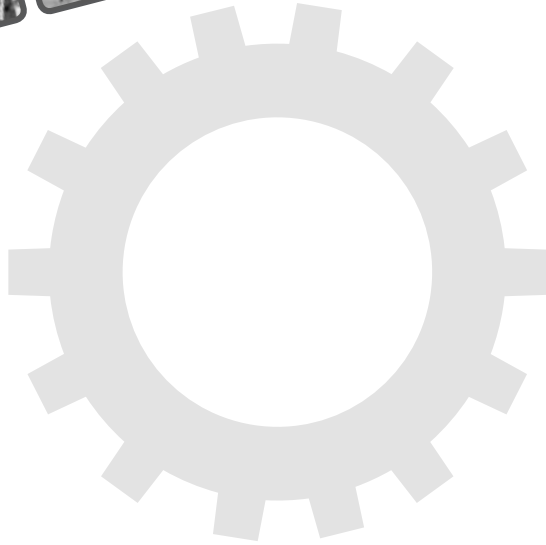


ANNUAL REPORT 2008-09



Annual Report 2008-09



Sedibeng District Municipality

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INTRODUCTION

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

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

The report will therefore be divided into the following sections:

- Introduction : Introduction and Forewords - Executive Mayor and the Municipal Manager
- Chapter 1 : Overview of the Socio-Economic Profile of the Area of Sedibeng District Municipality
- Chapter 2 : Institutional Transformation and Governance
- Chapter 3 : Performance and Progress on Key Priority Areas
- Chapter 4 : Financial Statements

Furthermore, in terms of the Act referred to above, the Annual Report must, within seven months after the end of financial year under review, be submitted to the MEC for the Department of Local Government.

This report seeks to highlight the performance of the Sedibeng District Municipality in the 2008/09 financial year.

Foreword by the Executive Mayor

1



1: Foreword by the Executive Mayor



It is once again that time of the year when we need to pause and reflect on our journey covering the period from July 2008 to June 2009 – a period that coincides with the first twelve (12) months of my deployment in Office as the Executive Mayor of Sedibeng District Municipality. We do so guided by our commitment to make Local Government Work Better for our people, as enshrined in the ANC 2006 Local Government Elections Manifesto. This Manifesto's implementation program is further guided by the Seven National Key Performance Areas as I have commented on hereunder. In my foreword this time around I am going to touch on the highlights of our success story which is worthy of sharing with you.

On Reinventing our Economy: Working together with our people and our Local Municipalities we have achieved more in fulfilling our constitutional obligation of giving priority to the basic needs of the community and to promote their social and economic needs by accelerating the process of basic services delivery infrastructural developments including supporting, consolidation and expansion of the economic sectors in our region.

As part of the consolidation and expansion of the metal, energy and construction sectors, working in partnership with Gauteng Economic Development Agency (GEDA) we have established a Steel Forum. In addition, we are also in a process of developing the sector strategy. This will see the growth of the steel/metal, energy, construction and related industries in the region which is aligned to Accelerated and Shared Growth Initiative for South Africa (Asgisa) and the Apex priorities related to industrial policy to create employment opportunities in our region.

We have provided strong and visionary local political leadership to the business community by launching the factory-to-factory visits whose aim was and still is to consolidate and enhance the confidence of the business community in our area to the leadership of the government, therefore encouraging the retention and growth of the existing enterprises and the attraction of new ones. Despite the international recession which is a big challenge to business in general, our approach is starting to bear positive results as it can be seen by expansion of some of the existing businesses and the new investments cropping up all over in our District, across the sectors with retail and construction industry leading.

The R59 corridor is emerging strongly as the future economic nodal point for our District municipal area. This is evidenced by the growth of the two important sectors for the economic growth namely, the secondary sector represented by manufacturing and construction, as well as the tertiary sector represented by the development of tourists products like the Golf Estates, etc.

On Renewing our Communities: The Evaton Urban Renewal Project will remain the government's main urban renewal program in our region though we are of a view that it has not been receiving the attention it deserves from the three spheres of government. We however pride ourselves that there is a huge private sector interest to invest in some aspects of the project, and the government is also reviewing its input for improvement.

With the help from Neighbourhood Development Partnership Grant (NDPG) Funding, we are engaged in a process of Precincts Development in areas like Sharpeville, Sebokeng, Ratanda, Mamello, Siculo, Bophelong and Boipatong, as part of our endeavour and commitment to renew our communities.

Through the 20 Priority Township Projects (20 PTP), financed and sponsored by the Gauteng Provincial Government (GPG)

1: Foreword by the Executive Mayor

as well as our own initiatives as informed by the IDP linked service delivery programmes, we are progressing well in renewing our communities in terms of infrastructure like roads and storm water system which remain a big challenge.

The Municipal Housing Development Plan (MHDP) to facilitate future housing development and ensure inclusionary housing provision and unblock problems at places such as Mamello, River Glen, etc, has been completed and the Housing Coordinating Forum established. This will now pave way for the Shack Down Programme in communities that are affected and ensure that roll-out plans are developed in Local Municipalities.

To further facilitate growth as well as renewal of our communities in our municipality, we must provide a sustainable transport infrastructure, and in that regard, the process of developing our Integrated Transport Plan (ITP) is progressing very well.

On Reviving our Environment: We are proud to inform our people that the process of the development and speedy implementation of the Sedibeng Regional Sewer Scheme to build a major new regional sewage plant that will serve the demand for sewer purification in the region and to feed treated waste water into the Vaal River system is on track.

We have implemented the DEAT's "Clean Fires" Programme in the Sedibeng Region to improve air quality in residential areas. With our local business we are also involved in rigorous environmental programmes.

On Reintegrating Our Region: As part of preparations we will be erecting tourism and directional signage, which will make our region much easier, exciting and fun to drive in or through. In addition to these we will be upgrading our traffic signs to enhance the safety and security of our people.

The appointment of the new administration both in Gauteng and Free State Provincial Governance, post elections 2009 has affected the progress achieved in terms of the Vaal 21; however the process has been put in place to get it back on track.

On Releasing our Human Potential: The District Sport Council in identified sporting codes was established. Through it, Council will be able to fully participate in provincial sports as well as nurture the potential of people of our District through sports and recreation.

As part of our commitment to sports development we will be investing millions of rand in the upgrading of the three local sports facilities all found in Emfuleni Local Municipality (ELM) due to their strategic location as part of preparing them to be ready for use by the soccer teams of the countries that will stay in our area as the base camp during the 2010 FIFA World Soccer Tournament.

In our endeavour for sports development, particularly soccer, we are working with the captain of our National Squad Mr. Aaron Mokoena towards the formation of the Aaron Mokoena foundation.

All our youth centres continue to improve the services rendered to the young people of our District. The increase in the number of internet knockings bear testimony to the importance and usefulness of these centres to our young people. Our youth, our leaders of tomorrow, must use these centres to gain access to information and knowledge to assist them in shaping their future.

1: Foreword by the Executive Mayor

As we are looking forward to the new financial and calendar year, I must mention that in addition to being the year of the World Soccer Tournament, the year 2010 is also special to the people of the Sedibeng in particular, and the country in general in that, it is the 50th Anniversary of March 21st which came to be popularly known as the Sharpeville Day.

In collaboration with the local, provincial, national and international stakeholders the day will be celebrated in style.

We are committed to and share a zero tolerance to crime in our region. In this regard we are continuously improving and upgrading our CCTV street surveillance system in Vereeniging, Sharpeville, Sebokeng and Evaton and are considering integration with other local municipal systems for improved management in partnership with the private sector.

To enhance and improve health service delivery, the Sedibeng District Municipality has requested and received eight brand new additional ambulances.

In our continued fight against the scourge of HIV and AIDS, we dare not rest for our fight is not over. The Sedibeng District Municipality is proud to be part of campaigns that are continuously held with community participation.

On Good and Financially Sustainable Governance: Our District and its Local Municipalities are continuing to receive unqualified reports from the Auditor General, and we must sustain that.

We are also proud to mention that the District received an unqualified audit for 2008/2009 financial year for the fourth time in a row. Our oversight system is effective, an indication of our non-tolerance of corruption and mismanagement of public assets, hence the achievements alluded to.

On Vibrant Democracy: We continue to value our people, for whom we are servants because for the period under review, we have had many oversight and outreach programmes, including IDP sector meetings covering women, business, ex-combatants and religious groups.

We have successfully launched Youth and Women Councils as part of our sector work in the process of deepening democracy. We have established the Petitions' Committee to afford our communities an opportunity to raise with us any matter of their concern.

In conclusion let me assure our people that I am extremely happy and excited about the progress we are making in realizing all our programmes.

Best wishes,

Councillor Mahole Simon Mofokeng

Executive Mayor

Foreword by the Municipal Manager

2



2: Foreword by the Municipal Manager



As the Accounting Officer of the Municipality, I join the Executive Mayor, Clr Mahole Mofokeng, in presenting the Annual Report of the Sedibeng District Municipality for the 2008/2009 financial year to the Council. The report has been compiled in line with the Local Government: Municipal Systems Act 32 of 2000, the Local Government: Municipal Finance Management Act 56 of 2003, as well as National Treasury Circular No. 11 (which outlines Annual Report Guidelines). This report records the progress made by the municipality in fulfilling its objectives as reflected in the IDP, the Budget and the Service Delivery and Budget Implementation Plan (SDBIP).

The year 2008/2009 was particularly significant for the Sedibeng District Municipality. Considerable improvements and progress has been achieved in the services, functions and activities of the municipality, including resolving a variety of disputes that arose out of a complex restructuring process that aligned the structures of the municipality to the functions and to its role and responsibility, particularly with regard to its 3 Local Municipalities.

In the area of institutional development we boldly implemented a top-to-bottom bonus system, improved our Employee Assistance Programme (EAP), and invested a significant amount in skills development linked to Personal Development Plans (PDP's) with provision for a professional, confidential and counselling assistance provided to employees who may need help with particular problems affecting their well being, both personally and in their workplace, including HIV/AIDS.

