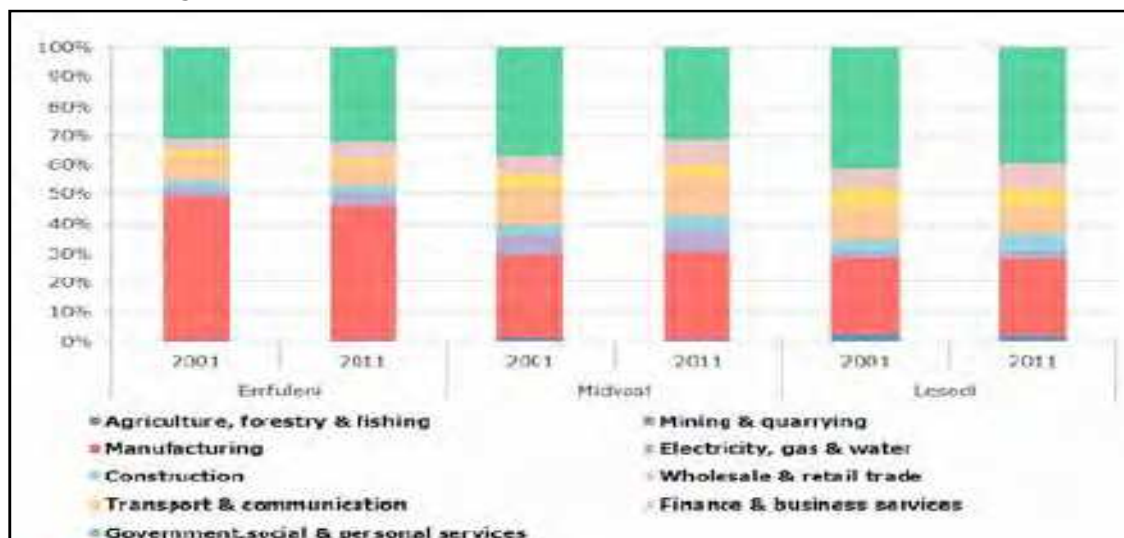
**Source:** Global Insight 2011

The figure above shows the share of employment by sub-sector in the local municipalities in Sedibeng for 2011. In Emfuleni, most people were employed in the manufacturing sub-sector, with a share of 24 percent. This was followed by government, social & personal services (22.2 percent) and wholesale & retail trade (15.9 percent).



The sub-sector with the smallest share was mining & quarrying. In Midvaal, the sub-sectors with highest share of employment were wholesale & retail trade (21.3 percent) and government, social & personal services (17.6 percent). The lowest were mining & quarrying at near 0 percent and agriculture, forestry & fishing (2 percent). In Lesedi, the sub-sectors with the highest shares of employment were government, social & personal services (21.5 percent) and wholesale & retail trade (19.6 percent). The lowest were mining & quarrying (0.2 percent) and electricity, gas & water (0.4 percent).

### Sectoral Earnings, 2001 and 2011



Source: Global Insight 2012

The figure above shows the shares of earnings by sub-sectors for the three municipalities for 2001 and 2011. For all three municipalities, the majority of earnings were from manufacturing and from government, social & personal services. For Emfuleni, the sectoral earnings from manufacturing decreased from 48.2 to 45.5 percent between 2001 and 2011. Earnings from the government, social & personal services increased from 30.8 to 31.9 percent. In Midvaal, the majority of earnings came from government, social & personal services, which decreased from 37.4 to 31.2 percent in the decade to 2011. Manufacturing made up 28.1 percent of earnings in 2001 and had increased to 29.7 percent by 2011.

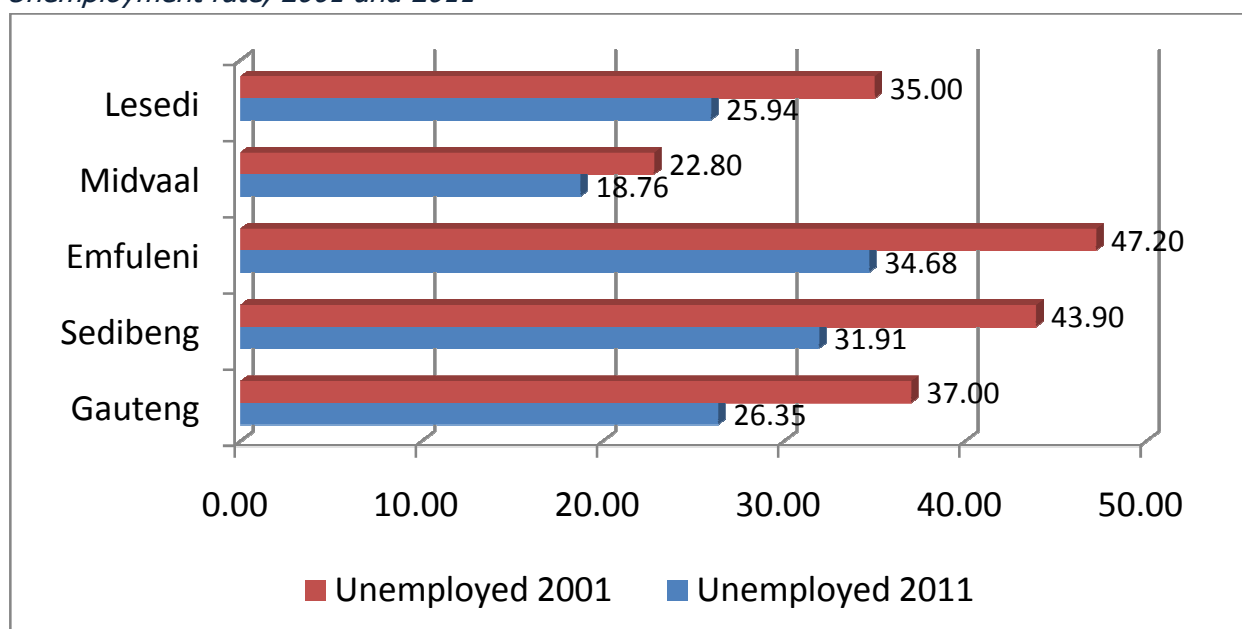
This trend is repeated in Lesedi, where the share of earnings from government, social & personal services was the highest. However, this declined from 41.7 percent in 2001 to 39.9 percent by 2011. The share of earnings from manufacturing in Lesedi increased from 25.6 to 26 percent over the review period. Earnings from agriculture, forestry & fishing accounted for 0.3, 0.6 and 1.4 percent for Emfuleni, Midvaal and Lesedi respectively in 2011. (Source: Global Insight 2011)

### UNEMPLOYMENT

The South African economy emerged from recession in 2009 after a negative economic growth rate in 2008. The emergence may be attributed by job opportunities created during 2010 FIFA World Cup. However, the positive growth since then has not been translated into decent employment opportunities.

The Statistics SA 2012 indicates that the unemployment rate in Sedibeng declined from 43.90 percent in 2001 to 31.91 percent in 2012, indicating a decrease of 11.99 percentage points. However, Sedibeng and the local municipalities had the highest unemployment rate in 2001. The region experience high unemployment rate from 2006 – 2011 and this may be attributed by the absolute change from in the manufacturing sector especially by the Arcelor Mittal Steel industry.

*Unemployment rate, 2001 and 2011*



Source: Stats SA 2012

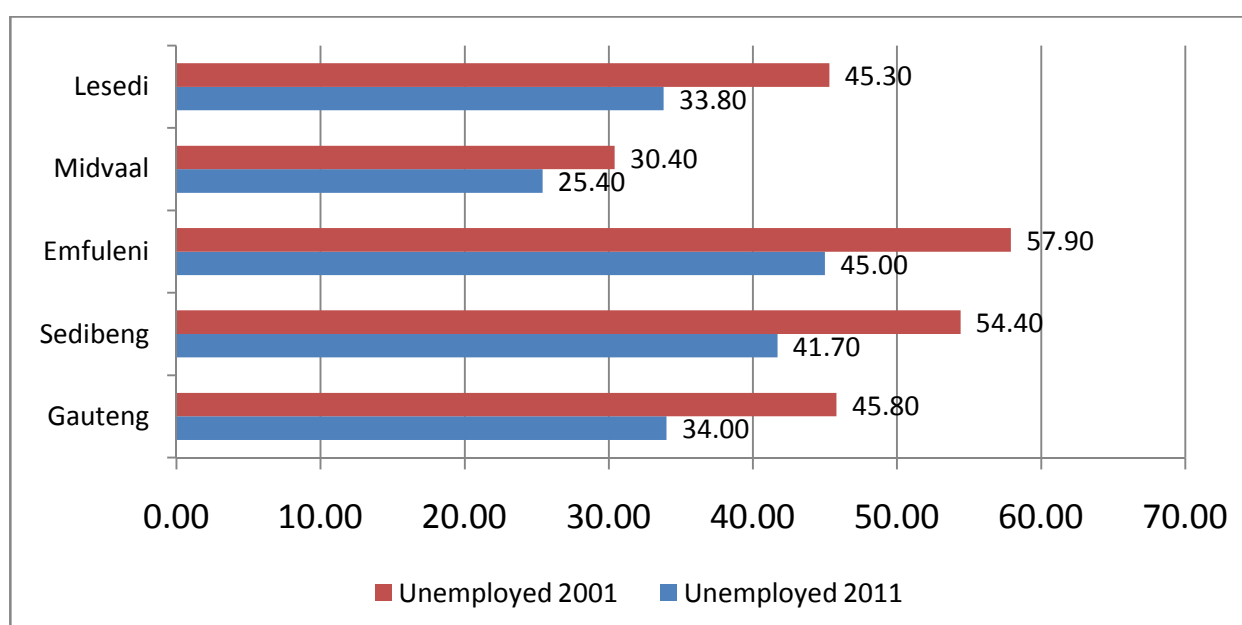
The figure above shows the unemployment rates from 2001 to 2011 for the three local municipalities. Emfuleni had the highest rate of unemployment throughout, rising from 47.2 percent to 34.68% in 2011.

With the economic crisis from 2008/09, unemployment in all three municipalities increased. Midvaal had the lowest unemployment rate of all three municipalities between 2001 and 2011. Midvaal started the review period with a rate of 22.80 percent and ended at 18.76 percent and. The unemployment in Midvaal is also lower than that of the Provincial average at 26.35 percent. Lesedi started the review period at 24.1 percent and ended at 24.7 percent.

### YOUTH UNEMPLOYMENT (15-34) years

The Province and Sedibeng region are still faced with the problem of unemployment rate even the figures presented by Stats SA 2011 have shown a slight decrease. This requires a comprehensive strategy increase employment. As set out in the National Development Plan (Vision 2030), achieving employment, decent work and incomes are the surest long term solution to reducing inequality. In Sedibeng, the youth unemployment rate has dropped from 54.40 percent in 2001 to 41.70 percent in 2011.

However, the region had higher unemployment rate than that of the Province of 34.00 percent. In all three local municipalities in Sedibeng, Emfuleni had the highest percentage of unemployed youth in 2001 at 57.90% in 2001 to 45.00 percent in 2011. Midvaal Local Municipality remain the lowest in this category with 30.40 percent in 2001 to 25.40 percent in 2011.



Source: Stats SA 2012

### CONSTRAINTS TO REGIONAL ECONOMIC GROWTH

#### I. Labour Constraints:

These constraints are hindering the optimal performance of the economy, and put a strain on the labour market and job seekers, due to the fact that it is a difficult task to match the skills in the labour force to the number of available jobs in the job market.

#### II. Over concentration in the metal manufacturing sector:

Being the single biggest driver behind Sedibeng and the biggest export item of the municipality, the metal manufacturing sector is very sensitive to fluctuations in the global markets. The nature of its operations is highly dependent on global demand for steel and metal products, and when the global demand decreases, the sales of the Metal

Manufacturing sector will also decrease and lead to a lesser contribution to Sedibeng's GVA. This was the case with the economic downturn in 2009, when the global markets retracted and caused the economic crisis.

### III. Lack of Diversification:

The benefits surrounding a diversified economy are numerous, from creating job opportunities, to ensuring a more stable economy by spreading the risks in the case of exogenous impacts. By having a lack of diversification in the economy, the Sedibeng District Municipality could potentially miss opportunities to tap into the Gauteng consumer market, thereby foregoing the opportunities of an extended consumer base.

### IV. Image that give rise to a lack of Foreign Direct Investment (FDI):

Foreign Direct Investment (FDI) plays a significant and rising role in international business. For the economy that receives the investment, it can provide a source of capital, new technologies, processes, natural resources, products and management skills, and as such can provide a strong boost to economic development. Foreign Direct Investment, in a very basic definition, is perceived as a company from one country making a physical investment into any form of capital generating goods and services in another country. The direct investment includes investment in structures, machinery and equipment, as well as the procurement of a continuous management interest in a company or economy in the foreign country.

*Marketing and Branding Image:*



Source: The Sedibeng DM, (External Communication), 2012

In order to promote such investment, it is of vital importance that the foreign market that is looking to invest, be aware of the investment opportunities within the regional economy. Sedibeng's marketing and branding should be of international standards and aimed at the international markets in order to attract these foreign investors. Equally important is the physical environment of the municipality. Together, these two factors form the image of Sedibeng and will determine how it will be perceived by visitors and tourists.



### OUR PEOPLE:

#### POPULATION OF SEDIBENG:

Sedibeng District Municipality is moderately populated and has experienced an exceptional growth population as well as fairly young people migrating into the area. According to *Statistic SA Community Survey 2011*, the total population for Sedibeng is at **916 484**, indicating an increase as compared to the Census community survey of (2007) population of **800 819** and Census (2001) **796 754**.

*Population of Sedibeng District Municipality, 2001, 2007 & 2011*

Year	2001	2007	2011
<b>Sedibeng District Municipality</b>	<b>796 754</b>	<b>800 819</b>	<b>916 484</b>
Emfuleni Local Municipality	658 420	650 867	721663
Midvaal Local	64 642	83 445	95301
Lesedi Local Municipality	73 692	66 507	99520

Source: *Stats SA 2012*

#### a) Population Distribution:

The spatial distribution of settlements reflects the relationship and the interaction between population, the environment and the development, while movements between areas remain a direct response to opportunities and misfortune posed by this interaction. The largest population concentration is found in Emfuleni Local Municipality.