Performance Management is an ongoing process where the manager/supervisor and employee work together to plan, monitor, and review an employee's work objectives or goals and overall contribution to the organization. Our challenges are on instilling a performance oriented culture throughout the organization and on a process of reviewing of the Performance Management Development System Policy (PMDS) on annual basis to accommodate identified shortcomings during the implementation phase.

Some of the Precinct Development Plans reached the end of the planning phases as we put the final touches to the vision and prepared for implementation in the 2009/2010 financial year. These projects will be driven by the funding from the Neighborhood Development Partnership Grant (NDPG).

Once a municipality has achieved an unqualified audit, it is equally hard work to sustain it. We are pleased that in the 08/09 financial year we have sustained an unqualified audit opinion for 4 consecutive years. The relationship with our Locals remains effective despite many challenges and, where possible, we have implemented supplementary infrastructure programmes such as road construction in particular.

This was the year in which the envisaged Regional Sewer Scheme finally came together as a coherent project. Through the role of the Gauteng Province as consolidated partners in the project this critical project gained great momentum. The Scheme is seen as a flagship project of Sedibeng's Growth and Development Strategy (GDS). This is a project with the potential to become a signature success in the following areas:

The Scheme will contribute to the reinvention of the economy by allowing industrial, residential and tourism developments to proceed without being hampered by inadequate sanitation infrastructure. This is particularly important along the Vaal River where a moratorium on development has been imposed by Rand Water due, inter alia, to the lack of adequate sanitation infrastructure, enabling sewage free rivers in Sedibeng (Vaal and Klip Rivers in particular) that will make them

2: Foreword by the Municipal Manager

more attractive for water tourism and developments along their banks.

The basis of a good 2010 FIFA World Cup offering was laid during this year and the focus areas and strategic vision, legacy projects and operational plans were developed. The Sedibeng Region will be the base camp of team Switzerland and Ivory Coast.

The approval of an Ex-Combatants Policy and its subsequent implementation, with all its challenges, was a notable success. Much work still needs to be done in this area.

Human Rights Day is celebrated on 21st March each year to honour our fallen heroes and heroines and celebrate the human rights and fundamental values for which they sacrificed their lives.

This is also an opportunity to showcase our human rights and the gains of our democracy through music and to promote our unity in diversity. On the day all Government Departments will exhibit and provide essential services to the community of Sharpeville and surrounding municipalities. The event will take place at the George Thabe Cricket Pitch with a target audience of 20 000 people from the neighbouring communities, including the minority groups.

These were but some of the significant areas of progress. The performance and operations of the 2008/2009 financial year were also affected by the Global Credit Crunch which had a direct impact on funding from the NDPG, which was significantly reduced and the envisaged private investment in the Precinct Development Projects. It was also a year in which we saw many changes in political and administrative structures. Despite these changes, the continuity and operations were not compromised.

I would like to thank members of the Political Management Team (PMT) in particular the Executive Mayor, Speaker and Chief Whip for their support and leadership. None of these successes would have been possible without a dynamic management team and the efforts of each and every single staff member who worked diligently and energetically in serving the people of Sedibeng.

Thank you,

Yunus Chamda
MUNICIPAL MANAGER

Chapter:

1

Overview of the
Socio-Economic Profile
of the Area of
Sedibeng District Municipality



Chapter 1: Overview of the Socio-Economic Profile of the Area of Sedibeng District Municipality

1.1 Introduction

This section of the report provide the scientific analysis of the level and impact of all the services rendered by various service delivery institutions including but not limited to the public sector led by three spheres of government, private sector led by business, Non Governmental Organizations (NGOs) as well as organized and un-organized civil society.

The data or information in this section is derived from various research and service organizations that are servicing the area of Sedibeng District Municipality.

1.2 Geographical Location

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

The SDM covers the entire southern area of Gauteng Province, extending along a 120 km² axis from East to West. The total geographical area of the municipality is 3, 894 square kilometres (km²). The SDM comprises of three Category B municipalities, namely, Emfuleni, Lesedi and Midvaal Local Municipalities and is surrounded by the following municipalities:

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

Chapter 1: Overview of the Socio-Economic Profile of the Area of Sedibeng District Municipality



Map 1: Map of Sedibeng District Municipality

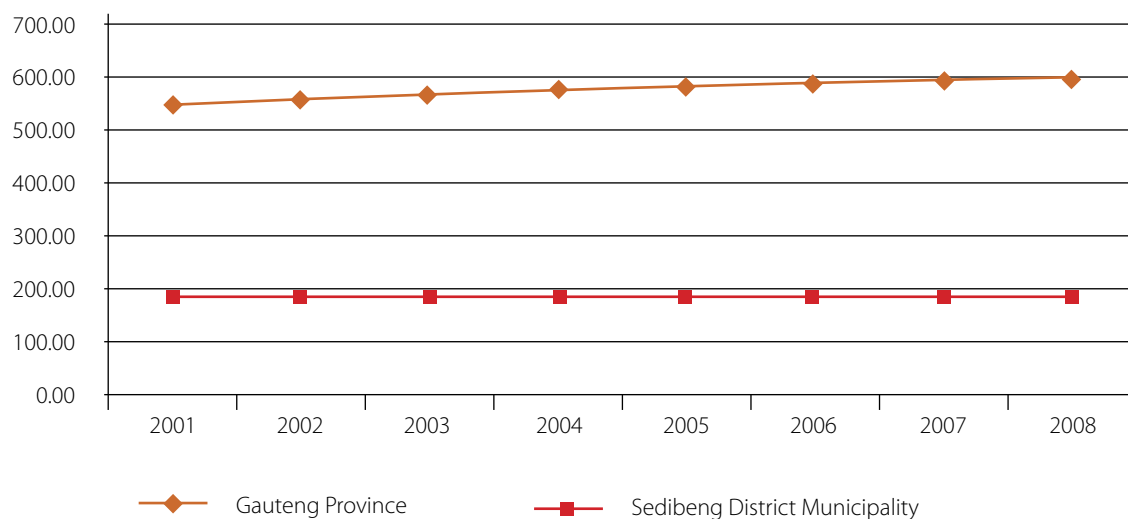
Source: Municipal Board (Demarcation 2007)

1.3 Demographics

Our region Sedibeng is moderately populated and has experienced a phenomenal growth of local population as well as fairly young people migrating to this area of Sedibeng. The main attraction of young people into this area is to further their studies at North West University Vaal Campus, Vaal University of Technology, and Sedibeng Colleges as well as other independent institutions. Statistics point to a fluctuating population. Development Bank of South Africa's (DBSA) 2007 population projections place SDM's population at 908107. These figures were based on the Statistics South Africa's (Stats SA) Census 2001.

A comparison of similar reports undertaken by Stats SA Community Survey 2006 (800 819) and recently Global Insight – 2009 (805 436) provides a base for the SDM's enhanced development strategies.

Chapter 1: Overview of the Socio-Economic Profile of the Area of Sedibeng District Municipality



Graph 1: Population Density Sedibeng & Gauteng, 2001 - 2008

(Source: Global Insight, 2009)

Graph 1 above shows that there has been a steady increase in population density from 2001 to 2008 for Gauteng, whilst the population density in Sedibeng has remained fairly constant over the same period. However the comparison in population density over the period 2007 to 2008 produced the same observation i.e. the population density has remained constant.

In Gauteng the density levels were approximately 554 km² in 2001, this increased to 602 km² in 2008. Although there has been an increase in the density levels in Gauteng over the years, density levels seem to be settling down to a constant of approximately 600km², particularly over the period 2007 and 2008.

In Sedibeng the density levels were approximately 190 km² in 2001 and this increased to approximately 192 km² in 2008. Population density levels in Sedibeng have settled to 91 km² between 2001 and 2008.

		Emfuleni Local Municipality	Midvaal Local Municipality	Lesedi Local Municipality
Black	Male	276,766	26,030	32,697
	Female	273,333	25,346	31,225
White	Male	43,785	11,906	5,213
	Female	44,944	11,346	5,303
Coloured	Male	3,669	630	623
	Female	3,883	652	561
Asian or Indian	Male	3,255	182	368
	Female	3,183	163	373
Total		652,818	76,255	76,363

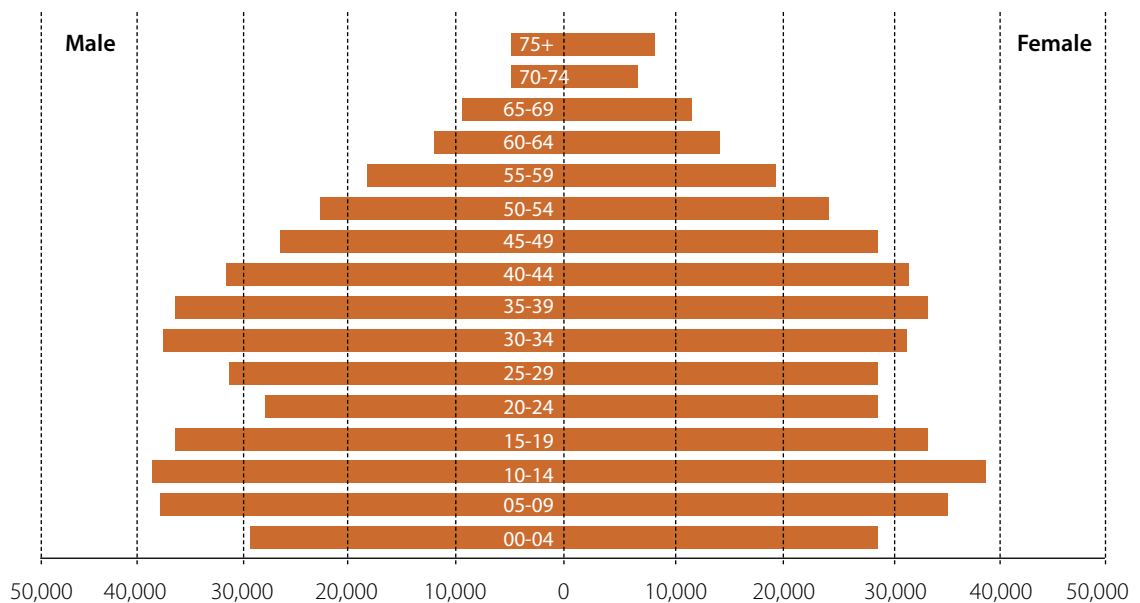
Table 1: Population Distribution per Municipality per Population Group, Sedibeng 2008

(Source: Global Insight, 2009)

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Table 1 indicates that Emfuleni has the highest population in the Sedibeng Region at 81.05% followed by Lesedi and Midvaal at 9.48% and 9.47% respectively. Population figures for Lesedi and Midvaal show a slight difference as they share almost the same population figures. The Black male population is high in all Local Municipalities followed by Black females. The Black population accounts for 82.6%, Whites 15.2%, Coloureds and Asians population at 1.2% and 0.9% respectively.

Compared to the previous year's (2007/08) figures, the Black population has increased by 0.6% whilst the White population has decreased by 0.8%, the Coloured population has increased by 0.2% and the Asian population has decreased by 0.1%.



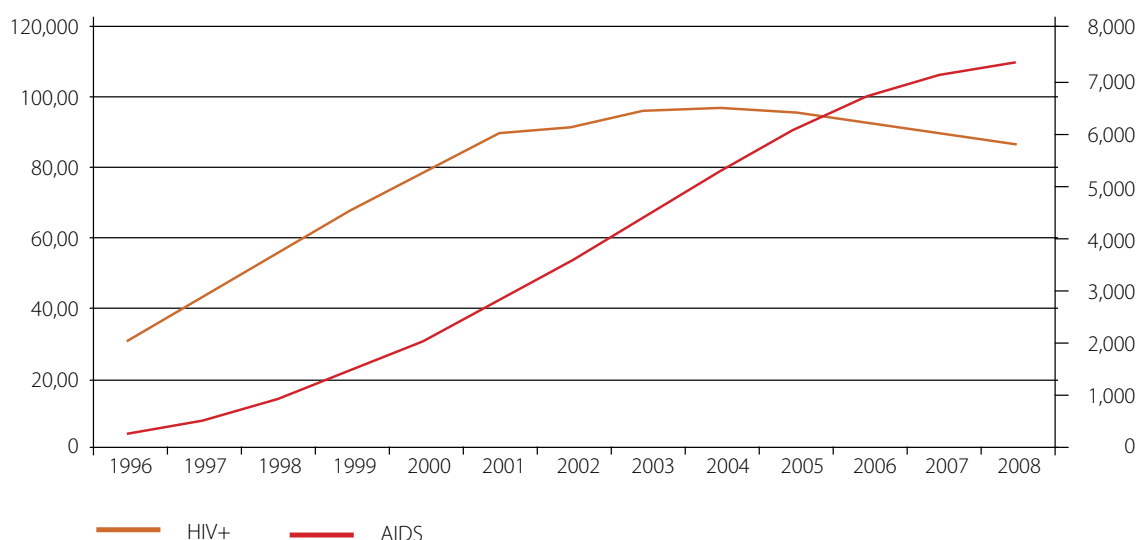
Graph 2: Population Composition by Age and Gender,
(Source: Global Insight, 2009)

Graph 2 shows us the age breakdown of the Sedibeng population. Furthermore, it shows that there is a higher population between the ages 10 – 14 followed by 05 – 09. The smallest population is between the ages 70 – 74 followed by 75+. The population between ages 10 – 14 share a significant distribution of males and females. This may indicate that the population in the Sedibeng Region may have an equal distribution of males and females in the future.

1.4 HIV and AIDS

The District has developed a five-year strategy (2007-2011) that is aligned to the National Strategic and Provincial Strategic Plans. The programme of action has been adopted by Council and the necessary interventions have been done in assisting to reduce the HIV-prevalence from 35% in 2006 to 31.8% in 2008. Encouraging is the fact that HIV-prevalence among youth 25 years and below is stable, a sign of positive results of concerted efforts to change their social behaviour. All structures which are ward-based driven, including the District AIDS Council and the Local AIDS Councils, are in place and functional.

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Graph 3: Number of HIV-positive Individuals, Sedibeng 2008

(Source: Global Insight, 2009)

Graph 3 above shows a steady decline in the number of people living with HIV, between 2004 and 2008. The new HIV infections have decreased drastically from just below 100,000 in 2003 to just above 80,000 in 2008. This is an indication of the positive impact of various HIV and AIDS programmes the District has launched over the years, including the public-private interface. Although the AIDS-related illnesses are on the increase, the increase seems steady and statistically insignificant. With a continuous decrease in HIV infections, it is likely that over time, the AIDS-related illnesses will decrease. A steady increase of the AIDS-related illnesses, which was not the case before this period, to just below 7500 people is a result of the introduction of the ARVs.

1.5 Urbanization

Urbanization measures the percentage of people in a region that are living in urban areas.

Urban and Rural areas are defined as follows:

- An urban area is one that has been legally proclaimed as being urban. These include towns, cities and metropolitan areas;
- A semi-urban area is not part of a legally proclaimed urban area, but adjoins it. Informal settlements are examples of these types of areas. Semi-urban areas have been included with non-urban areas; and
- All other areas are classified as non-urban, including commercial farms, small settlements, rural villages and other areas, which are further away from towns and cities than semi-urban areas.

Sedibeng Region may have a large landscape with pockets of land that is suitable for agricultural purpose and show all the marks of a rural or semi-urban area. However, in the last 15 years, it has seen huge transformation from the combination of peri urban or semi urban outlook to an urban area with the biggest growth in the building and settlement of our people in the low cost housing (RDP house).

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	Sedibeng District Municipality	Emfuleni Local Municipality	Midvaal Local Municipality	Lesedi Local Municipality
Black	89.6%	95.7%	40.5%	76.8%
White	84.7%	91.1%	66.3%	71.5%
Coloured	85.0%	95.9%	36.5%	67.6%
Asian	92.1%	96.0%	-	89.0%
Total	88.8%	95.1%	48.2%	76.0%

Table 2: Urbanization Rate, Sedibeng, 2008

(Source: Global Insight, 2009)

Table 2 above shows that Emfuleni has the highest number of people living in urban areas at 95.1% with Midvaal reflecting the lowest rate at 48.2%. Sedibeng urbanization figures have been declining from 93.6% in 2000, to 92.2% in 2007 and 88.8% in 2008.

This decline in the rate of urbanization is largely attributed to increased emergence of informal dwelling and growth in urban sprawl which is characterized by lack of or poor infrastructure such as access to water, electricity, sanitation and other important social facilities.

1.6 Socio – Economic Perspective

The thriving regional economy has always been driven by the manufacturing sector which for years had assumed the status of the biggest employer in the region until a change in the structure of the regional economy and global exposure of manufacturing sector especially steel to international competitiveness of steel industry.

Manufacturing sector in South Africa that was mainly based in our region, namely ISCOR, lost all the market protectionism and near monopoly status it enjoyed for years resulting in a serious slump which required restructuring ISCOR that gave birth to Arcelor Mittal.

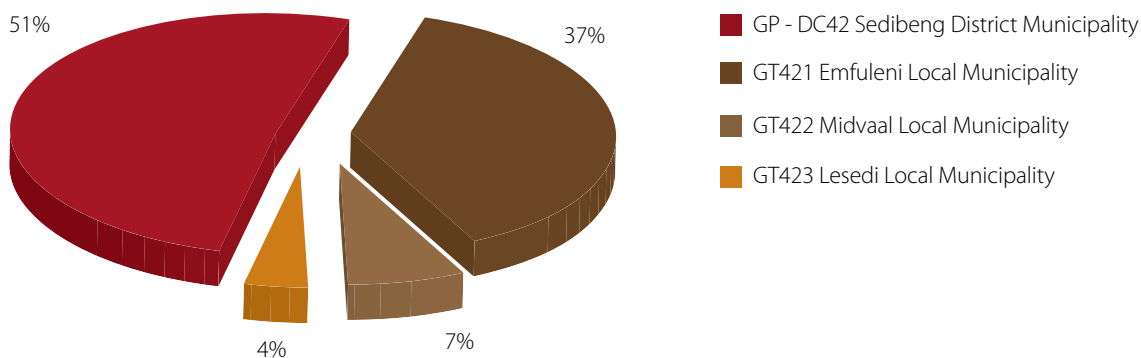
This exposure had serious socio economic consequences for this region in particular as a lot of jobs in this sector were lost, thereby increasing unemployment and exposed serious deficiencies in the skills base of the region to meet the challenges of globalizing economy, productivity and competitiveness of our manufacturing sector.

The manufacturing sector has been identified as a priority sector with the potential to substantially contribute to employment and economic growth. In turn, this will unlock and promote broad-based industrial growth characterized by significant levels of participation by historically disadvantaged people and marginalized regions in the mainstream of the economy (Source: RIDS, 2007).

The metals, energy and construction sectors have been identified as the main manufacturing sub-sectors in the Sedibeng District. Sedibeng offers a comparative cost advantage in the provision of non-metallic mineral products, metal products, machinery, household appliances, electrical machinery and apparatus that comprise a total of 32% of the total exports of Sedibeng. This means that the region is doing better than South Africa as a whole in producing these products (Source: Global Insight, 2004). This contributes to the strong industrial development in the Sedibeng.