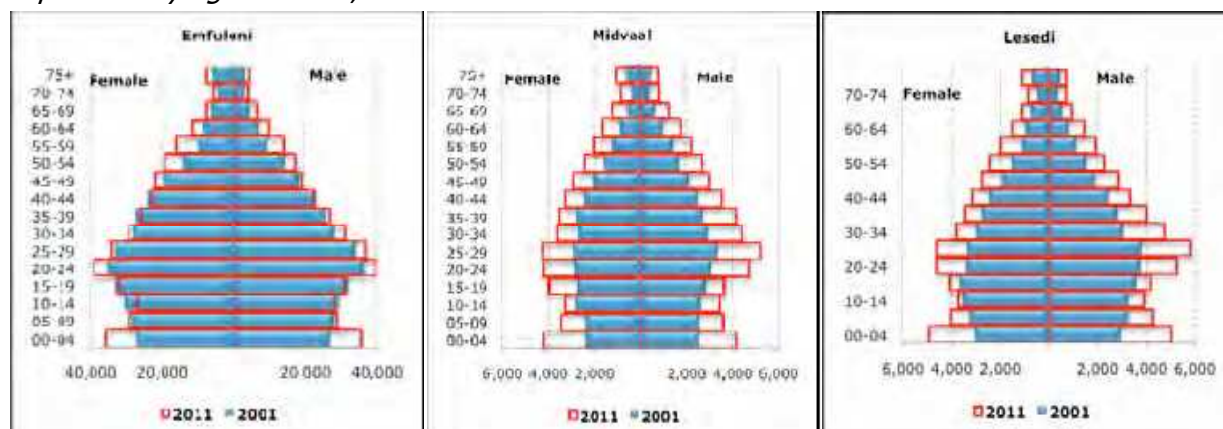
*Population Distribution by race Gauteng & Sedibeng 2011*

Region	Black African	Coloured	Indian or Asian	White	Other	Population
<b>Gauteng</b>	<b>77%</b>	<b>4%</b>	<b>3%</b>	<b>16%</b>	<b>1%</b>	<b>12,272,263</b>
<b>Sedibeng</b>	<b>82%</b>	<b>1%</b>	<b>1%</b>	<b>16%</b>	<b>0%</b>	<b>916,483</b>
<b>Emfuleni</b>	85%	1%	1%	12%	0%	721,663
<b>Lesedi</b>	77%	1%	1%	20%	1%	99,520
<b>Midvaal</b>	58%	2%	1%	39%	1%	95,300

Source: Stats SA 2011



### Population by age and Sex, 2001 & 2011



Source: Stats SA 2012

The figure above gives population pyramids for the three municipalities for 2001 and 2011. In Emfuleni, the age cohort with the highest population increase was the 00 to 04 years, for both males and females, with males increasing by 8,885 and females by 8,643. The cohort with the largest number of people was 20 to 24 years, with 40,016 males and 39,200 females. The biggest contraction was in the 10 to 14 year old cohort, with a decrease of 1,545 for males (from 29,910 in 2001 to 27,881 in 2011) and 3,588 for females (from 30,458 to 26,870).

In Midvaal, the age cohorts with the highest increase were the 25 to 29 years for males and 65 to 69 for females, with males increasing by 1,870 and females by 1,326. The cohort with the largest number of people was 25 to 29 years, with 1,870 males and 1,326 females. The lowest increases were experienced by the 75+ years for males with 334 and 70 to 74 years by females.

In Lesedi, the age cohorts with the highest increase were the 00 to 04 years for males and females, with males increasing by 2,034 and females by 1,936. The cohort with the largest number of people was 25 to 29 years, with 5,817 males and 4,616 females. The lowest increases were experienced by the 75+ years for males with an increase of 203 and 70 to 74 years by females with an increase of 357.

#### b) Population Density:

Measuring population density is essential, as it gives an indication of the levels of service delivery required. Population density is measured by dividing the population of a region by its area size. To satisfy the needs of their larger populations, densely populated areas require appropriate amounts of infrastructure and service delivery.



### Population Density, 2001 & 2011

Race	Emfuleni			Midvaal			Lesedi		
	2001	2011	Change p.a	2001	2011	Change p.a	2001	2011	Change p.a
Black	571	637	1.1%	22	32	3.9%	39	52	2.9%
White	95	90	-0.6%	15	21	3.8%	9	13	4.2%
Asian	6	7	1.9%	0	0	10.0%	0	1	7.9%
Coloured	7	9	1.8%	1	1	5.8%	0	1	7.2%
<b>Total</b>	<b>680</b>	<b>743</b>	<b>0.9%</b>	<b>37</b>	<b>55</b>	<b>4.0%</b>	<b>48</b>	<b>66</b>	<b>3.2%</b>

Source: Stats SA Census 2011

The table above gives the number of people per km<sup>2</sup> by population group for 2001 and 2011 in the three municipalities. In 2001, in Emfuleni there were 571 Black people for every km<sup>2</sup>. This increased by 1.1 percent p.a. to 637 per km<sup>2</sup> by 2011. The population density for the White population group decreased by 0.6 percent p.a., from 95 to 90 persons per km<sup>2</sup>. The density for the Asian and Coloured groups increased by 1.9 and 1.8 percent p.a. respectively.

The total change in population density in Emfuleni was 0.9 percent p.a., from 680 people per km<sup>2</sup> to 743. In Midvaal, there was a 3.9 percent p.a. increase in the population density amongst the Black population group, and increases in the density of the White group of 3.8 percent p.a., in the Asian group of 10 percent p.a., and in the Coloured group of 5.8 percent p.a. In total, there was a 4 percent p.a. change in the population density of Midvaal; by 2011 there were 55 people per km<sup>2</sup>. In Lesedi, the density of the Black population group increased by 2.9 percent p.a.; as with Midvaal, it had an increase in the density of the White population group of 4.2 percent p.a., of the Asian group of 7.9 percent p.a. and of the Coloured group of 7.2 percent p.a. The overall increase in population density in Lesedi was 3.2 percent p.a.

#### c) Internal Migration:

Migration is, in many ways a response to structural disequilibria between and within sectors of the economy and much pressure for migration is created by deepening and widening inequality in income and opportunities within the country. It should be understood that migration is often a central component of households' livelihood strategies, and that it not only offers hope for the future, but that it could play a vital role in redressing past inequities.

Between 2001 and 2011, Gauteng remained the only province to maintain positive net-migration. According to the figures presented by Statistics South Africa 2001 in the figure below, Sedibeng has generally witnesses a net gain of people into the area with figures coming **4106** in 2011.

Year	2001		2007		2011	
	Male	Female	Male	Female	Male	Female
<b>Gauteng</b>	16173	9531	43982	32277	60601	51955
DC42: Sedibeng	<b>583</b>	<b>308</b>	<b>1591</b>	<b>920</b>	<b>2595</b>	<b>1511</b>
GT421: Emfuleni	390	222	1034	636	1697	1025
GT422: Midvaal	134	75	358	195	532	315
GT423: Lesedi	58	11	199	89	366	170

Source: Stats SA 2012



Historical patterns of migration into Sedibeng District came from Free State in the main, as the District was used as the first stop into Gauteng. Major migration into the District comes primarily from farm dwellers and poor people from rural areas, who migrate primarily because of economic prospects of urban areas in an endeavour to seek better opportunities, especially jobs, better wages, improved amenities and housing as well as security of tenure. The current trends of migration show that the majority of people coming to this District are young people who come due to the following opportunities:

- To further their studies at institutions of higher education; at North West University Vaal Campus, Vaal University of Technology, and Sedibeng College as well as other independent or private institutions.
- Employment opportunities in the areas of Emfuleni and Midvaal especially in the manufacturing sector.

The influx of students' migration into SDM has had a positive impact in the regional and provincial economy. The national trends indicate that after successful completion or even drop out of their studies, students hardly return to their respective homes but seek jobs in that area.

The large number of migration in Sedibeng are moving into local townships, especially in Emfuleni and other areas of Midvaal because it offers the promise for access to housing and services as well as easier ties with the areas of their origin.

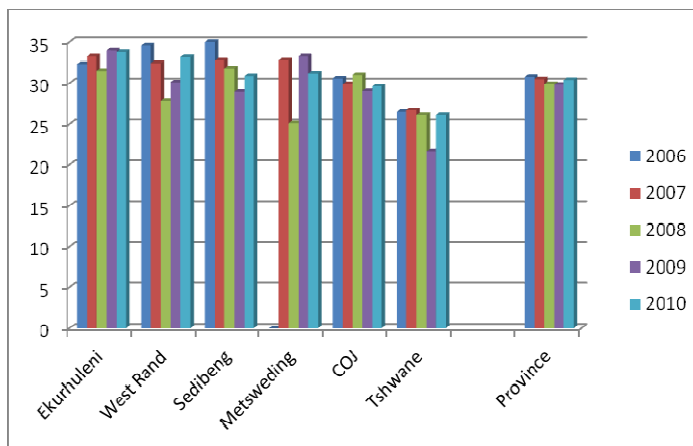
### HIV & AIDS PREVALENCE:

In the few years, Sedibeng District and its local municipalities have shown the will to mitigate the spread of HIV and manage the socio-economic impacts of AIDS. This has culminated in the development and adoption of the Sedibeng HIV, STIs & TB Strategic plan 2012-2016. The Strategic Plan is premised from the following key two perspectives:

- (a) The burden on municipalities, government departments/sectors with increased employees' absenteeism, low staff morale, turnover, job hopping, poor quality of service, costs of recruitment, training and re-training, which ultimately result in loss of institutional memory and human capital; and
- (b) The impact from the demand by local residents both infected and affected and the resultant burden on municipalities to supply goods and services. Examples of municipality burden are health care, treatment and palliative services; poverty alleviation (social grants budget); indigent assistance (subsidized water, electricity and houses) and land use (cemeteries)



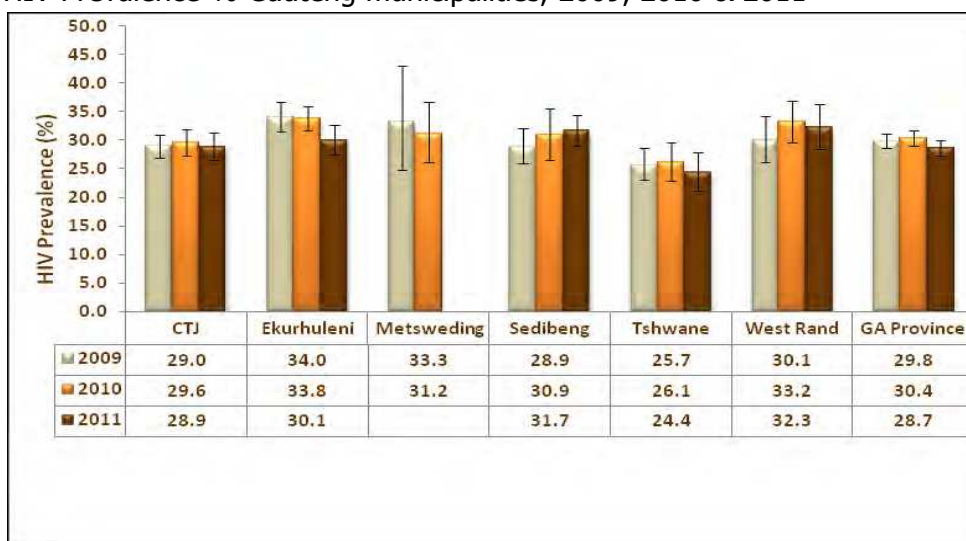
The strategic plan is also underpinned by the municipalities' moral duty to help fellow men and women; and constitutional obligations that dictates that amongst others, municipalities provide services to the communities in a sustainable manner; promote social and economic development and promote safe and healthy society.



While the strategic plan is strengthened by annual reviews of integrated development plans with targets indicators and budgets; there is also a need for human resources to support civil society structures, the implementation, monitoring and evaluation of the programme; which should be underpinned by joint reporting, coordination, intergovernmental relations and effective communication.

The HIV-prevalence in pregnant mothers in Sedibeng varied from 35% (2006), 33.9% (2007), 31.8% (2008), 28.9% (2009), 30.9% (2010), and 31.7% (2011). The recent HIV-prevalence as illustrated by the graph below depicts how the district is fairing with regard to the prevalence.

HIV Prevalence % Gauteng municipalities, 2009, 2010 & 2011



The small increase in prevalence in pregnant women in Sedibeng may be due to women living longer on treatment. In 2011, Sedibeng become the second highest in Gauteng in terms of HIV prevalence rate.

From the year 2000, changes in HIV-prevalence were difficult to interpret. The high HIV-prevalence experienced currently can be attributed to large scale ARV coverage, which prolongs the lives of people living with HIV. One other such indicator of prolonged lives may be the reduction in the number of deaths as illustrated by the statistics from Home Affairs. National profile of HIV-incidence (new infections) shows (a) reduced new HIV infection in youth 15 to 24 years and (b) the highest new infection rates in young women 20 to 29 years.



Sedibeng has every government department and most civil society, business and private sectors within the region participating in the AIDS programme; However there is a need to intensify efforts to synergize joint planning, coordination, joint reporting, monitoring and evaluation of the HIV & AIDS, including STIs and TB programmes; which should help reduce operation in silo's, protection of turfs and improving resources utilization.

Each department and sector of civil society has roles and responsibilities; and the indicators have been adopted by the District AIDS Council. The district also adopted the provincial mobilization campaign strategy which focuses on:

- Safe sex for men and high risk groups : October to December
- Safe sex for youth : February and March
- Testing and treatment for HIV and TB with human rights : April to June
- Mothers, babies, orphans and vulnerable children : July to September

Effective multi sector planning, coordination, campaigns, communication, reporting monitoring and evaluation will accelerate outputs; thereby helping to achieve the planned results (outcomes and impacts). Although technical support and training will improve quality and coverage of services; there are some sub-programmes which are underfunded and some departments have not allocated dedicated resources towards the mitigation of this scourge.

Following the adoption of the National Strategic Plan 2012-2016 by South African National AIDS Council (SANAC), Sedibeng adopted the Strategic Plan 2012-2016 in October 2012. The strategy is ward-based in approach, underpinned by interdepartmental collaboration, civil society and business participation, and the multi sector plans inform the multi sector coordination, monitoring and reporting systems, through the District AIDS Council and the Interdepartmental collaboration meetings.

Outlined below has been the approach to achieve the objectives of the Strategic Plan:

a. Coordination of multi sector response

- The three Local Councils are functional and meet quarterly with improved participation of members from sectors.
- The secretariat and Interdepartmental Committee (comprised of all government departments, including institutions of higher learning), is functional and meets quarterly; and receives routine multi sector reports
- Faith-based coordinating structure has been established to capacitate and provide HIV&AIDS related programmes in churches.
- Traditional Health Practitioners coordinating structure has been established to capacitate members and participate in campaigns.
- People with Disabilities forum (SEDIFO) has been established and is being supported regarding capacity building and educational campaigns.
- People living with HIV forum (SEPWAF) has been established and is supported for capacity building of their members.





### b. Government sector service delivery:

The Department of Health started in April 2013 with Fixed Dose Combination (FDC) Pill treatment in all 38 facilities in the region, including hospitals. Twelve thousand eight hundred beneficiaries (households) receive food relief from food bank (Department of Social Development). Regional Department of Social Development has partnered with HIVSA in an effort to improve NGOs capacity to deal with orphaned and vulnerable children (OVCs) and 123 146 people benefit from grants in this financial year (SASSA)

### c. Civil society sector:

#### ▪ Youth:

In an effort to reduce youth unemployment, which invariably could contribute to HIV-incidences, women and children abuse and/or even substance abuse, the Youth Development Centres has ten youth registered under the Red Cap Foundation were absorbed on completion of the training. 8 Youth owned corporatives were trained, assisted with applications for funding, and approved (Partners are NYDA, DTI and Sedibeng District Municipality). Four Youth corporatives were trained on energy project and supported with starter packs from Chemistry Sasol, all 8 functional (partners are Sedibeng District Municipality with SASOL Funding the project).

Ten young people were supported on business management skills (receiving stipends from Mr PRICE). One hundred and thirty five young people have been placed in Sedibeng District Municipality to operationalise the project sustained on stipends from DID. The district has reached more than 4 000 students at Vaal University of Technology during the provincial STI week. One Hundred and twenty (120) youths from the Molefi Oliphant Institute of Leadership were trained on Comprehensive HIV&AIDS programme.

#### ▪ Women:

To improve the independence of women; thereby thwarting chances of HIV-infections, women and substance abuse vulnerability and susceptibility, eighty four delegates from women cooperatives were trained on financial management and business development (ABSA). Twenty four women delegates were trained & assisted to access funding National Empowerment fund (Empowerment Fund, ABSA and OPEX from SDM

#### ▪ People with disabilities:

People with Disabilities forum (SEDIFO) has been established and is supported regarding capacity building and educational campaigns against HIV, STIs, TB, Women , children and substance abuse vulnerability and susceptibility. Thirty nine 39 deaf people were trained on Comprehensive HIV, STIs & TB programmes through sign language. Twenty people with disabilities were exposed to training on Comprehensive HIV&AIDS programme and facilitation skills (train-the-trainer course) and sent 4 municipalities' chairpersons to HIV&AIDS and Disability Conference, with positive feedback.



- Men sector:  
Men forums, mainly driven by churches, have reached more than 5 000 men on men-oriented debates, seminars and awareness campaigns.

d. Business Sector:

While we experience some challenges in the business sector, big companies that have more than 150 employees such as Arcelor Mittal, Pick n Pay, Eskom have HIV&AIDS policies and programmes in place and encourage their employees to utilise HCT services; with consistent participation in calendar events and campaigns.

e. Social mobilisation and campaigns/events

Interdepartmental Committee organised a service delivery expo in Sonderwater during Mandela Day. This project reached 1500 people and various government services were provided on the day, HCT, Identification cards applications, and career guidance. One thousand people were reached during World AIDS Day held at Mamello (organised by IDC); where various services were also provided to the community such as HCT, registration for Identification cards, bookings for MMCs, SAPS, Education (career guidance), SASSA.

During the condom week, the district reached 15 000 people at taxi ranks, bus stops, taverns and train stations. The provincial TB day at Sicelo in Meyerton attracted 5 000 people and the district reached more than 500 people during candle light commemoration hosted by Faith-based organisations at Saul Tsetetsi Sports Complex. Through daily and monthly door to door educational campaigns, the district and local councils reached 1086 096 (cumulatively) people-sessions in 72 (100%) of wards.

In conclusion, the four strategic enablers guide the organization of the multi-sector response led by District AIDS Councils and coordinated by district and local municipalities' secretariats. Each department and sector of civil society is responsible for addressing HIV, STIs and TB through its core business, roles and responsibilities. Most departments and all four municipalities have full time HIV Coordinators.

### HEALTH FACILITIES:

There are three (3) Public hospitals in Sedibeng District Municipality, namely Kopanong and Sebokeng Hospitals that are located in Emfuleni Local Municipality and Heidelberg Hospital which is within the Lesedi Local Municipality. In addition to these public hospitals there are six private hospitals of which four are within Emfuleni, one in Midvaal and one in Lesedi. Based on this scenario it is evident that hospitals services are clustered in Emfuleni Local Municipality.

Primary Health Care (PHC) and Emergency Medical Services (EMS) are areas of provincial competency in terms of the Constitution and the Health ACT 61 of 2003; whilst processes are unfolding to provincialize Primary Health services, EMS has been transferred back to province on the 1<sup>st</sup> September 2012.

There are four (4) Maternity Obstetric Units (MOU's) and all these are located to Emfuleni Sub District, and therefore there is a backlog of MOU's in Lesedi and Midvaal. In light of this both Lesedi



and Midvaal lack fully fledged Community Health Centres. The establishment of Health Posts has increased the accessibility of health services to our communities.

Emfuleni sub District has twenty one (20) clinics, one (1) community day center, four (4) Community Health Centres (Clinic providing comprehensive health services) and 5 mobile units. In Midvaal there are 3 clinics, one community day center and 4 mobile units. In Lesedi there are 8 clinics and 3 mobile units. The table below illustrates the number of health facilities in the District per sub District and the type of service rendered by the facility:

Local Municipalities	Primary Health Care Ward-based teams	Mobiles	Clinics	Community Health Centres	Community day centres	Hospitals
Emfuleni	15	5	20	4	1	2
Lesedi	3	3	8	0	0	1
Midvaal	7	4	3	0	1	0
<b>Sedibeng</b>	<b>25</b>	<b>12</b>	<b>31</b>	<b>4</b>	<b>2</b>	<b>3</b>

There has been improvement on TB cure rate from 66% in 2005/06 to 81% in 2011/12, as illustrated by the table below

Indicator	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/2012
TB cure rate	66%	66.1%	72%	74%	77%	77.5%	81%

The District Health Plan is attached and provides details of primary health care status and the plans for 2014/2015 financial year.

#### SOCIAL DEVELOPMENT:

The table below indicates the older person's service centres and luncheon clubs registered and funded by Social Development within Sedibeng Municipality per Local Municipality:

Centre/Luncheon club	Emfuleni	Midvaal	Lesedi	Sedibeng
Service Centres	6	3	1	10
Luncheon Clubs	9	0	3	12

Social Development is also supporting fourteen (14) NPOs to provide child care and protection services. There are five (5) children's homes and 3 shelters for children across the district.

- **Gender:**  
Programmes on Gender, Women and Children were supported. Capacity building training on financial management and greening project for women were conducted. A number of workshops to create awareness on gender mainstreaming were conducted. Commission on Gender Equality supported road-shows initiated by Sedibeng on Gender mainstreaming. Gender based, Substance abuse and drug awareness as well as entrepreneurship skills workshops for young women were conducted.
- **People with Disabilities:**  
Training on HIV&AIDS for People with Disability and conducted. Sports tournament for people with Disability was held.



- Youth Development:

Youth Advisory Centre's were established in the area of Lesedi, Emfuleni and Midvaal Local Municipalities. Currently there are three Youth Advisory Centre that are functioning. The Midvaal Youth development centre is managed by an NGO. The Youth Centre's assist young people on a variety of Youth services which include among others; Job Preparedness, Basic Computer Literacy, Financial Management, Free Internet access, CV Writing, Basic Entrepreneurship Development and Career Guidance.

Out outreach programmes are also being conducted throughout the District to market the centre services and make services available to those young people who cannot reach the Centre's, such as those in rural areas.

Reflected in the table below are statistics of young people that have accessed services rendered in the Youth Centre in the Financial year 2010/2011 and 2011/2012

*Number of Youth supported in the Youth Advisory Centre's and Services provided.*

Services/ Opportunities	Financial Year 2010/ 2011	Financial Year 2011/ 2012
CV Writing and Job Preparations	3, 483	2, 131
Basic Computer training and Internet Access	2,908	1, 277

Over and above the services accessed through the Youth Centres, the Youth Unit has facilitated and supported a number of youth programme, in collaboration with NYDA and Province.

Description of Service	Financial Year ( 2010/2011)	Financial Year ( 2011/2012)
Rural Youth Programme (NARYSEC) : Assist rural youth on Skills Development in the FET Colleges and Community Development	236 young people were recruited through NYDA 06 Workshops were held  107 Rural youth trained on Financial Management  14 Rural youth graduated on Non – Military training	118 youth to FET for Engineering, Construction, Capentry and Welding
Youth Cooperatives	10 youth owned cooperative signed contracts with NYDA for Fish and Chips Franchise business opportunity	04 Cooperatives trained on Chemcity Energy Project were supported with starter packs to start businesses on Energy
Skills training and Employment		Ten youth registered under the Red Cap Foundation on a stipend of R2000.00 and were absorbed on completion of the training



A number of Campaigns and Workshops were conducted to create awareness on Youth Development programmes and capacity building; among others:

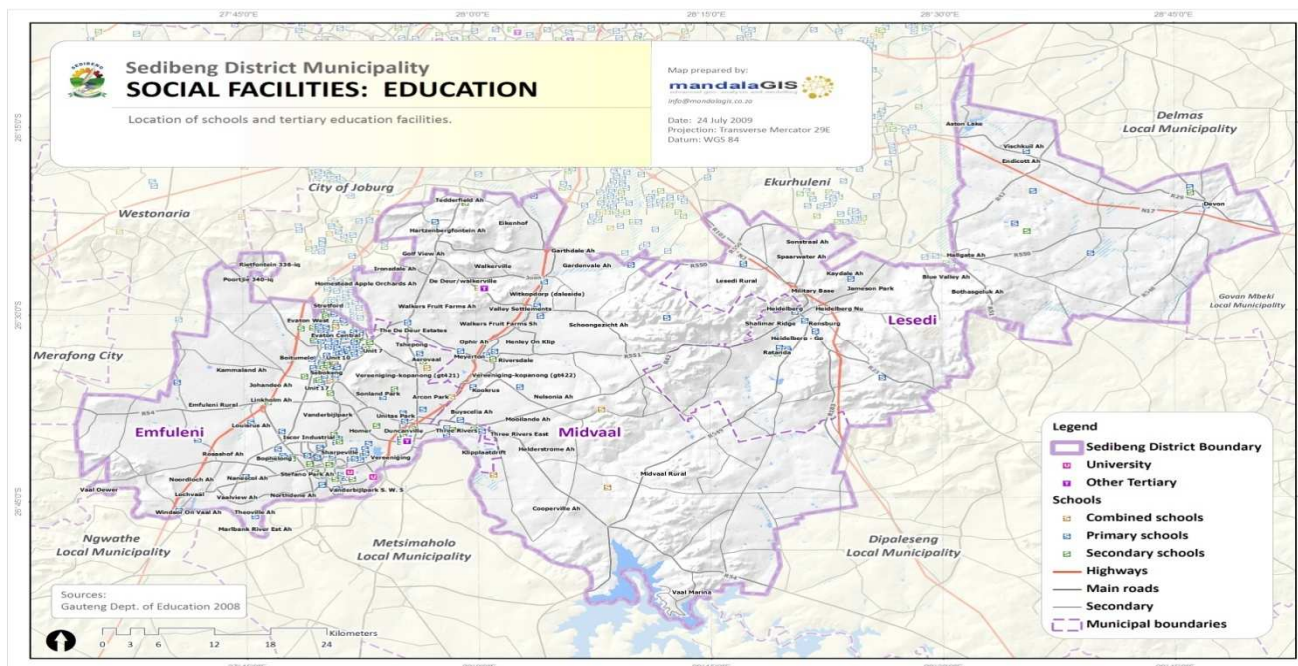
- Entrepreneurship awareness workshops with the NYDA
- Financial Management workshops with Absa Life Empowerment
- Proud to serve campaign, to encourage a spirit of patriotism among the Youth
  
- Bursaries:  
The district has been administering External Bursary to needy students across the district. Bursaries awarded to students and the amounts spent through Sedibeng District Municipality external bursary fund from 2009 to 2013 are illustrated in the table below.

*SDM External Bursary fund, 2009 - 2013*

Financial Years	Number of Students	Expenditure
2009/2010	78	R948 000
2010/2011	44	R504 000
2011/2012	36	R413 308
2012/2013	40	R471 000

### LEVEL EDUCATION:

In South Africa during Apartheid, education systematically reinforced inequality. Education was enshrined in the constitution as a basic human right post-1994 as a critical element of transformation. Improving access to educational opportunities for the historically disadvantaged was considered key.