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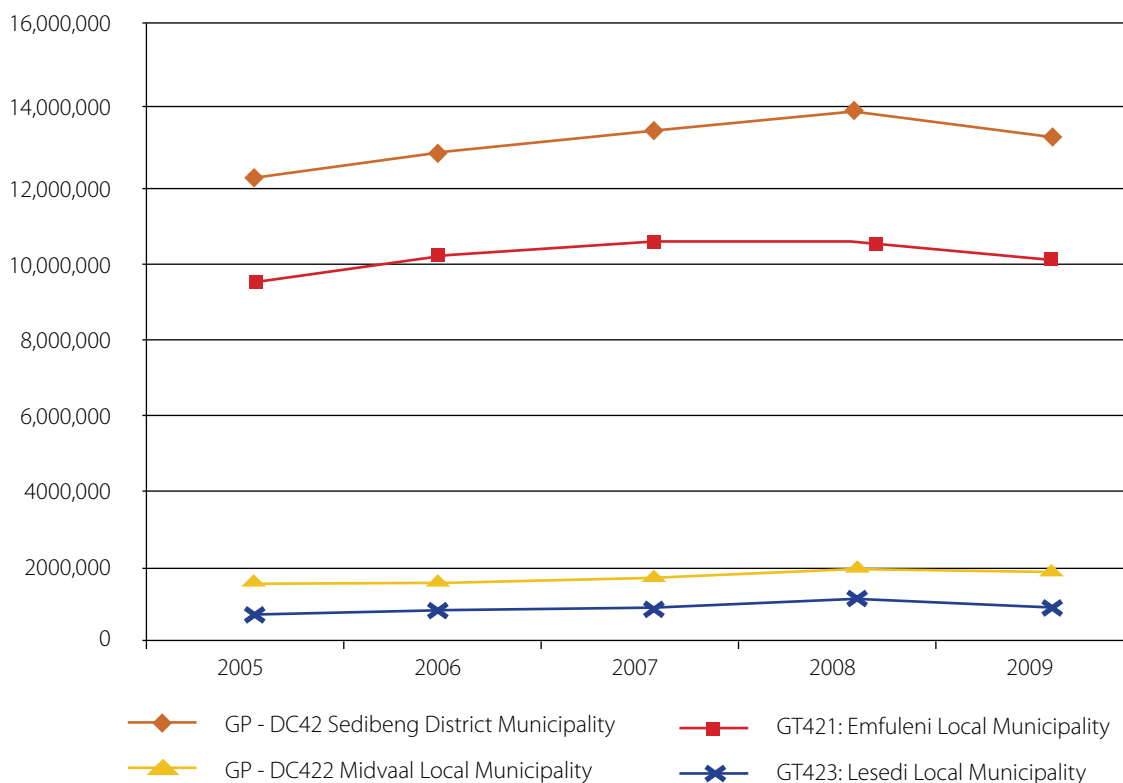
1.6.1 Economic Performance



Graph 4: Composition of Sedibeng GDP by Municipality, 2008 - 2009

(Source: Global Insight, 2009)

Graph 4 illustrates the composition of Gross Domestic Product in the Sedibeng region in 2008. Furthermore, it provides a comparative contribution of Local Municipalities to the GDP. Emfuleni is the biggest contributor to Sedibeng GDP among other Local Municipalities at 38%, followed by Midvaal and Lesedi at 7% and 4% respectively.

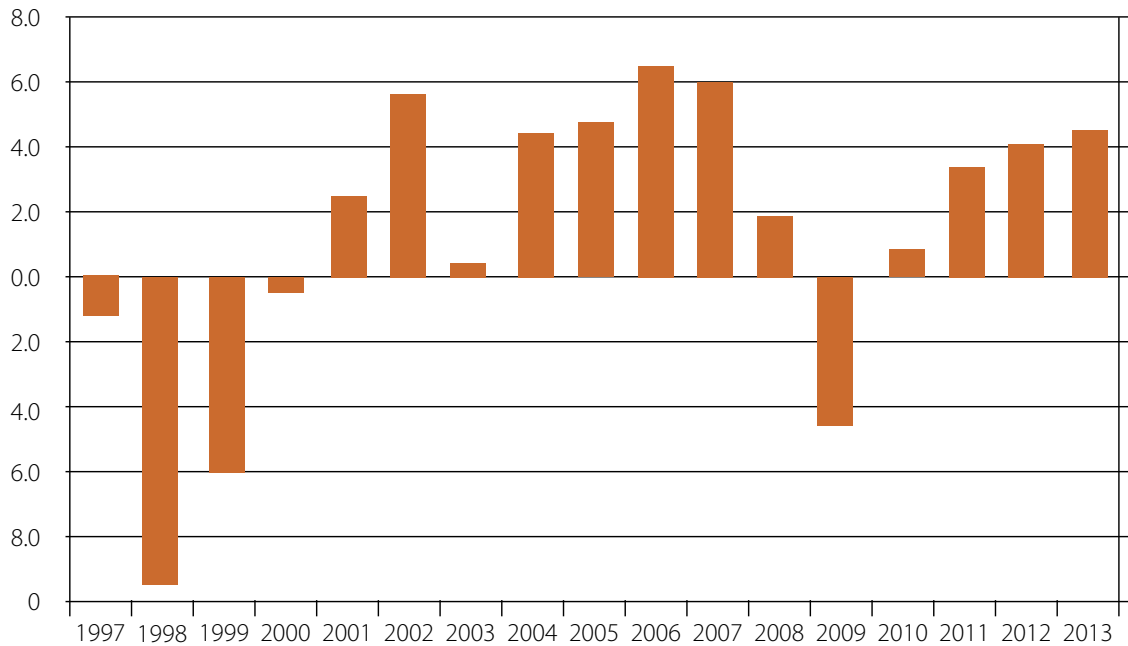


Graph 5: Gross Value Added by Region, 2005 - 2009

(Source: Global Insight, 2009)

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Graph 5 shows a decline in the GVA figures for Sedibeng and Emfuleni in the period 2008 to 2009. There is a fairly insignificant change in the figures for Midvaal and Lesedi in the same period. The decline in the GVA figures in the period 2008 to 2009 can be attributed to the global economic meltdown.



Graph 6: Total Growth Rate of GDPR, 2009

(Source: Global Insight, 2009)

The decline in the Sedibeng GDPR shown in the graph 6 above in the period 2008 – 2009 can be linked to the global meltdown crisis that has affected both the local and international economies. However, the projections seem to point to an upwards swing in 2010 and beyond.

1.6.1.1 Sectoral Analysis

The percentage contribution of economic sectors to the total GVA is used to measure how much each sector has contributed to the economy's GVA. The lowest contributing sector to the Sedibeng's GVA was the mining sector. This indicates that mining is not active in the District municipality. The table below illustrates the contribution of the three (3) sectors to the total economy of the region.

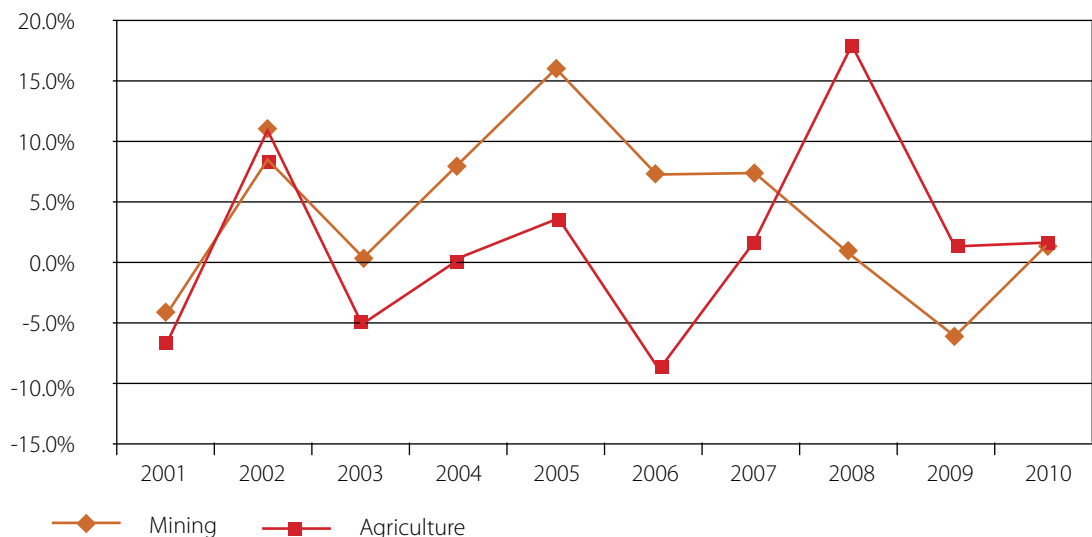
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	2001	2002	2003	2004	2005	2006	2007	2008	2009
1 Agriculture	1.6%	2.3%	1.9%	1.6%	1.3%	1.4%	1.5%	1.6%	1.8%
2 Mining	0.3%	0.3%	0.2%	0.3%	0.3%	0.4%	0.3%	0.4%	0.3%
Primary Sector	1.8%	2.6%	2.2%	1.9%	1.7%	1.8%	1.9%	2.0%	2.1%
3 Manufacturing	43.2%	46.0%	44.5%	44.0%	43.7%	43.7%	45.5%	46.0%	40.8%
4 Electricity	3.8%	3.8%	3.8%	3.6%	3.7%	3.6%	3.3%	3.2%	3.3%
5 Construction	2.2%	2.1%	2.3%	2.4%	2.5%	2.8%	2.9%	3.1%	3.5%
Secondary Sector	49.2%	51.9%	50.6%	50.0%	49.8%	50.0%	51.7%	52.3%	47.7%
6 Trade	8.7%	8.0%	8.1%	8.2%	8.1%	8.0%	7.5%	7.1%	7.4%
7 Transport	5.2%	4.9%	4.9%	5.1%	5.1%	4.7%	4.4%	4.2%	4.4%
8 Finance	12.3%	11.9%	12.2%	12.9%	13.3%	14.5%	14.9%	15.0%	16.0%
9 Community Services	22.7%	20.7%	22.0%	21.9%	22.0%	20.9%	19.6%	19.4%	22.3%
Tertiary Sector	48.9%	45.5%	47.2%	48.1%	48.5%	48.2%	46.4%	45.7%	50.2%
Total Industries	100	100	100	100	100	100	100	100	100

Table 3: Sectoral Contributions to GDP, Sedibeng 2001 - 2009

(Source: Global Insight, 2009)

Table 3 shows that the primary sector is the least contributor to the Sedibeng GVA at 2.1% followed by the secondary sector at 47.7%. The main contributor is the tertiary sector at 50.2%. There seem to be a favourable shift towards both the secondary and tertiary sectors with both sectors making a combined contribution of 97.9% of the total Sedibeng GVA.