In Sedibeng District Municipality 221 thousand persons between 5 and 24 years who are estimated at 69 % of the total population do attend school to get a formal education and there has been a





significant increase in the percentage of individuals aged 5-24 years attending an education institutions between 1996 and 2011,

a) No Schooling:

27 thousand persons whose estimated at 4.4 % of the total population of Sedibeng District Municipality have no schooling did never enjoy formal education, not even some primary education. Implying illiteracy in most cases, these persons are limited to perform manual labor and cannot adequately participate in society.

The figure below highlights the highest level of education completed in 2006 and 2012 for the population in the Sedibeng District Municipality. The number of people that have Grade 0 or no schooling has declined from **2006 to 2011** with -12%, where the number of people that achieved some form of primary education has increased in this period by **13 821 people**.

The biggest increases in education levels for Sedibeng was seen in the number of people achieving certificates or diplomas (22.2%), Bachelor's degrees (22.5%) and Post graduate degrees and higher (21.6%). This indicates that the levels of education are increasing and the population has become more skilled since 2006.

### PUBLIC SAFETY

The crime statistics in the region has shown a steady decline for the past five years and active participation of communities in crime prevention interventions through the Community Policing Forum structures is impacting positively towards the fight against crime. A Regional Community Safety Forum is effective and functional, and is made up of various stakeholders from Safety and Security Sector across the region.

Through this Forum, crime prevention and road safety educational and awareness programs which include Gender Based Violence, Schools Safety, Substance Abuse, Community Corrections, etc. are jointly developed and implemented across Sedibeng region in accordance with the Community Safety Strategy.

Sedibeng region has 13 police stations, 07 in Emfuleni, 04 in Midvaal, and 02 in Lesedi. Devon Police Station is no longer falling within the Vereeniging Cluster, but has been incorporated under the Benoni Cluster. A new Police Station was also established in Vaal Marina which became fully functional in April 2012.

Twenty four (24) CCTV Street Surveillance Cameras have been installed in Vanderbijlpark, five (05) installed in Bedworthpark, four (04) in Meyerton and ten (10) in Ratanda. Eighteen (18) additional cameras have also been installed in Vereeniging. CCTV underground optic fibre reticulation has been completed in Vereeniging and Vanderbijlpark. Cameras in Ratanda are being streamed through a wireless transmission network back to the CCTV Surveillance Centre in Vereeniging.

To ensure support and capacity building of Community Policing Forums structures in the region, about 30 Youth from different Community Patrollers Groups in the region were enrolled for an accredited SASSETA training as Law Enforcement Officers. After being certified by the SAPS



Provincial Commissioner in accordance with Column 04 of the Schedule to the Criminal Procedure Act, 51 of 1977 these candidates will be able to operate as Peace Officers under the guidance of the South African Police Service Act and various relevant Municipal Ordinances and By-laws.

To ensure compliance to Safety at Sports and Recreational Events Act, 02 of 2010, SDM Council adopted the Standard Operating Procedures regulating processes that need to be undertaken in relation to Events Safety Planning.

There is a significant improvement with regard to compliance with the Act whereby role-players are actively participating in various Events Safety Planning Committees across all municipalities in the region. Regional Crime Analysis Report is showed below as provided by the Crime Research and Statistics of the South African Police Service for the period; April to March 2010/2011 to 2011/12.

The table below provides a comparative crime analysis done by the Sedibeng SAPS Clusters for the 2011 and 2012 calendar years. A (-) indicates a decrease in crime whilst a (+) indicates an increase of that particular crime in the given period.

The 2011 statistics provided the baseline against which the 2012 statistics are compared, which means that for example in Vereeniging, from 2011 to 2012 there has been a decrease of about 58% in murder cases and an increase of 26% of murder cases in Evaton from 2011 to 2012, while there was no change in murder cases in Heidelberg from 2011 to 2012.

Drug related crimes and the illegal possession of firearms seem to be the highest crimes committed across the region, while the highest 200% increase in truck hijackings is recorded in Ratanda. Car hijackings have reduced significantly across the region except in Sharpeville and De Barrage. The 300% increase in number of negligent and ill-treated children cases reported in Sharpeville is alarming. These trends will be taken into consideration in the reviewing of community safety plans.

### DISASTER MANAGEMENT

Disasters amongst communities continue to be a threat to their day to day lives. This also affects the socio-economic trends of most areas. Sedibeng District Municipality Disaster Management is involved in intensive Public Awareness and Education programs so as to create disaster resilient communities. The region is mostly prone to severe flooding, informal settlement fires, and others. In assisting communities faced with disaster-related incidents, Sedibeng Disaster Management has:

- Procured the Disaster Rescue boat, to assist those trapped during floods.
- Improved the mobile Communication Unit by installing a remote (on-site) CCTV system for Scene Management up to 10km radius.
- Intensified on the Public Awareness and Education programs to build disaster-resilient communities.



- Upgraded the Emergency Services System (utilized in the 10177 centre) for improved call-taking and dispatching.

The directorate requested an increase on the disaster relief budget and this was due to increase in relief needed for destitute communities. The statistics in informal settlement fires increased and this was an indication that the population has increased and thus more informal settlement fires.

The number of emergency calls received through the Emergency Communication Centre had an increase in calls for the financial year 2011/12 and this might be due to influx of people into the area due to urbanization

Sedibeng has got 6 Fire & Rescue stations where 4 are in Emfuleni, one in Lesedi and one in Midvaal. The challenge within the region is that these stations cannot provide adequate services to all communities of the region. The need for the establishment of satellite stations still exists.

Sedibeng has the obligation of building capacity to Local Fire Services particularly in resources. To ensure support and capacity building of Local Fire Services the department trained Firefighters in various skills like hazmat operations, hazmat technician and other fire related courses.

### SPORTS, RECREATION, ARTS & CULTURE& HERITATE

#### (A) Heritage Routes and Sites:

The SDM has a rich and diverse cultural and political history emanating from its role throughout the different epochs of History in relation to obtaining holistic basic Human Rights and ultimately adding to the achievement of Democracy in South Africa thus Promoting and developing the heritage of this region including sustaining and preserving our Heritage remains a fundamental priority.

Our region has key priority areas for attracting Heritage Tourism to Sedibeng, noting that though there are eight (8) heritage routes identified in the district of which only one (1) heritage route has been developed currently, the other routes will be further developed once strategic institutions assist in capacitating and funding theses identified futuristic routes processed.

There are currently thirty five (35) identified and awaiting pre-approvals from the relevant institutions for declarations, there are two functional and operational museums (Vaal Teknorama Museum and Sharpeville exhibition centre which forms part of the Human Rights Precinct that includes the Phelindaba Heroes Acre at the Cemetery and the newly reconstructed Sharpeville Hall over and above this we have 33 maintained heritage sites. Below is a breakdown of the number of heritage sites as per local municipality:



### SPORTS:

Sports and recreation facilities in Sedibeng are a competency of the three local municipalities in terms of their respective asset registers. Local municipalities are therefore responsible for their maintenance as well as making sure that they are accessible to the local communities as required. According to an audit of all sport facilities available within the region, Sedibeng District Municipality currently has 27 Sports and Recreation facilities many of which require refurbishment and major upgrading to fulfill the objectives of sports development in the region.

There is under-provision of sports fields and facilities, especially in townships, around non-formalized settlements and in most of our rural areas. Some of the Schools rely on the community facilities for their sports development and healthy lifestyles programs. Sedibeng has a youth population (15-34 years) of 263 902 of which 131 116 youth are male and 132 786 youth are female. The percentage of sports facilities to the youth population is 0.12%.

Lesedi Local Municipality has seven (7) sporting facilities and nine (9) Libraries. The MEC: SACR has made a commitment to construct two additional Libraries in Heidelberg Extension 23 and in Ratanda Extensin7 in the financial year 2013/2014. Currently, the Jameson Park, Impumelelo/Devon and the KwaZanele/Vischkuil sports facilities will be upgraded through the National Lottery Distribution Trust Fund. The contractor has been appointed and is expected to start on site before end of May.

Midvaal Local Municipality takes pride in their three (3) sporting facilities and five (5) libraries including their state of the art Library in Sicelo. There is commitment to build a new one in Lakeside in the 2013/2014 financial year.

Emfuleni Local Municipality boasts seventeen (17) sporting facilities ranging from George Thabe Stadium to President Park with a significant number of well-resourced Libraries, twelve to be precise. There is also a commitment to build a new one in Boitumelo in 2013/2014 financial year.

### (D) Arts and Culture

The Sedibeng Department of Arts and Culture is a custodian of the region's diverse cultural, artistic and linguistic heritage. SDM is directly responsible for two (2) facilities, namely Vereeniging and Mphatlalatsane theatres. A large proportion of the department's budget is dedicated to supporting and developing institutional infrastructure to showcase, restore and preserve our cultural heritage for future generations in line with Provincial and National Programs.

Investing in Arts and Cultural activities is the departmental flagship program aimed at poverty eradication by providing access to skills through the development of creative industries to enable communities to assume greater responsibilities for economic development and job creation. In the 2009/2010 financial year, the Old Sharpeville Police Station Museum was renovated to accommodate a Regional Craft Hub, creating fifty (50) jobs and creative skills development opportunities. MINTEK was appointed to do glass beading training and entrepreneurship.



To improve access, the project was started in Heidelberg Museum where 10 people were trained. Unfortunately due to the bad condition of the Heidelberg Museum, the project had to be relocated to the Sharpeville Museum where it should be sustained. The department is currently procuring production material for artists and crafters to set up a silk screening workshop. Additional funding will have to be sourced to sustain the craft Hub and ensure that satellites are established regionally.

Other cultural initiatives include indigenous Music and Oral History projects, Artists in School projects, Art in correctional Facilities programs, Support for Heritage /Human Rights and other National Days celebrations, Visual Arts and Crafts exhibitions, supporting developmental theatre productions like "SHARPVILLE" from tragedy to triumph, poetry, Motjeko dance, and TsaSetso traditional dance, choral and gospel music programmes.



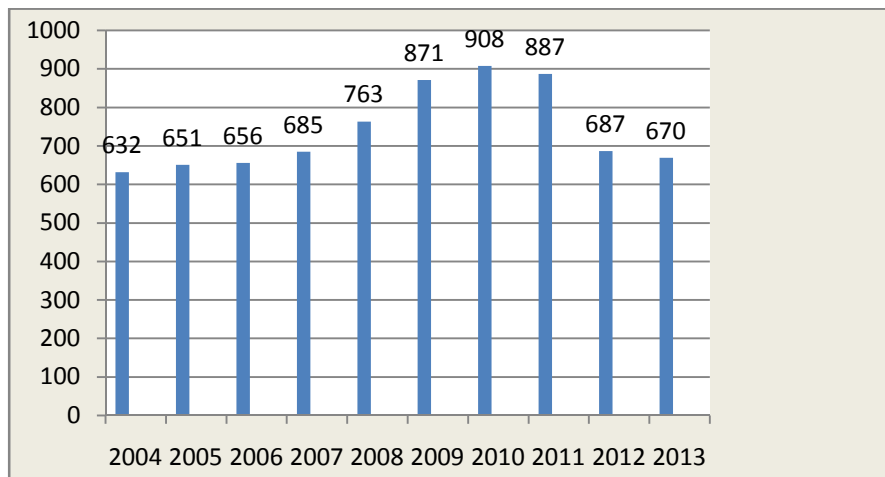
**OUR INSTITUTION**

One of the key components of the IDP process is an **internal organizational audit or analysis**. Such an analysis allows the Sedibeng Council to know and understand its own internal operations. On the basis of this understanding, the Sedibeng Council will be in a better position to manage the changes which will be required in order to bring about the desired future.

The aim of the Institutional Analysis is to identify the Sedibeng District Council’s **strengths** and **weaknesses**, including its structures, staff composition and deployment, financial situation and culture. The purpose is not to defend outdated and impractical structures, procedures and practices for Sedibeng District Council, but rather to establish an open-minded view of the organization, to recognize problems, shortcomings, limitations and imbalances and to identify ways to overcome it.

**HUMAN CAPITAL:**

The Human Capital of Sedibeng District Municipality comprises of **792** appointed employees, elected Councillors and appointed community members serving on ad hoc committees. The following bar graph reflects the Human Capital year on year from the year 2004 to 2012.



The decrease in the number of staff was caused by attrition. The Human Capital is constituted of the following categories.

<b>Human Capital Categories</b>	
Councillors	48
Audit Committee Members	5
External Bursary Committee	7
Agency function staff motor vehicle licensing	166
Core functions staff	444

**2.7.1 Staff Establishment:**

Composition of the staffing establishment of the Municipality comprises of officials appointed, on full time basis in terms of the Conditions of Employment negotiated at SALGBC, fixed term contract employees appointed on conditions of employment negotiated at the workplace and those appointed in terms of the Municipal Systems Act 32 of 2000 (Normally referred to as Section 57 employees).





The following matrix reflects all the employees appointed in terms of the categories referred to above.

<b>SDM Fixed Term (Section 57 Employees as at 31 March 2013)</b>													
CURRENT PROFILE BY OCCUPATIONAL LEVELS	Male					Female					Foreigners		Total
	African	Coloured	Indian	White	T D/Male	African	Coloured	Indian	White	T Female	Male	Female	
Section 57 Employees	2	1	1	0	4	2	0	0	0	2	0	0	<b>6</b>
<b>Total Permanent</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>6</b>
Non – Permanent Employees	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Grand Total</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>6</b>
Disabilities	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>

a) Councillors

The following table is a representation of the demographics of the elected Councillors that represent the full Council of Sedibeng District Municipality (SDM).

<b>SDM Councillors as at 30 June 2011</b>														
Current Profile by Occupational Levels	Male					Female					Foreign Nationals		Total	
	African	Coloured	Indian	White	T D/Male	African	Coloured	Indian	White	T Female	Male	Female		
Councillors	21	1	0	6	<b>28</b>	16	0	0	2	<b>20</b>	0	0	<b>48</b>	
<b>Grand Total</b>	<b>21</b>	<b>1</b>	<b>0</b>	<b>6</b>	<b>28</b>	<b>16</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>48</b>	
Disabilities(Included in the Grand Total)	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>	

b) Ad Hoc Committee Members

In terms of the Municipal Structures Act 117 of 1998 every Municipality must appoint, through the public process of open public advertisements, persons who have the capabilities to serve on the Bursary and Audit Committees.

For the current financial year the composition of the both bursary and audit committees is as shown below.



<b>SDM Audit Committee Members as at 31 January 2013</b>													
	Male					Female					Foreign Nationals		<b>TOTAL</b>
	African	Coloured	Indian	White	T D/Male	African	Coloured	Indian	White	T Female	Male	Female	
Audit Committee	3	0	0	0	3	2	0	0	0	2	0	0	5
<b>GRAND TOTAL</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>5</b>

<b>SDM Bursary Members as at 31 January 2013</b>													
Current Profile by Occupational Levels	Male					Female					Foreign Nationals		<b>TOTAL</b>
	African	Coloured	Indian	White	T D/Male	African	Coloured	Indian	White	T Female	Male	Female	
Bursary Committee	2	1	0	0	4	4	0	0	0	4	0	0	7
<b>GRAND TOTAL</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>7</b>

**INSTITUTIONAL ARRANGEMENTS:**

In order to achieve the required levels of service delivery both the human and non-human capital have been synergised. The resultant human capital allocation is depicted in the table below.

<b>Clusters</b>	<b>Staff Compliment</b>
Office of the Speaker	12
Office of the Executive Mayor	11
Office of the Chief Whip	8
Municipal Manager's Office	9
Corporate Services	157
Treasury	31
Community Services & SRAC	85
Health and Social Development	65
Strategic Planning & Economic Development	46
Transport Infrastructure & Environment	186
<b>TOTAL</b>	<b>610</b>

**EMPLOYMENT EQUITY PLAN:**

This section serves to indicate current employee population by level, race and gender within the municipalities as required by the Employment Equity Act 55 of 1998.

CURRENT PROFILE BY OCCUPATIONAL LEVELS	MALE					FEMALE					Foreign Nationals		TOTAL
	African	Coloured	Indian	White	T D/Male	African	Coloured	Indian	White	T Female	Male	Female	
Top Management	14	2	2	2	20	4	0	0	0	4	0	0	24
Senior management	33	0	1	9	43	9	0	1	4	14	0	0	57
Professionally qualified and experienced and specialists and Mid Management	25	0	1	5	31	19	1	0	5	25	0	0	56
Skilled Tech and Academically qualified workers , Jnr managers, Supervisors, Foremen and superintendents	47	1	0	3	51	84	1	4	9	98	0	0	149
Semi-skilled discretionary decision making	49	1	0	0	50	99	0	1	2	102	0	0	152
Unskilled and defined decision making	97	0	0	0	97	59	0	0	0	59	0	0	156
<b>TOTAL PERMANENT</b>	<b>265</b>	<b>4</b>	<b>4</b>	<b>19</b>	<b>292</b>	<b>274</b>	<b>2</b>	<b>6</b>	<b>20</b>	<b>302</b>	<b>0</b>	<b>0</b>	<b>594</b>
Temporary employees	1	0	0	0	1	4	0	0	0	4	0	0	5
<b>GRAND TOTAL</b>	<b>273</b>	<b>4</b>	<b>4</b>	<b>19</b>	<b>300</b>	<b>281</b>	<b>2</b>	<b>6</b>	<b>21</b>	<b>310</b>	<b>0</b>	<b>0</b>	<b>610</b>
<b>Disabilities (Included in the Grand Total)</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>11</b>

### HUMAN RESOURCE DEVELOPMENT:

The Capacity Building of the Human Capital within the District Municipality is one of the key drivers of the human resources strategy. To that effect the performance of the various role players at SDM's workplace is monitored and assessed to arrive at their skills short comings. Personal Development Plans of each employee determines the skills and knowledge gaps to be filled through on the job training.

In order to address these shortcomings, various capacity enhancement interventions are employed. These interventions derive from, amongst others;

- National Skills Development Strategy
- National Human Resources Strategy
- Skills Development Act
- Workplace Skills Plan

In line with the Workplace Skills Programme deriving from the Personal Development Plans, the following were undertaken for the year financial year 2013/2014.

a) Short Term Courses:

- Employment Equity, Change Management, Sign Language, Basic Computer Skills; and Municipal Financial Management Diploma

b) Long term courses:

For the remainder of the current financial year we intend to divide our staff component into two distinct groups of office based staff and general workers and adopt a two pronged intervention/strategy to their respective development processes:

- Office based staff:  
Enter into a relationship with one of our regional institutions of higher learning for the purpose of implementing our Work Place Skills Plan (WSP) and training programmes aligned to job specifications.
- General workers:  
For the period under review all 124 General Workers were capacitated with programs of basic Computer Skills which will serve to provide them with life skills and initiate processes of future development and possible career pathing to enable them to participate meaningfully in the economy of the country.
- Senior Managers:  
All Top and Senior Management are currently enrolled in the National Treasury prescribed Municipal Finance Management Diploma Programme that will conclude in June 2014.

Plans are afoot to source funding from the LGSETA to cascade the National Treasury prescribed Municipal Finance Management Diploma Programme to middle management and deserving functionaries within the Council.

### OCCUPATIONAL HEALTH AND SAFETY:

For the period under review we have been able to sustain our record of zero tolerance to disabling workplace incidents. As a consequence of the clean record of workplace incidents the Department of Labour has rewarded Council with an incentive of R 192 000 which will be utilized to further enhance safety within the workplace.

The table below bears testimony to the above in that for the 2010/2011 financial year no fatal incidents were reported within Council.

SDM Injuries and Incidents										
Current Profile by Occupational Levels	Male					Female				Total
	African	Coloured	Indian	White	T D/Male	African	Coloured	Indian	White	
Non fatal	7	0	0	2	9	9	0	1	0	10
Fatal	0	0	0	0	0	0	0	0	0	0
<b>TOTAL Permanent</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>10</b>
Disabilities	0	0	0	0	0	0	0	0	0	0

#### EMPLOYEE ASSISTANCE PROGRAMME:

The Employee Assistance Programme focuses on the holistic wellbeing of all the employees with the aim of enhancing better job performance. For the financial year to date no employee has presented with adverse conditions that requires EAP intervention.

#### WORK STUDY AND QUALITY ASSURANCE:

Sedibeng District Municipality has adopted the mantra that ***“effective and efficient services delivery requires that an organization must be flexible such that it continuously improves its systems and processes”***.

To support this norm, by mid-term of the period under review, ninety percent of staff had credible Job Descriptions which will now await the process of standardization with similar Municipalities and finally be evaluated to determine current monetary values.

#### BATHO-PELE:

SDM is not a Primary Municipality and our interaction with members of the community is therefore limited, however, in instances where there is interface with members of the community the feedback that we receive is that our staff do align their service delivery to the Batho Pele principles.

#### LABOUR RELATIONS:

Sedibeng District Municipality has successfully maintained harmonious workplace relations by proactively preventing disputes, disruptive workplace activities and resolving workplace disputes by application of various dispute resolution mechanisms, more important through continuous interaction with workplace stakeholders. Testimony to the successes in dispute resolution is evidenced in labour laws journals that reports on findings that have been influenced by the Sedibeng District Municipality.

### Total Human Resource Dashboard:

NO	Activity	POST (LEVEL)	Conduct	Date	Status of the matter
1.	4 Suspensions	6,7,10 &13	Fraud & corruption	<ul style="list-style-type: none"> <li>16/04/12 x2</li> <li>17/04/12</li> <li>19/06/12</li> </ul>	<ul style="list-style-type: none"> <li>Awaiting judgement</li> <li>Dismissed x 2</li> <li>Awaiting appointment of Disciplinary panel</li> </ul>
2.	1 x Disciplinary Case	6	Dishonest & misrepresentation	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>Dismissed</li> </ul>
3.	1x Reinstatements	5	Fraud	<ul style="list-style-type: none"> <li>02/13</li> </ul>	<ul style="list-style-type: none"> <li>Reinstated through settlement agreement</li> </ul>
4.	3x Conciliations	6,13& S57	2x Unfair Labour Practice& failure to renew contract	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>Matters pending</li> </ul>
5.	3x Labour Court	3, 5 & 10	2x unfair dismissal & interpretation of Collective Agreement	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>Awaiting Court date</li> </ul>
6.	4x Resignations	3, 4,6 & 7	Voluntary resignation	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
7.	5x Staff Transfers	7, 9, & 10x3		<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>Inter cluster transfer</li> </ul>
8.	1 Appointment	4		<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>Fixed term contract appointment</li> </ul>

### HUMAN RESOURCE STRATEGY:

In the main the preceding discussions relates to the pillars of the Human Resources Strategy which serves as enablers for proper human capital management. Appropriate components (policies) of the Human Resources strategy have been adopted over the years and are continually being reviewed in order to keep pace with industry developments and abreast with best practices.

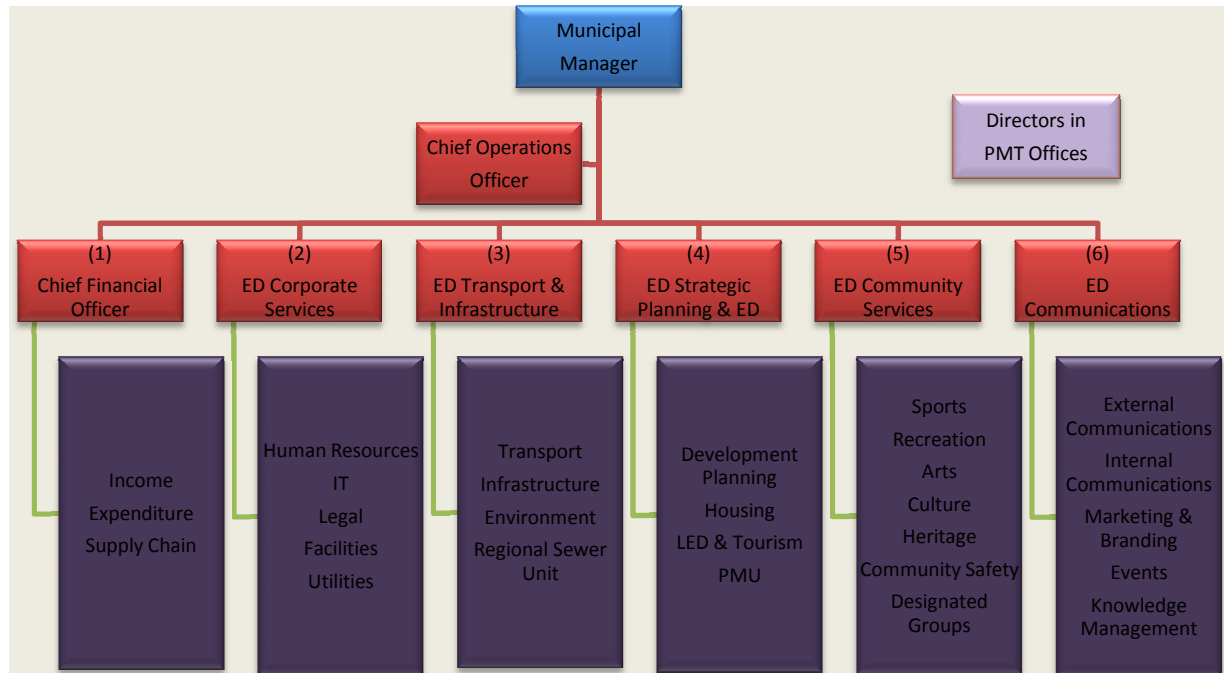
### Organogram: High level design

The Municipal Systems Act, Act No. 32 of 2000 outlines the principles for municipal administration as follows:

*"Local public administration is governed by the democratic values and principles embodied in the Constitution. A municipality must establish and organize its administration in a manner that enables it to:*

- *Be responsive to the needs of the community*





## 2.8 RISK MANAGEMENT:

The Local Government: Municipal Finance Management Act, No 56 Of 2003 provides in section 166 (2) (a) (ii) that an Audit Committee must advise the municipality on matters relating risk management. In essence therefore the Audit Committee should in discharging its duties play an assurance and oversight role over the evaluation and monitoring of risk management within the municipality.

To this end the Audit Committee of the Sedibeng District Municipality decided to amend its Charter and add on the Risk Management function as its responsibility. Pursuant thereto the Sedibeng District Municipality appointed one of the members of the Audit Committee as the Member responsible for Risk Management.

The appointed member is the Chairperson of the Risk Management Committee which comprises of executive managers within the municipality. In carrying out the function the Management selected officials within each cluster as Risk Champions.

The main task of these Champions is to ensure that the risks as identified in a cluster are managed, monitored and evaluated appropriately regularly. They provide reports on successes as well as areas that need intervention. In the year 2011/12 Risk Assessments were conducted throughout the municipality. These assessments assisted in the identification of risks the municipality was faced with. The risks are categorized into two groups, namely:

- Operational Risks
- Strategic Risks.

All operational risks are contained in the Operational Risk Register. Each cluster has its own Operational Risk Register and employees within the cluster are liable for the management of

those risks. The strategic risks on the other hand are captured into the Strategic Risk Register. These risks are strategic in nature are high level.

They are on the main organisational rather than cluster-based. As a consequence thereof these are managed at the level of Executive Directors. An Enterprise-wide Risk Management Framework and Policy was developed and adopted by the municipality. The Framework and the policy are reviewed annual. These serve as the basis on which risks within the municipality are managed.

The Gauteng Provincial Treasury conduct risk maturity survey to establish the extent to which Enterprise Risk Management has been implemented. These regular surveys are intended to assist the municipality in assessing its level of effectiveness in the management of risks. They also help the municipality to improve its performance and ability to achieve its strategic objectives.

a) Appointment of the Audit Committee:

In line with section 166 of the Local Government: Municipal Finance Management Act, No 56 of 2003, the following Audit Committee members were appointed for a two (2) year period that commenced on 01 April 2010 and ended on 30 June 2012. The term of office was extended for a further period of three (3) months and expired on 30 September 2012:

- Ms Masabata Mutlaeng (Chairperson);
- Ms Mmule Raditsela;
- Mr Lefadi Makibinyane;
- Mr Sheik Kassim;
- Prof Ernest Ababio.