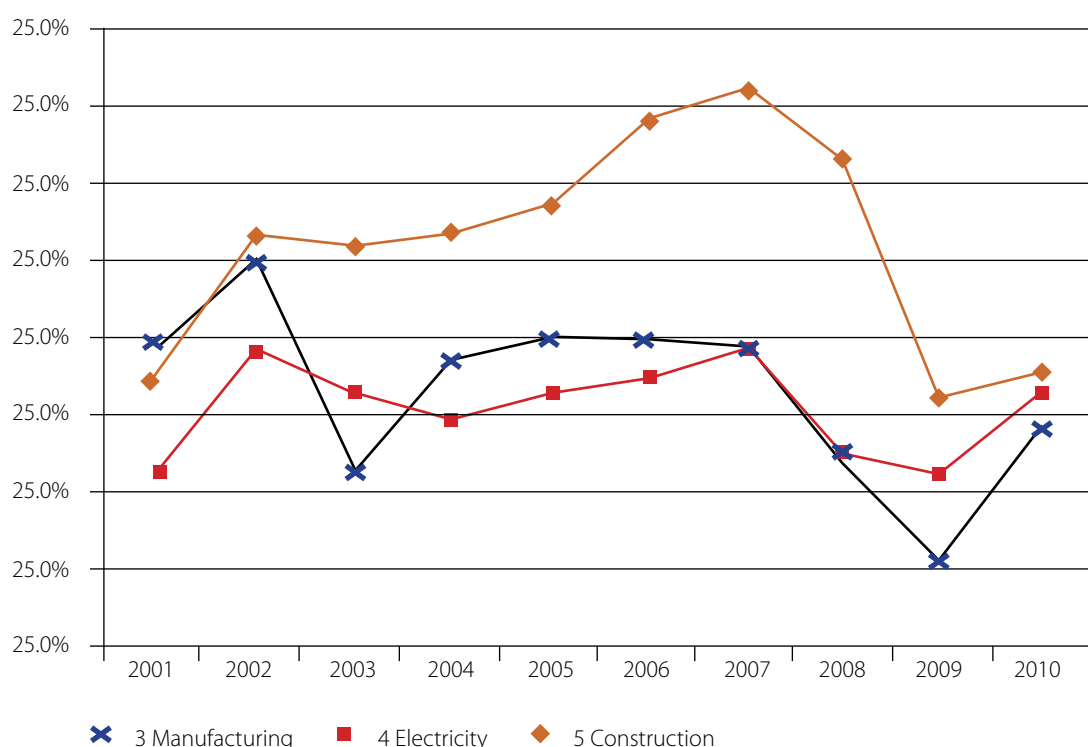


Graph 7: GVA Growth Rates in the Primary Sector, Sedibeng 2001 - 2010

(Source: Global Insight, 2009)

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Graph 7 shows that the primary sector of the economy consists of the agricultural as well as the mining sectors. Mining contributes 0.3% while agriculture contributes 1.8 % to the Sedibeng GVA and together contributing 2.1% which is an increase of 0.1% compared to the 2008 figures of 2.0%. There has been a steady increase in the activity in this sector since 2001 from 1.8% to 2.1 in 2009, with the growth rate of 0.3% in 8 years.

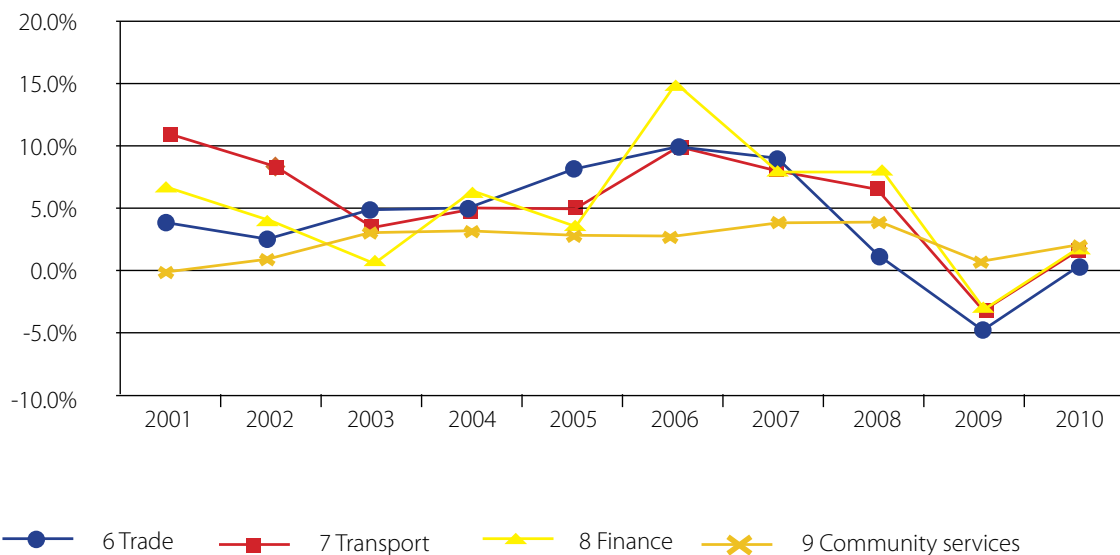


Graph 8: GVA Growth Rate in the Secondary Sector, Sedibeng 2001 - 2010

(Source: Global Insight, 2009)

Graph 8 shows that the secondary sector of the economy consists of manufacturing, electricity and construction. The manufacturing sector is the largest contributor to the total economy of Sedibeng and leads in the secondary sector contributing 40.8%. The manufacturing, electricity and construction sectors together contribute 47.7% of a total Sedibeng economy representing a decrease of 4.6% compared to 52.3% of the 2008 figures. The decrease can be attributed to the global economic slowdown in this period. Although this sector has been on the decline since 2001, there has been an increase in activity in 2008.

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Graph 9: GVA Growth Rates in the Tertiary Sector, 2001 - 2010

(Source: Global Insight, 2009)

Graph 9 shows that the tertiary sector is basically the services sector as well as the government and contributes 50.2% to the Sedibeng GVA. Growth figures in this sector have experienced fluctuations over the last 8 years. In the period 2008 to 2009, this sector has experienced an increase of 4.5% from 45.7% in 2008 recording the highest positive growth among all sectors.

1.6.2 Employment

1.6.2.1 Labour Force Profile

	Male		Female		Total	
Black	153,212	82.4%	131,602	85.8%	284,814	83.9%
White	28,695	15.4%	19,057	12.4%	47,752	14.1%
Coloured	2,071	1.1%	1,822	1.2%	3,893	1.1%
Asian	1,939	1.0%	897	0.6%	2,836	0.8%
Total	185,917	100.0%	153,378	100.0%	339,295	100.0%

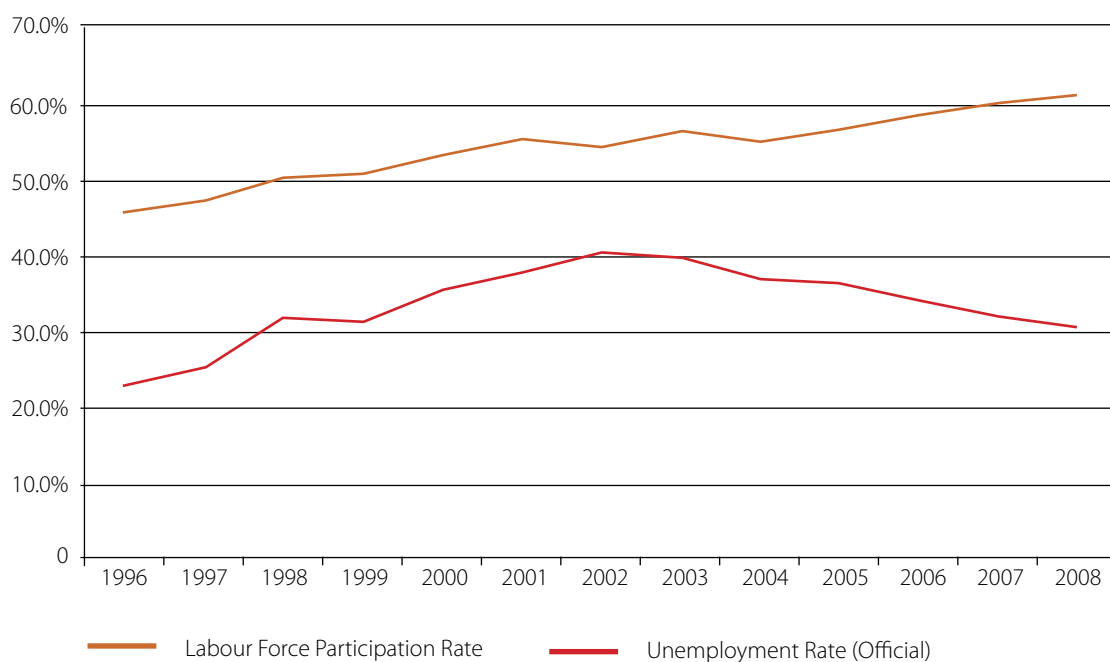
Table 4: Economically Active Population by Gender and Population Group, Sedibeng 2008

(Source: Global Insight, 2009)

A total of 339,296 of the population are employed across all sectors of the economy in Sedibeng; this represents 42.1% of the population of the region. Blacks account for 83.9% of the economically active, followed by Whites at 14.1%, Coloureds at 1.1% and Asians at 0.8%. There was a decline in the total number of the economically active population from 375,282 in 2007 to 339,296 in 2008, this represents 35,986 job losses. Blacks accounted for 94.7% of job losses, followed by Whites at 2.3%, Coloureds at 2.1% and Asians at 0.7%.