The Audit Committee has responsibly exercised its role to provide oversight on the Municipality's control, governance and risk management. Furthermore, the Committee has provided the Accounting Officer and Council with independent counsel, advice and direction.

b) Objectives of the Audit Committee:

An Audit Committee is an independent advisory body appointed by the Council and tasked with specific responsibilities as set out in an Audit Committee Charter approved by Council. The Committee is an oversight function and works in an advisory capacity to the Council. Accordingly, it must report and make recommendations to the Council but the Council retains the responsibility for implementing such recommendations.

The main objectives of the Audit Committee are:

- To assist the council in fulfilling its oversight responsibilities.
- To review:
  - The Financial reporting process.
  - The system of internal control and management of financial risks.

- The audit process.
  - Compliance
  - To maintain effective working relationship with Council, Management and Auditors.
- c) Responsibilities of the Audit Committee Governance Requirements)

Section 166 (1) of the Local Government: Municipal Finance Management (Act No 56 of 2003) stipulates as follows:

*"Each Municipality and each Municipal entity must have an Audit Committee, subject to subsection (6)".*

Section 166(2) further discusses the responsibilities of the audit committee as follows:

*"An Audit Committee is an independent advisory body which must:*

- (a) *Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to:*
  - (i) *Internal financial control and internal audits,*
  - (ii) *Risk Management,*
  - (iii) *Accounting policies,*
  - (iv) *The adequacy, reliability and accuracy of financial reporting and information;*
  - (v) *Performance Management;*
  - (vi) *Effective governance,*
  - (vii) *Compliance with the act, the annual Division of Revenue Act and any other applicable legislation,*
  - (viii) *Performance evaluation; and*
  - (ix) *Any other issues referred to it by the municipality or municipal entity.*
- (b) *Review the annual financial statements to provide the Council of the municipality or, in the case of a municipal entity, the Council of the parent municipality and the Board of Directors of the entity, with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with the Act, the annual Division of revenue Act and any other applicable legislation.*
- (c) *Respond to the council on any issues raised by the Auditor General in the audit report.*
- (d) *Carry out such investigations into the financial affairs of the municipality or municipal entity as the Council of the municipality, or in the case of a municipal entity, the Council of the parent municipality or the board of directors of the entity, may request; and*
- (e) *Perform such other functions as may be prescribed.*

- d) Current Status of the Audit Committee at Sedibeng District Municipality:

The Members of the Audit Committee were appointed for a two year period that commenced on 01 April 2010 and ended on 30 June 2012. The term of office was extended for a further period of three (3) months and expired on 30 September 2012.

Members of the public were invited to apply to serve on the Audit Committee of Sedibeng District Municipality. The invitation was published in the national and local newspapers on 17



May 2012 and the closing date for the submission of applications was 25 May 2012. Eighteen (18) applications were received.

It should however be noted that the term of office of the members of the Audit Committee ended concurrently with the financial year on 30 June 2012, and as a consequence thereof, the Committee would not be able to exercise its power to review the unaudited annual financial statements before they are submitted to the Auditor General for the Regularity audit on 31 August 2012.

At its 63<sup>rd</sup> Meeting held on 27 July 2012, the Sedibeng District Municipality Council resolved to extend the Audit Committee term of office from 01 July 2012 to 30 September 2012, this was to allow the Committee to exercise its oversight role in assisting the Council in fulfilling its responsibilities, while the process of the selection and appointment of a new Committee was underway.

The process plan of the Audit Committee until 30 September 2012 was as follows:

<b>Date:</b>	<b>Activity:</b>
<b>July 2012</b>	Consideration of the Auditor General Engagement letter and Audit Strategy.
<b>August 2012</b>	Review of unaudited Annual Financial Statements by the Audit Committee prior to submission to the Auditor General.
<b>September 2012</b>	Handover to newly appointed Audit Committee.

a) Schedule of Meetings:

At its meeting held on 13 July 2011 the Audit Committee resolved as follows:

*"That the schedule of meetings for the Audit Committee as reflected hereunder be adopted."*

<b>Quarter</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Period	July – September	October - November	January - March	April – June
Date	25 August 2011	14 November 2011	17 January 2012	10 April 2012

The schedule however allows for urgent Special Audit Committee meetings that may be arranged as and when necessary.

b) Evaluation of the Internal Audit Function:

The internal audit function of Sedibeng District Municipality is an out-sourced function. Messrs. Grant Thornton Advisory Services (Pty) Ltd was appointed to provide internal auditing services to Sedibeng District Municipality for a period of three (3) years commencing on 03 October 2011 to 02 September 2014.

Messrs Grant Thornton Advisory Services have subcontracted 30% of the project scope to a local Audit Firm which will in turn appoint local graduates and/or students. The subcontracted engagement partner is H. Pochee & Co Chartered Accountants, an audit firm from previously disadvantaged groups and based in the Sedibeng region.



### c) Review of the Internal Audit Work Performed:

The Audit Committee has ensured that the Internal Audit engagement partner employed by Sedibeng District Municipality (SDM) performs its responsibilities effectively and efficiently by reviewing and approving the Internal Audit Charter and the annual internal audit plan.

The Committee also on a continuous basis monitors and reviews the scope and effectiveness of the Internal Audit Function. The objective of this review and evaluation is to ensure that Internal Audit is operating effectively.

As per the requirements of the approved Audit Committee Charter, the Audit Committee has successfully

managed to evaluate and review management's attitude towards the internal audit function, and has ensured that the recommendations made by the internal auditors are adhered to and taken into consideration for the improvement of the internal control structure.

### d) Compliance with Laws, Regulations and Ethics:

The Audit Committee has reviewed the SDM's compliance with laws, regulations, ethics, policies and rules regarding conflict of interest and what Management is doing to encourage compliance with the said regulations, policies and rules.

### e) Reviewing the Annual Financial Statements:

In accordance with the requirements of Section 166 of the Municipal Finance Management Act (MFMA), the Audit Committee is supposed to review the Annual Financial Statements before they are submitted to the Auditor General (AGSA) for the annual regularity audit.

At its meeting held on 28 August 2012, the Audit Committee reviewed the unaudited annual Financial Statements for the year ended 30 June 2012, before submission to the Auditor General (AGSA) for their annual Regularity Audit.

When the term of office lapsed for the Audit Committee, Sedibeng District Municipality undertook a public nomination process and applications and or nominations were received in this regard. The processes to sift and selected suitable candidates were undertaken and the following members were duly appointed to the Audit Committee for the term 2012- 2015 three year term;



### LIST OF AUDIT COMMITTEE MEMBERS

NO:	NAME:	ADDRESS:	CONTACT DETAILS:
1.	Prof Ernest Ababio Audit Committee Chairperson	4 Merriman Street SE1 Vanderbijlpark 1900	082 469 6098 <a href="mailto:ernest.ababio@nwu.ac.za">ernest.ababio@nwu.ac.za</a>
2.	Mr SidwellMofokeng Risk Committee Chairperson	31 Pendoring Street Klippoortjie Boksburg	082 323 6526 <a href="mailto:sidwellm1@gmail.com">sidwellm1@gmail.com</a> <a href="mailto:sidwellm@edc.org.za">sidwellm@edc.org.za</a>
3.	Mr ZanemvulaJojwana Performance Committee Chairperson	No 10 Magnolia Street Noordwyk Midrand	083 958 8362 <a href="mailto:zanemvula.jojwana@exxaro.com">zanemvula.jojwana@exxaro.com</a>
4.	Ms MmathebeMoja	42 Witsinkhout Place Xanadu Eco Park Estate Haartebeesport	082 579 1200 <a href="mailto:mojal@mweb.co.za">mojal@mweb.co.za</a>
5.	Mr Peter Masegare	07 Orchards Street Crystal Park Benoni 1515	082 685 7308 <a href="mailto:peterm@boikano.co.za">peterm@boikano.co.za</a>
6.	Mr Thabo Morabe	27 Lebombo Street SE8 Vanderbijlpark 1911	082 762 9959 <a href="mailto:morabe_thabo@yahoo.co.uk">morabe_thabo@yahoo.co.uk</a>
7.	Ms MasabataMutlaneng	No 9 Monza Complex Anton Hartman Street Kyalami Hills 1626	083 382 3906 <a href="mailto:masabata.mutlaneng@gauteng.gov.za">masabata.mutlaneng@gauteng.gov.za</a>

The Audit Committee has responsibly exercised its role to provide oversight of the Municipality's control, governance and risk management. Furthermore, the Committee has provided the Accounting Officer and Council with independent counsel, advice and direction.

From the report tabled above, it can be concluded that a lot has been achieved by the Sedibeng District Municipality Audit Committee in driving its obligation of being an independent advisory body for Council.

### FINANCIAL SQUEEZE – EQUITABLE SHARE – SALARY INCREASES – UNFUNDED MANDATE – INCREASE EXPENDITURE:

The statement of financial position states Council's financial position at the end of an operating period of a 12-month fiscal year (July 2011 to June 2012). It represents the assets, liabilities, net assets and their relationship to one another. This report performs a horizontal analysis of Council's balance sheet items over the past four fiscal years, as follows:

#### *Balance sheet items, 2009 - 2012*

	2012	2011	2010	2009
<b>ASSETS</b>	<b>237,569,552</b>	<b>265 190 491</b>	<b>339 325 458</b>	<b>351 212 640</b>
Current Assets	51,412,714	70,279,076	170 541 735	221 201 520





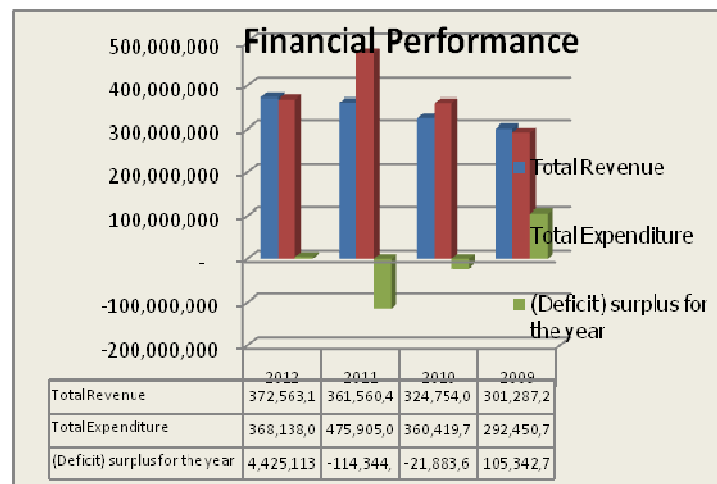
Non-Current Assets	186,156,838	194,911,415	168 783 723	130 011 120
<b>LIABILITIES</b>	<b>62,328,221</b>	<b>93,647,803</b>	<b>76 401 755</b>	<b>66 390 200</b>
Current Liabilities	62,328,221	93,647,803	76 401 755	66 390 200
Non-current Liabilities				
<b>NET ASSETS</b>	<b>175,241,331</b>	<b>171,542,688</b>	<b>262 923 703</b>	<b>284 822 440</b>

Item Description	Discussion/ Trend Analysis
Assets	Council assets have shown a diminishing increase over the last four financial periods. The last two financial periods have shown a decline in total assets resulting in an average decrease of 14% in current assets.
Liabilities	Council liabilities have shown an average decrease 6% over the last four financial periods. This is primarily due to Council's increase in operations as there have been no long-term liabilities for the past three financial years.
Net Assets	Council net assets have shown a steady decline of an average of 20% over the last four financial periods. This is mostly due to the decrease in Council assets due the transfer of capital project construction assets of over R85million to the local municipalities as this transfer impacts directly on the calculation of the operating deficit which in turn adversely affects the accumulated surplus.

### FINANCIAL PERFORMANCE:

The statement of financial performance as indicated in the table above shows the results of operations for the past year. The following tables list sources of revenue and expenses.

The statement measures the performance of Council for a given period of time. Surplus or deficit is used to measure financial performance and directly related to the measurement of revenue and expenditure for the reporting period.



	2012		2011		2010		2009		Ave
Revenue									
Sale of goods	1,217,207	74%	321,965	5%	305,674	-22%	371,463	26%	
Rental of facilities and equipment	7,799,499	1%	7,695,109	-10%	8,428,823	5%	8,026,490	-1%	
Interest received (trading)	-	-	-	-	141	9289%	13,238		
Income from agency services	6,963,365	7%	6,496,536	13%	5,664,190	28%	4,057,196	16%	
Licenses and permits	59,605,708	17%	49,309,873	14%	42,223,033	9%	38,477,430	14%	
Government grants & subsidies	292,212,987	1%	290,229,183	13%	252,453,877	9%	228,808,544	8%	
Other income	2,542,524	50%	1,270,759	-60%	1,865,007	-12%	2,091,036	-19%	
Interest	-	-	-	-	-	-41%	-	-	



received – investment	2,221,854	181%	6,237,003	121%	13,813,333		19,441,804	114%
<b>Total Revenue</b>	<b>372,563,144</b>	<b>3%</b>	<b>361,560,428</b>	<b>10%</b>	<b>324,754,078</b>	<b>7%</b>	<b>301,287,201</b>	<b>7%</b>

The marginal average increase in income from agency services, licenses & permits, grants & subsidies and “other income” does not compensate for the drastic declines in the other sources of revenue, which is a contributory factor to the closing on a deficit for the previous two financial years. The revenue generated from interest on investments averages at a decline of 114%, with 2011 reporting a decline of 121% and 2012 a decline of 181%.

This is directly attributed to Council’s reducing cash held in short-term investments due to the continual compensation of a shortfall in the EMS subsidy allocation from Provincial Department of Health. Revenue has also increased at a lower rate than the CPI rate which had a direct impact on expenses. EMS unfunded mandate has resulted in an unfunded portion of 38,5 million to be recovered from the Gauteng Health Department.