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The male population accounted for 54.8% while females comprised of 45.2% of the economically active population. The figures for males have increased by 1% whilst figures for women have decreased by 1.1%.



Graph 10: Labour Force Participation Rate (LFPR), Sedibeng, 1996 - 2008

(Source: Global Insight, 2009)

Graph 10 shows labour force participation as well as unemployment rates in Sedibeng. There seem to be an increase in the labour force participation rate in the period 1996 to 2008. A similar trend can be observed with the unemployment rate in the period 1996 to 2002. Since then, unemployment has been on the decline. A drastic decline was experienced in the period 2002 to 2004 and in 2005 to 2008.

	Male		Female		Total	
Black	42,347	94.04%	54,184	95.37%	96,531	94.78%
White	2,203	4.89%	2,145	3.78%	4,349	4.27%
Coloured	376	0.83%	407	0.72%	783	0.77%
Asian	105	0.23%	79	0.14%	184	0.18%
Total	45,031	100.00%	56,815	100.00%	101,847	100.00%

Table 5: Unemployment by Race by Gender, Sedibeng, 2008

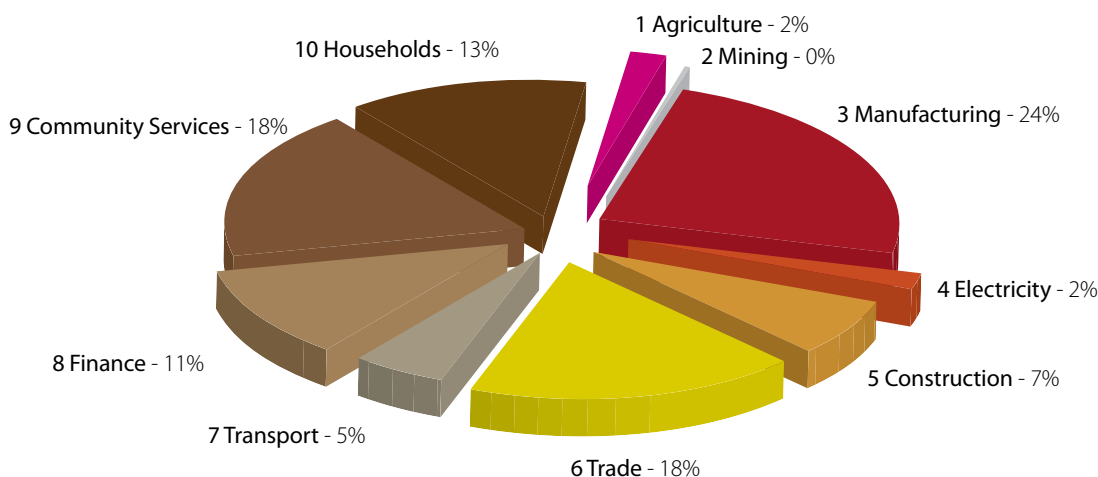
(Source: Global Insight, 2009)

Table 5 shows unemployment by race and by gender in the Sedibeng Region. The Black population accounts for 94.7% of the unemployed population with Black females recording the highest figures of unemployment in the region at 95.37%.

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The White population accounts for 4.27% of the unemployed Coloureds, Asians at 0.77% and 0.18% respectively.

1.6.2.2 Sectoral Employment



Graph 11: Employment by Sector, Sedibeng 2008

(Source: Global Insight, 2009)

Graph 11 above provides us with the total employment composition across all sectors of the economy in Sedibeng. It depicts that the manufacturing sector proves to be the largest employment sector at 24% followed by the community services sector at 18%. There is insignificant activity in the mining sector at 0%. Agriculture and Electricity sectors show least employment absorption at 2%. The mining sector has continued to decline from 0.1% in the period 2003 to 2007 to 0% in 2008.

1.7 Access to Services

1.7.1 Education

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

Types of Schools	Sedibeng		Gauteng	
	2007	2008	2007	2008
Primary	32.0	32.1	34.3	33.8
Secondary	30.4	30.4	31.8	29.5

Table 6: Learner - Teacher Ratio, Sedibeng & Gauteng, 2007 & 2008

(Source: Gauteng Dept. of Education, 2008)

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Table 6 provides a comparison of the learner – teacher ratio between Gauteng and Sedibeng for 2007 and 2008. In comparison with the learner – teacher ratio for Gauteng, Sedibeng had a lower ratio for primary schools for both years; however the situation might have changed in 2009. The ratio was larger for secondary schools in Sedibeng at 30.4 in comparison to 29.5 in Gauteng. This indicates that there is still room for improvement for Sedibeng in the learner – teacher ratio in the secondary schools.

1.7.2 Housing

Dwelling Type	Emfuleni			Midvaal			Lesedi		
	2001	2007	2009	2001	2007	2009	2001	2007	2009
Formal	81.8%	82.9%	85%	80.8%	86.3%	87%	76.7%	82.1%	88%
Informal	16.5%	14.9%	14.8%	16.7%	8.4%	8%	20.2%	13.8%	11%
Traditional	1.4%	0.5%	5%	1.9%	0.4%	3%	2.8%	1.4%	1.4%
*Other	0.3%	1.7%	1.5%	0.6%	5%	5%	0.3%	2.8%	2.3%

Table 7: Access to Housing by Dwelling Type, by Local, Sedibeng, 2001 & 2007

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

*Other includes living in caravan/tent, boat/ship and workers living in hostels as well as any misspecification filled out during the two surveys.

Formal housing has increased in the past 2 years within Sedibeng District by 5.9% which led to partly formalization of at least 4 informal settlements. The challenge has been the growing of existing informal settlements after the beneficiary administration has already been completed. Informal residential settlements can be defined as settlements that do not have any formal town-planning structure and have limited access to basic engineering services such as water, sewerage and electricity. There are thirty five (35) informal settlements in Sedibeng with six (6) being in the process of being formalized.

Midvaal has the highest percentage of the formal housing at 86.3% followed by Emfuleni and Lesedi at 82.9% and 82.1% respectively. Emfuleni has the highest informal housing at 14.9% followed by Lesedi at 13.8% and Midvaal at 8.4%. There has been a dramatic improvement in the process of formalizing informal housing in Sedibeng between 2001 and 2007 with Midvaal showing the greatest achievement of 8.3% followed by Lesedi at 6.4%. Emfuleni made the least improvement at 1.6%.

1.7.3 Health Services

Indicator	2004/05	2005/06	2006/07	2007/08	2008/09
Medical Aid coverage	-	14.8%	14.5%	17%	18.7%
Nurse clinical workload	42.7%	39.3%	36%	25.7%	26%
Bed utilisation rate (BUR)	68%	72%	65%	72.25%	70%
TB cure rate	57%	66%	68.1%	74%	

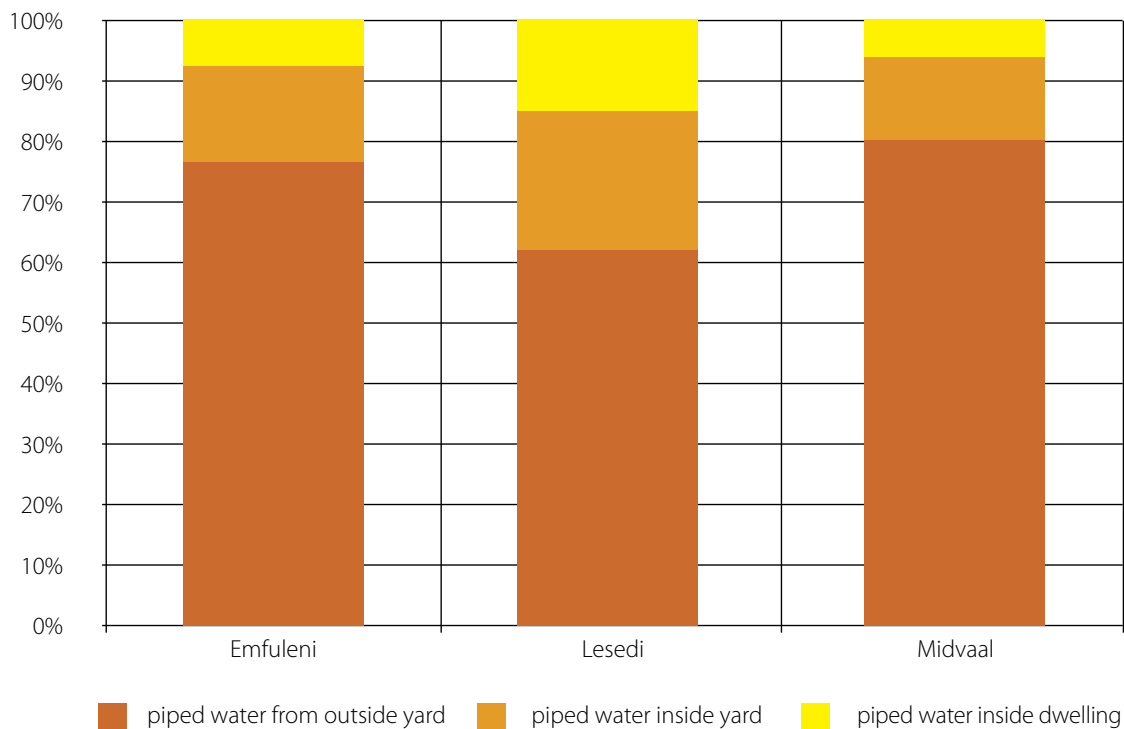
Table 8: Health Service Indicators, Sedibeng, 2004/05 – 2008/09

(Source: Gauteng Department of Health, Health Status Report 2008)

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Table 8 shows that Sedibeng has the lowest medical aid coverage in Gauteng, ranging between 14.8% in 2005/06 and 18.7% in 2008/09. There has been a decline in the nurse client workload from 42.7% patients per nurse in 2004/05 to 26% patients per nurse in 2008/09. This shows improvement on the patient/ nurse ratio making the work load manageable for health workers. The bed utilisation rate is fluctuating between 68% and 72%; however a 2% drop occurred in this financial year. It is commendable that in the wake of the HIV& AIDS epidemic, TB cure rate has improved from 57% in 2004/05 to 74% in 2007/8.

1.7.4 Water and Sanitation



Graph 12: Access to Water, Sedibeng 2007

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

The Sedibeng District Municipality has high water service levels, with 97.5% of the households having access to RDP water services. Emfuleni Local Municipality has the highest RDP water service levels at 98.1%, followed by Lesedi Local Municipality at 95.9% and lastly Midvaal Local Municipality with 94%.

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Sedibeng has a water backlog of 2.4%, which accounts for 8.9% of the provincial backlog. Midvaal has the largest water backlog of 5.9%, which accounts for 24.5% of the District backlog and 2.1% of the provincial backlog. Emfuleni has the smallest water backlog in the District at 1.8%, contributing 61.2% to the District backlog and 5.4% to the provincial backlog.

Type of Toilet	Emfuleni		Lesedi		Midvaal	
	2001	2007	2001	2007	2001	2007
Flush toilet (connected to sewerage system)	84.6%	87.6%	66.2%	78.6%	49.5%	83.9%
Flush toilet (with septic tank)	1.5%	0.9%	4.5%	3.9%	15.9%	5.5%
Dry toilet	-	1.1%	-	0.3%	-	1.3%
Chemical toilet	0.4%	1.7%	0.4%	1.5%	1.3%	0.9%
Pit latrine	10.4%	7.9%	9.7%	7.8%	25.3%	6.9%
SUBTOTAL (Access to sanitation)	96.9%	99.2%	80.8%	92.1%	92%	98.5%
Bucket latrine	1.0%	0.4%	12.7%	3.2%	3.9%	0.2%
None	2.1%	0.4%	6.5%	4.8%	4.1%	1.4%
TOTAL (rounded off)	100%	100%	100%	100%	100%	100%

Table 9: Sanitation, Sedibeng 2007

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

Access to sanitation has been described as access to various forms of sanitation including flush toilets, dry toilets, chemical toilets and pit latrine and excludes the bucket system and people with no access to sanitation.

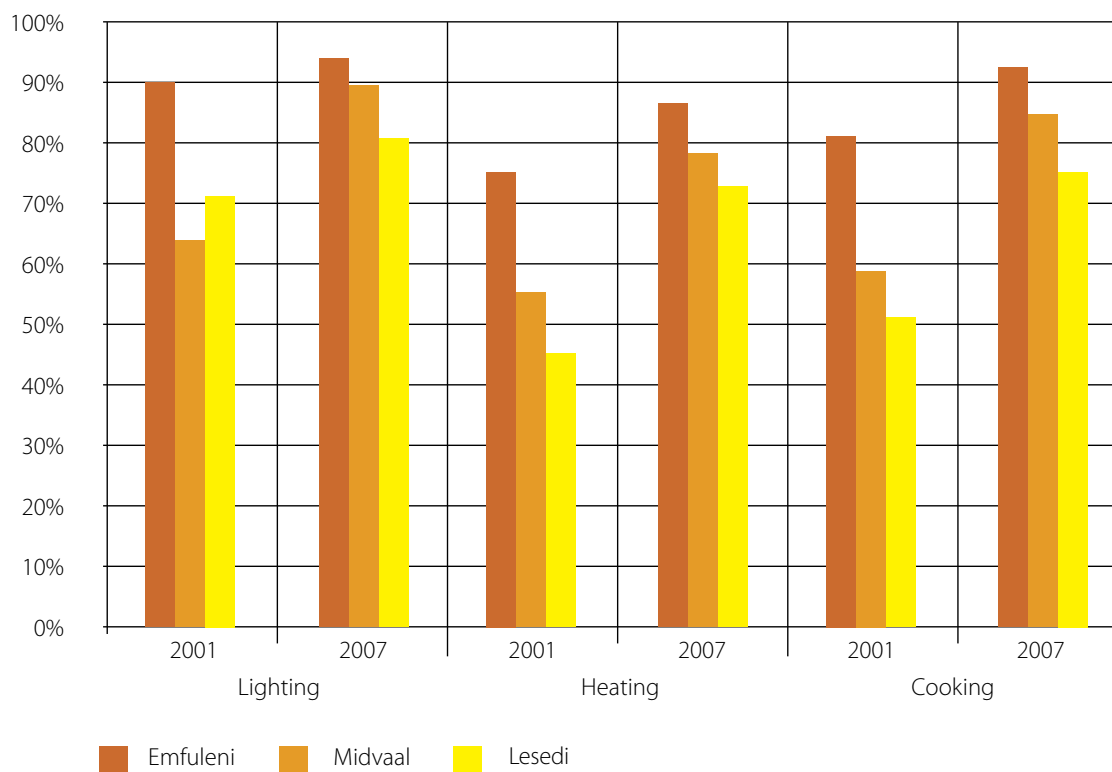
The Statistics SA Community Survey of 2007 indicates that Sedibeng has high sanitation service levels, with 98.5% of the households having access to sanitation. Emfuleni has the highest sanitation service levels in the District at 99.2%, followed by Midvaal at 98.3% and Lesedi at 91.8%.

There is an increase in the number of people with access to flush toilets connected to the sewerage system and a decrease in people with access to the flush toilets with septic tank across all Locals. There is a decrease in people with access to pit and bucket latrines as well as people with no access to sanitation, whilst there is an increase in dry toilets in all Locals. An upward trend can be observed in Emfuleni from 0.4% to 1.7% and in Lesedi from 0.4% to 1.5% for chemical toilets.

Sedibeng has a sanitation backlog of 1.5%. Lesedi has the largest backlog in the District, of 8.2% and contributes 44.8% to the District backlog and 1.7% to the provincial backlog. Emfuleni has the smallest backlog at 0.8% and contributes 44.2% to the District backlog and 1.7% to the provincial backlog.

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1.7.5 Electricity



Graph 13: Access to Electricity, Sedibeng, 2007

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

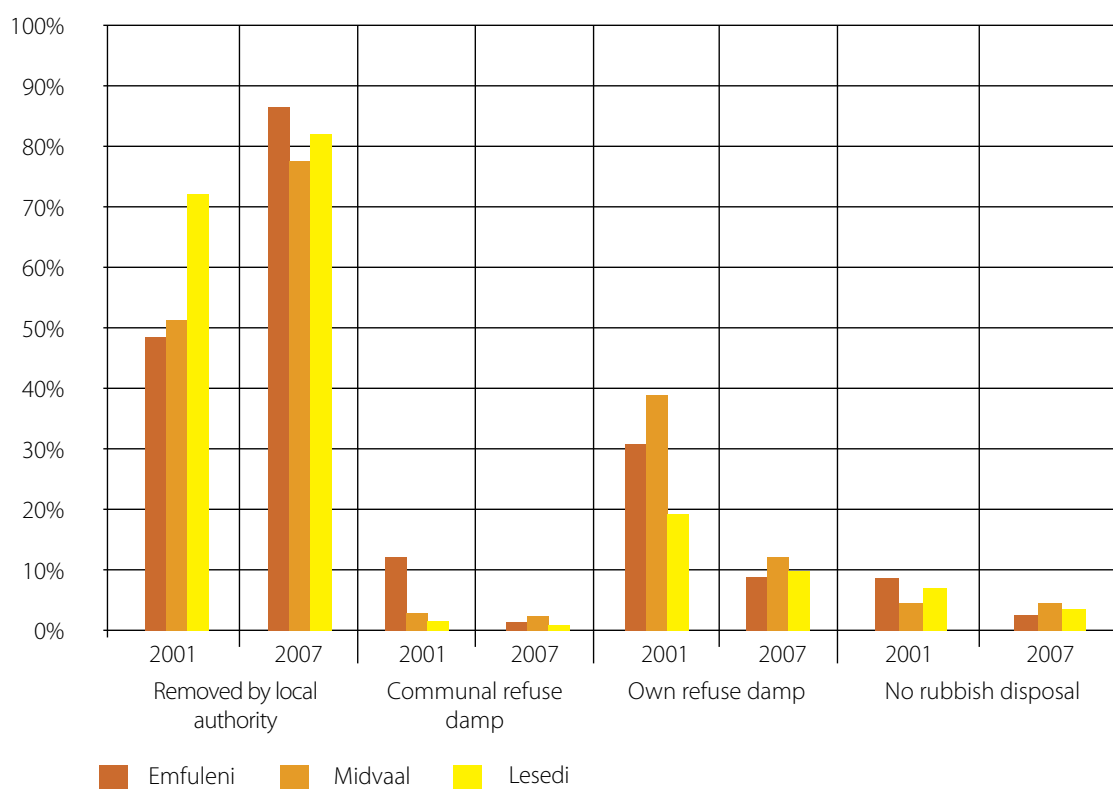
The Community Survey 2007 indicates that 92.1% of the households in Sedibeng region have access to electricity for lighting purposes. Emfuleni has the highest percentage of households with access to electricity for lighting purposes at 93.5% and Lesedi has the lowest percentage at 81.4%.