		<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>Ave</b>		
<b>Expenditure</b>								
General Expenses	57,591,970	-54%	88,407,759	6%	83,247,398	34%	54,579,209	-4%
Employee related costs	228,392,383	-2%	232,230,971	15%	198,381,839	20%	158,715,935	11%
Remuneration of councillors	9,407,075	11%	8,368,655	8%	7,672,806	6%	7,215,362	8%
Debt impairment	93,999	60%	37,761	100%	-	-	3,663,701	60%
Depreciation and amortisation	23,602,041	27%	17,198,678	48%	8,962,556	21%	7,106,863	32%
Finance costs	-	-	-	-	317	-9245%	29,623	-9245%
Collection costs	-	-	-	-	218,918	100%	-	-
Repairs and maintenance	6,077,486	-29.62%	7,877,686	0.17%	7,864,470	12%	6,935,182	-6%
Contracted services	42,723,077	13%	37,072,909	9%	33,919,718	28%	24,479,909	16%
Grants and subsidies paid	250,000	-33784%	84,710,637	76%	20,151,737	-48%	29,724,916	-11252%
<b>Total Expenditure</b>	<b>368,138,031</b>	<b>-29%</b>	<b>475,905,056</b>	<b>24%</b>	<b>360,419,759</b>	<b>19%</b>	<b>292,450,700</b>	<b>5%</b>

Operating expenses are incurred in the course of conducting normal Council business. They are classified by function such as employee related costs, general expenses, finance charges and contributions to provisions. The average increase in Employee related cost of 11% indicates a constant growth higher than the growth in CPI and Equitable share allocations. This has a direct impact on general operational expenses which in return can affect service delivery. Moratorium on filling of vacancies has resulted in a reduction in salary cost.

Council has moved from declaring an operating surplus to a deficit for the previous two financial years. This deficit is directly in relation to the transfer of completed capital projects to the local municipalities paid as grants & subsidies to the value of R85,525,748. Due to our cost

containment measures implemented council managed to reduce general expenses which resulted in the 2012 financial year end to close with a operating surplus of R4,3 million.

MFMA Circular 66 states: The *Medium Term Budget Policy Statement 2012* notes that the South African economy is projected to grow by 2.5 per cent in 2012. By 2014 GDP growth is expected to reach 3.8 per cent, supported by expanding public sector investment in infrastructure, the activation of new electricity-generating capacity, improving public sector confidence, relatively low inflation and interest rates and strong growth in the Southern African region.

Specific interventions to achieve this include: investing in strategic infrastructure programmes, including electricity generation and transport capacity needed to open up new mining and industrial opportunities. Linked to this is strengthening municipal finances and investing in residential development and urban infrastructure.

The proposed spending framework approved by Cabinet takes account of the need to control spending growth over the medium term while increasing the efficiency of existing allocations to improve public services. As a result, the fiscus does not increase available funds beyond the 2012 budget baseline.

#### A. Inflation forecasts

Municipalities must take the following inflation forecasts into consideration when preparing their 2013/14 budgets and MTREF.

<b>Fiscal year</b>	<b>2011 Actual</b>	<b>2012 Estimate</b>	<b>2013 Forecast</b>	<b>2014 Forecast</b>	<b>2015 Forecast</b>
<b>CPI Inflation</b>	5.0%	5.7%	5.5%	5.1%	4.9%

*Source: Medium Term Budget Policy Statement 2012*



#### **4. SERVICE DELIVERY**

Service delivery in Sedibeng over the medium and long term has been mixed – with some significant successes and some important areas that continue to require focused attention. There have been steady improvements over the last 15 years with respect to: access to basic services.

##### **ACCESS TO BASIC SERVICES**

Provision of basic services affects the lives of the communities, particularly the poor, and it can aid in economic development through improved education and infrastructure.

Municipalities in Gauteng have experienced service delivery protest and therefore it is critically important for the Sedibeng municipality to examine the extent to which the communities of the region enjoy the services that help them to improve their standard of living and quality of life. The share of households with access to basic services has increased over the past eleven years.

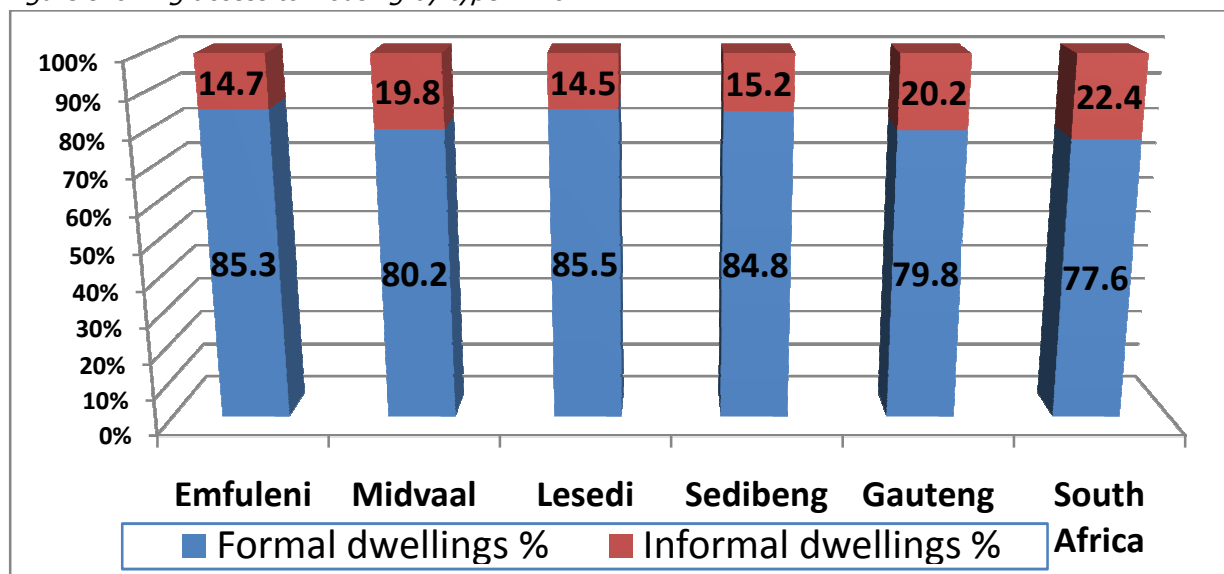
Sedibeng District Municipality does not have the powers and functions of to provide access to basic services to communities but its role has been to facilitate and coordinate with local municipalities in the provision of Basic Services.

##### **(A) Access to Housing:**

The need for shelter is one of the most basic needs for survival. In Gauteng, provision of housing and related basic services faces the challenge of in-migration of people in search of better living conditions and employment. In Sedibeng, a high percentage of household lives in housing classified as Formal or Very Formal; and this number has grown in the region of Gauteng.

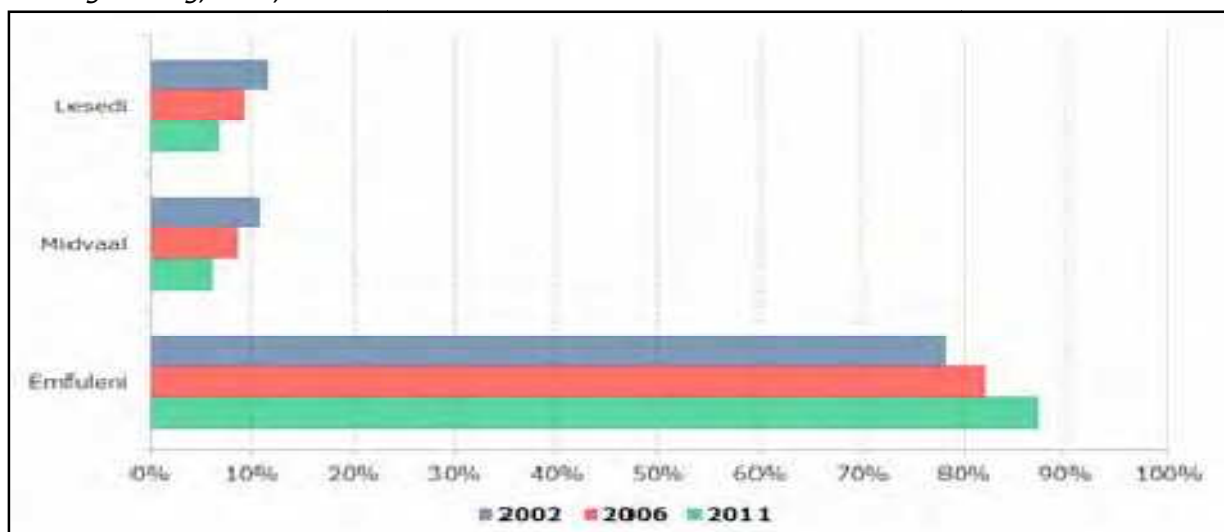
The figure below shows the percentage of households by housing-type in the three local municipalities as well as Gauteng and South Africa for 2011. At 85.5 percent, Lesedi had the largest percentage of households in formal housing followed by Emfuleni approximately at 85.4 percent and 80.2 percent in Midvaal. In Midvaal, about 18.2 percent of households lived in informal dwellings, 14 percent in Emfuleni and 13.3 percent in Lesedi. The smallest percentage of households was those living in traditional dwellings. This was 0.5 percent in Midvaal, the highest percentage of the three local municipalities.

Figure showing access to Housing by type in 2011



Source: Stats SA 2012

Housing Backlog, 2002, 2006 and 2011.



Source: Stats SA 2011

The figure above shows the share of households in the housing backlog by local municipality for 2002, 2006 and 2011. Housing backlog refers to the number of households that are not living in a formal or a very formal dwelling. It reveals that Emfuleni had the highest housing backlog share, and that this increased over the review period, rising from 77.9 percent in 2002 (or 37,662 houses) to 82 percent (42,381 houses) in 2006 and 87.3 percent (34,958 houses) in 2011.

Housing backlog that of Lesedi showed a decreasing trend, from 11.4 percent (5,503) in 2002 to 9.3 percent (4,811) in 2006 and 6.7 percent (2,664 houses) in 2011. In Midvaal, the housing backlog also dropped from 10.7 percent in 2002 (5,115 houses) to 6.1 percent by 2011 (2,429 houses). The large share of housing backlogs for Emfuleni may be as a result of the larger population thus the demand is higher for this type of service. Also, Emfuleni



contributes the most to GDP-R of the district. This may result in people migrating there for work opportunities, with the delivery of houses being under strain. **Source:** Statistics SA 2011

(B) Number of Households with Access to Water:

According to *Socio-Economic Review and Outlook 2012*, Gauteng provides a greater percentage of its households with access to piped water, at or above the RDP minimums than the average for South Africa. Therefore, Sedibeng has the 276 889 households with access to water at 67.5 percent in Gauteng, showing an increase of 20.1 percent compared to 47.4 percent figures of 2001.

*Households with access to Water, 2001&2011 Stats SA 2011*

	Year	Number of Households	Percentage
Sedibeng District Municipality	2011	2001	2011
	276 889	47.4%	67,5%

The Statistics South Africa 2011 also indicate that the majority of households in Sedibeng have access to water with a number of 261080 of households supplied by regional/local water scheme

	Regional/ local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool/stagnant water	River/ Stream	Water vendor	Water tanker	Other	Grand Total
DC42: Sedibeng	261080	11881	240	505	382	151	825	1685	3018	<b>279 768</b>
GT421: Emfuleni	212002	3822	107	418	233	97	648	454	2354	220 135
GT422: Midvaal	22699	5562	62	30	50	25	131	1032	374	29 965
GT423: Lesedi	26380	2497	71	57	99	29	46	199	290	29 668

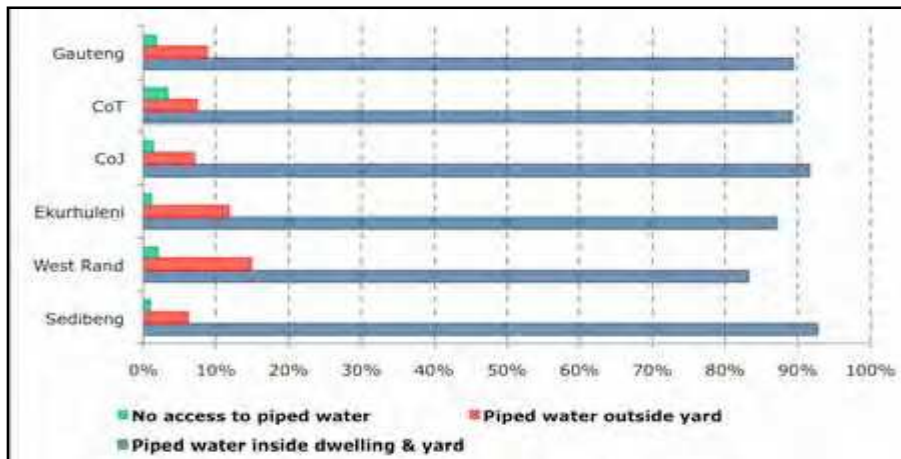
Source: Stats SA 2011

(C) Access to Water by type, selected municipalities in Gauteng

Access to water and sanitation remains one of the most crucial elements for both social and economic development. For the country to ensure the sustainable provision of these services, a comprehensive regulatory framework, improved public education about the need to conserve water and the acceleration of overall service delivery are needed. This section analyses access to water by type and province as well as access to sanitation by province.



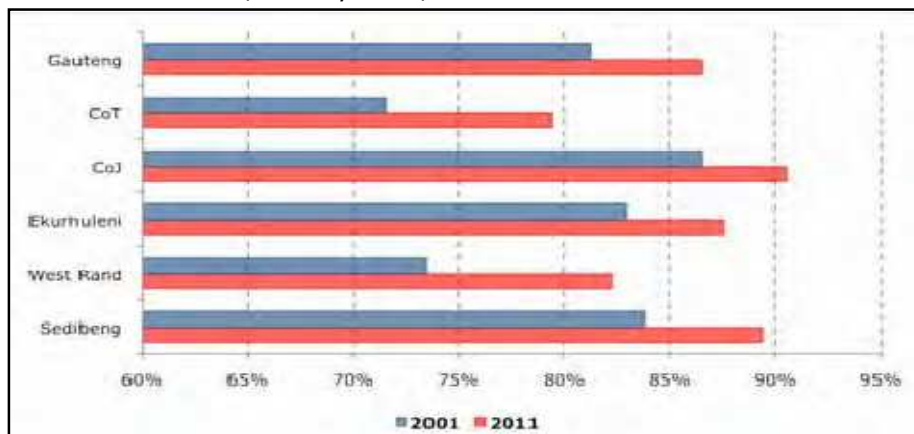
*Access to Water by type, municipalities, 2011*



**Source:** Stats SA 2011

The figure above shows the percentage of households with different categories of access to water by municipalities for 2011. The figure shown above that Gauteng provide a greater percentage of households with piped water inside dwelling and yard. Sedibeng had the largest percentage of households in Gauteng with access to piped water inside their dwelling & yard at 92.8 percent. In terms of piped water outside the yard, Sedibeng has the lowest percent in this category.

*Access to flush toilet, municipalities, 2001 and 2011*

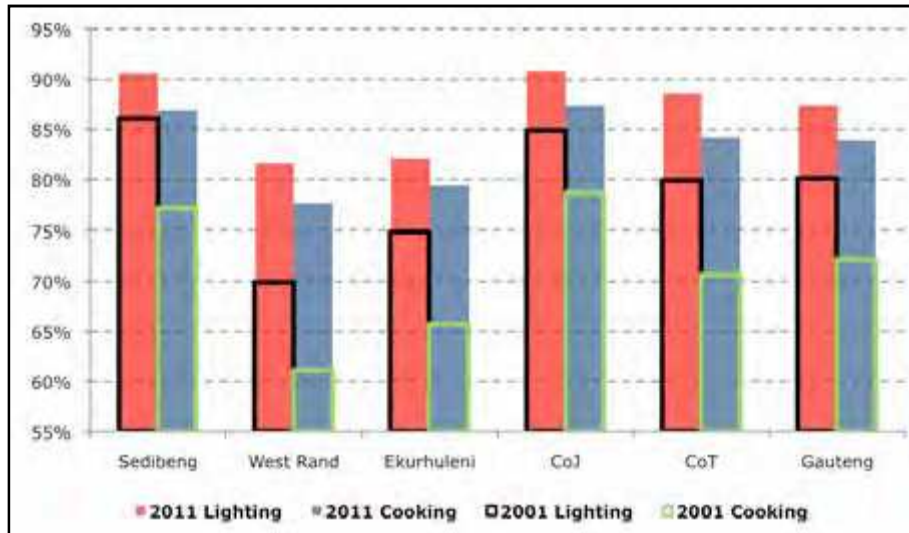


**Source:** Stats SA 2011

The figure above shows the percentage of households with access to flush toilets by municipalities for 2001 and 2011. The figure indicates that there was an increase in the percentage of households with access to flush toilets across all the municipalities for the two census years. The CoJ had the largest percentage of households with access to flush toilets in 2011 at 90.5 percent, an increase of 4 percentage points compared to 2001. In Sedibeng, about 89.4 percent of households had access to flush toilets, rising by 5.6 percentage points from 83.8 percent in 2001. For the province, about 86.5 percent had access to flush toilets in 2011, an increase from the 81.2 percent recorded in 2001.

(D) Access to Energy Sedibeng – selected municipalities in Gauteng:

**Access to Electricity by Purpose, Municipalities, 2001 & 2011**



Source: Stats SA 2001 & 2011

The figure above shows the percentage of households for Sedibeng District Municipality and other municipalities in the Province with access to electricity for lighting and cooking for 2001 and 2011. Sedibeng had 86.1 percent of households with access to electricity for lighting in 2001, rising by 4.5 percentage points to 90.6 percent.

The CoJ had the largest percentage of households with access to electricity for cooking in 2011 at 87.4 percent. This was 3.5 percentage points higher than that of the province. Access to electricity for lighting for the province as a whole increased to 87.4 percent in 2011 and that for cooking to 83.9 percent.

- *Number of Households with access to Energy for Lighting:*

The figures presented by Statistics South Africa indicate that the majority of households at **253352** used electricity as an energy or fuel source for lighting purposes and it was followed by candle at **20287**. The municipality has shown a steady increase in terms of access to electricity for purpose of lighting as compared to **222, 176** figures presented by the *Community Survey of 2007*.

Municipality	None	Electricity	Gas	Paraffin	Candles (not a valid option)	Solar
DC42: Sedibeng	579	<b>253352</b>	595	4352	20287	603
GT421: Emfuleni	379	202903	402	2853	13159	439
GT422: Midvaal	133	23770	113	1282	4582	85
GT423: Lesedi	68	26679	80	217	2545	79

Source: Stats SA 2011

- *Number of Households with access to Energy or Fuel for Cooking*

As was the case with energy or fuel used for lighting purposes, the majority of households used electricity for cooking purposes at **243530**, showing an increase as compared to **217 519** figures presented by Community Survey. Paraffin also remained an important energy source for cooking purposes with **20548** of households using this as a fuel or energy source.

	None	Electricity	Gas	Paraffin	Wood	Coal	Animal dung	Solar	Other
<b>DC42: Sedibeng</b>	411	<b>243530</b>	9444	20548	2870	219	127	376	268
<b>GT421: Emfuleni</b>	291	198800	5641	13409	994	444	52	294	210
<b>GT422: Midvaal</b>	42	21555	2632	4661	872	102	33	48	19
<b>GT423: Lesedi</b>	77	23175	1171	2478	1004	164	42	34	39

Source: Stats SA 2011

- *Number of Households Energy or Fuel for Heating:*

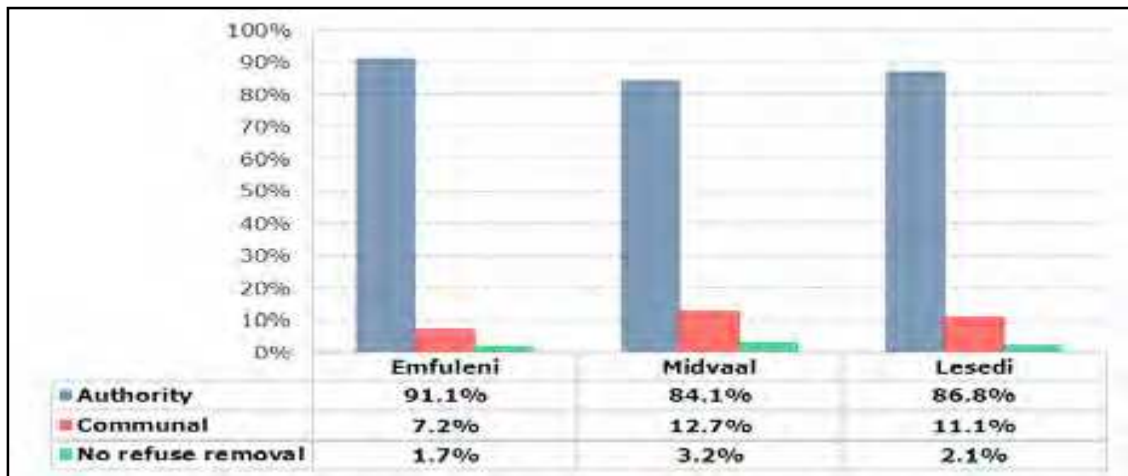
With regards to fuel or energy used for heating purposes, electricity remained the main source of energy with **222 239** of households using this as an energy source. When comparing the number of households using electricity as a source for Lighting, Heating and Cooking, it is evident that less households use electricity in the region as an energy source for heating purposes, probably because of affordability issues. Both wood and paraffin ranked second highest as an energy source for heating purposes.

Table: *Energy or Fuel for Heating*

Municipality	None	Electricity	Gas	Paraffin	Wood	Coal	Candles (not a valid option)	Animal dung	Solar	Other
<b>DC42: Sedibeng</b>	1968	<b>222239</b>	1023	8969	1020	748	-	314	633	12
<b>GT421: Emfuleni</b>	1159	186383	6590	6635	4755	349	-	196	471	10
<b>GT422: Midvaal</b>	4192	17716	2359	1541	3467	546	-	39	105	-
<b>GT423: Lesedi</b>	3894	18140	1284	793	1980	343	-	80	57	2

Source: Stats SA 2011

(E) Refuse Removal:



Source: Stats SA 2011

The figure above shows the percentage of households with access to refuse removal, by type, in the local municipalities in Sedibeng for 2011. For all three municipalities, most households had their refuse removed by the authorities on a weekly basis. Emfuleni had the largest percentage, at 91.1 percent, followed by Lesedi at 86.8 percent and Midvaal at 84.1 percent.

Communal refuse removal was the second largest type, with 12.7 percent of households in Midvaal having this type of service. Midvaal had a larger share of its households with no refuse removal than did any other Sedibeng local municipality, at 3.2 percent. In Lesedi this was 2.1 percent, 0.4 percentage points higher than in Emfuleni. The table below shows the number of households with access to refuse removal, by type, in the local municipalities for 2011.

**INTEGRATED TRANSPORT PLAN:**

The Integrated Transport Plan (ITP) for Sedibeng 2008 to 2013 is focused on developing transport infrastructure and operational plan for the District for 2010. Significant progress has been made in rolling out ITP. Below is a summary of progress made to date:

- Collection and collating information on transport facilities location, utilization and capacity;
- Analyzing routes and services;
- Collating information relating to operating licenses and subsidized bus transport information;
- Cordon Surveys done;
- Reviewing relevant legal framework;
- Analysis of planned developments; and

In terms of Integrated Transport Plan for Sedibeng, further studies that need to be undertaken are as follows;

- Strategy for Modal Integration of public transport (Mini-bus, buses and trains)

- Assessment and strategy to deal with Meter Taxis and scholar transport in the region.
- Provision of transport for people with special needs.
- Policy on management of public Transport Facilities and Public Transport by-laws.
- Support Gauteng with finalization of Integrated Public Transport Network Design Project.
- Assistance to Municipalities on Road Safety campaigns, Traffic signals, Road signage and road infrastructure development.
- Develop freight Transport Management plan.
- Develop Airport turnaround strategy or commercialization of current Airport
- Develop a course Area-wide Master-Plan to be able to provide for proper networking planning of Non-Motorized Transport.

### **Operating License Strategy:**

- Every route has oversupply of taxis (including 30% contingency).
- Formal ranks within the CBD are operating beyond their capacity conditions.
- High proportions of operators were issued with Operating License without considering oversupply.
- High proportions of vehicle registration from site do not correspond with registrar database (and OLS).
- Route compliance not strictly enforced.
- Provincial Department of Roads and Transport intends to establish Transport Operating License Administrative Body (TOLAB) in Sedibeng to assist Local operators.

### **Rationalization Plan:**

- Subsidized contracts bus services are mainly serving low income residential areas, long distance
- There are two hundred and fifty six (256) subsidized bus routes which majority is in Emfuleni Local Municipality.
- There are no subsidized operations in Lesedi Local Municipality
- Only 6% of commuter trips in Sedibeng District Municipality are by rail, 15% by bus and the rest by taxi
- The operators extended routes at own cost to provide service while maintaining contract performance.
- Scholar trips and mini-bus taxis are not subsidized.
- Subsidized services are in direct competition with taxi operations for the majority of the routes.

### Status quo of travel behavior and Public transport in Sedibeng:

#### Vehicle Ownership:

- The vehicle ownership in SDM averages less than 0,4 vehicles per household in the entire area. Vehicles include all forms of motorized transport. A slightly larger number of households, namely 0,44 stated that a vehicle is available to the household for use, including company owned vehicles.

#### Public Transport Facilities:

- There are 35 Bus rank in Sedibeng, of which only two (2) are formal.
- There are 56 Taxi/Public Ranks in Sebokeng, of which only twelve (12) are formal.
- Major portion of ranks are in Emfuleni Local Municipality.
- Only 25% of mini-bus taxi ranks are in good condition, most ranks are either informal and/or temporally on street

#### A) Mode of Travel

From the three municipal areas within SDM, it was found that motorized transport was the predominant mode of travel to work. The modal split between motorized and non motorized trips is 78:22. 42% of motorized trips to work are made by public transport, i.e. 6% by train,7% by bus and 29% by taxi. The table below shows the prevalence of non-motorized transport (NMT) modes in SDM as compared to other modes of travel to work.

MAIN MODE TO WORK	MODE SHARE OF WORK TRIPS BY ANALYSIS (%)										
	Evaton/ Sebokeng	Arcelor Mittal/ Vanderbijpark	Vlakplaas/ Mooiwater AH	Vlakfontein farms	Vereeniging/ Three rivers	Meyerton	Suikerbosrand	Ratanda/ Heidelberg	Devon /Visckuil	Devon/ Visckuil AH	SEDIBENG
REGION	1	2	3	4	5	6	7	8		9	ALL
Train	12.46	0.32	1.05	1.16	4.32	1.66	11.13	N/A	8.39	N/A	<b>5.9</b>
Bus	17.81	0.51	2.6	1.33	N/A	N/A	2.97	N/A	N/A	3.6	<b>7.03</b>
Mini-Bus Taxi	48.93	16.57	20.28	23.15	9.59	5.46	32.46	N/A	2.35	36.58	<b>28.78</b>
Car	9.31	61.38	19.69	54.18	70.43	39.34	2.44	69.83	42.12	15.72	<b>31.77</b>
Walk/ Cycle	6.48	16.06	50.34	14.2	14.23	53.12	50.32	25.66	31.58	35.19	<b>21.73</b>
Motorcylce/ Comp Transport	5.01	5.17	6.03	5.98	1.44	0.42	0.67	4.5	15.55	8.92	<b>4.79</b>

Source: Households Survey 2002