Sedibeng as a region has a backlog of 7.9% for access to electricity for lighting purposes. Lesedi has the largest backlog in the District at 18.5% and contributes 19.9% to the District backlog and 0.7% to the provincial backlog. Emfuleni has the smallest backlog at 6.5%, accounting for 67.1% of the District backlog and 2.4% of the provincial backlog.

Emfuleni has the highest percentage of households with access to electricity used for heating purposes at 87.2% followed by Midvaal and Lesedi at 78.9% and 73.1% respectively. A similar trend is observed for access to electricity for cooking purposes with Emfuleni at 92.2%, Midvaal at 85.7% and Lesedi at 75.8%.

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1.7.6 Refuse Removal



Graph 14: Refuse Removal, Sedibeng, 2007

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

Graph 14 shows that Emfuleni has the highest refuse removal levels at 85.9%, followed by Lesedi at 82.7% and then Midvaal at 78.2%. Midvaal has the largest refuse removal backlog at 21.8% and contributes 14.4% to the District backlog and 1.1% to the provincial backlog. Emfuleni has the smallest refuse removal backlog at 14.1% and accounts for 75.8% of the District backlog and 6.2% of the provincial backlog.

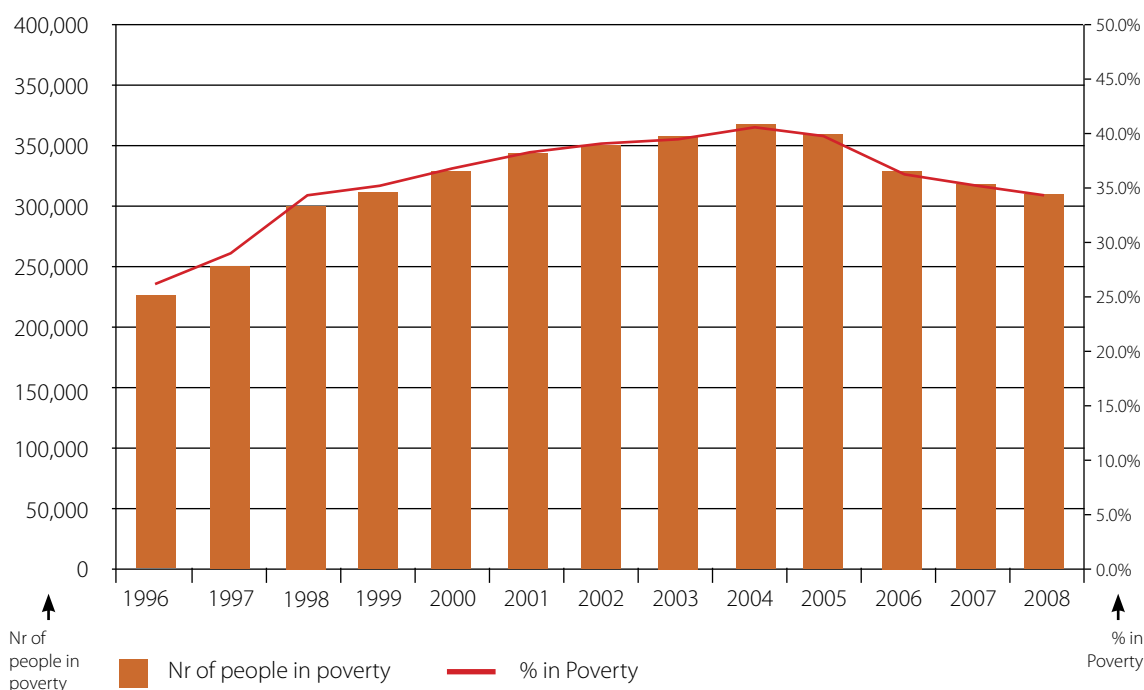
1.8 Human Development Index

The Human Development Index (HDI) is a composite, relative index that attempts to quantify the extent of human development of a community. It is based on measures of life expectancy, literacy and income. It is thus seen as a measure of people's ability to live a long and healthy life, to communicate, to participate in the life of the community and to have sufficient resources to obtain a decent living. The HDI can assume a maximum level of 1, indicating a high level of human development, and a minimum value of 0, indicating no human development.

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1.8.1 The Poverty Rate

Poverty rate is the number of people living in households that have an income less than the poverty income. The percentage of people in poverty is the percentage of these people relative to the total regional population. It should be noted that the poverty income is defined as the minimum monthly income needed to sustain a household and varies according to the size of that household. The larger the household, the larger the income required to keep its members out of poverty.



Graph 15: Number and Percentage of People in Poverty, Sedibeng, 2009

(Source: Global Insight, 2009)

Graph 15 above illustrates a significant decline in the percentage of people living in poverty, from 2005 to 2008 i.e. from 44.8% to 36.8% respectively. This represents a dramatic achievement in the fight against poverty in the Sedibeng region, represented by an 8% decrease in people living in poverty from 2005 to 2008.

1.8.2 Poverty Gap

The restriction of the poverty rate as an indicator of poverty is that it does not give indication of the depth of poverty i.e. how far the poor households are below the poverty income level. In this regard, the poverty gap becomes useful and is used to measure the gap between each poor household's income level and the poverty line, thus providing some depth of poverty of each poor household. The gap represents what poor households would have to earn to raise them up to the minimum income level.

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	Emfuleni Local Municipality	Midvaal Local Municipality	Lesedi Local Municipality
Black	460	25	46
White	11	3	4
Coloured	4	0	0
Asian	1	0	0
Total	476	28	50

Table 10: Poverty Gap, Local and by Race, Sedibeng, 2008

(Source: Global Insight, 2009)

Emfuleni has the highest poverty gap followed by Lesedi and Midvaal respectively. Blacks have the highest poverty gap at 460, followed by Whites at 11, Coloureds and Asians at 4 and 1 respectively.

1.8.3 Income Inequality

The following section shows how many houses are in each of the predefined income categories, starting at the lowest income category R0 - R2 400 per annum up to R2 400 000 per annum and includes payments in kind from employers, old age pensions, income from informal sector activities, etc.

Income category	Black	White	Coloured	Asian	Total
0-2400	1,527	0	83	0	1,610
2400-6000	4,707	18	71	0	4,796
6000-12000	21,144	65	610	35	21,854
12000-18000	23,926	61	409	48	24,444
18000-30000	31,999	66	312	102	32,479
30000-42000	26,871	34	271	120	27,296
42000-54000	20,377	358	188	108	21,031
54000-72000	18,743	1,122	194	227	20,286
72000-96000	15,136	2,347	160	281	17,924
96000-132000	12,212	4,380	141	163	16,896
132000-192000	9,829	6,264	128	259	16,480
192000-360000	9,087	12,136	145	382	21,750
360000-600000	3,669	8,607	59	180	12,514
600000-1200000	1,407	5,641	41	106	7,195
1200000-2400000	358	1,838	0	21	2,217
2400000+	54	442	0	2	498
Total	201,046	43,379	2,812	2,034	249,271

Table 11: Income Inequality, Sedibeng, 2008

(Source: Global Insight, 2009)

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The Gini coefficient is a summary statistic of income inequality, which varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where some households earn more income than others). In practice the coefficient is likely to vary from approximately 0, 25 to 0, 70.

	Sedibeng District Municipality	Emfuleni Local Municipality	Midvaal Local Municipality	Lesedi Local Municipality
Black	0.59	0.58	0.54	0.66
White	0.46	0.46	0.45	0.46
Coloured	0.66	0.66	0.66	
Asian	0.54	0.54		
Total	0.67	0.64	0.73	0.72

Table 12: Gini Coefficient, by Municipality, Sedibeng, 2008

(Source: Global Insight, 2009)

Emfuleni has the lowest inequality gap at 0.64, whilst Midvaal has the highest inequality gap at 0.73 followed by Lesedi at 0.72.

1.8.4 Population Dynamics

	Sedibeng District Municipality	Emfuleni Local Municipality	Midvaal Local Municipality	Lesedi Local Municipality
Black	0.52	0.53	0.45	0.47
White	0.87	0.87	0.88	0.87
Coloured	0.60	0.62	0.55	0.49
Asian	0.77	0.76		
Total	0.60	0.60	0.64	0.56

Table 13: Human Development Index by Population Group, Sedibeng 2008 - 2009

(Source: Global Insight, 2009)

Table 12 depicts the HDI composition by population group in the period 2008 -2009 for Sedibeng District and its Locals. HDI levels for Whites are the highest at 0.87 followed by Asians at 0.77, Coloureds at 0.6 and Blacks at 0.52. The overall development level of Sedibeng District has decreased from 0.62 in 2007 to 0.6 in 2008.

1.9 Sedibeng Spatial Development Framework

The purpose of the Sedibeng District Municipality Spatial Development Framework (SDF) is firstly to assess the position of the District in relation to Provincial and National perspective and secondly to serve as a guide for the Local Municipalities in order to ensure that the Spatial Development Framework of the Local Municipalities are linking to the overall development perspective of the District. The main objective therefore is to ensure that the Local Municipalities contribute towards the orderly spatial development structure of the District and the Gauteng Province.

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In the year under review, the SDM and its Locals as requested by the Gauteng Provincial Government submitted a joint proposal with amendments to the urban edge based upon the approved Sedibeng District Municipality Spatial Development Framework. The objective of the Urban Edge was to contain urban sprawl and focus on infill and densification, thereby maximizing the use of existing engineering infrastructure and the optimization of the existing transportation network.

The approach towards making amendments to the Urban Edge is informed on the one hand by the Sedibeng Growth and Development Strategy and on the other hand by the Sedibeng Spatial Development Framework.

The proposed urban edge amendments were based on the following criteria:

- Conservation of the Environment;
- Optimal Utilisation of Engineering Services;
- Optimization of Public Transport;
- Prevention of Urban Decay and Promotion of Urban Integration;
- Promotion of Opportunities for Redevelopment, Infill and Densification;
- Creating new well Located Urban Hubs; and
- Upliftment of Rural Areas.

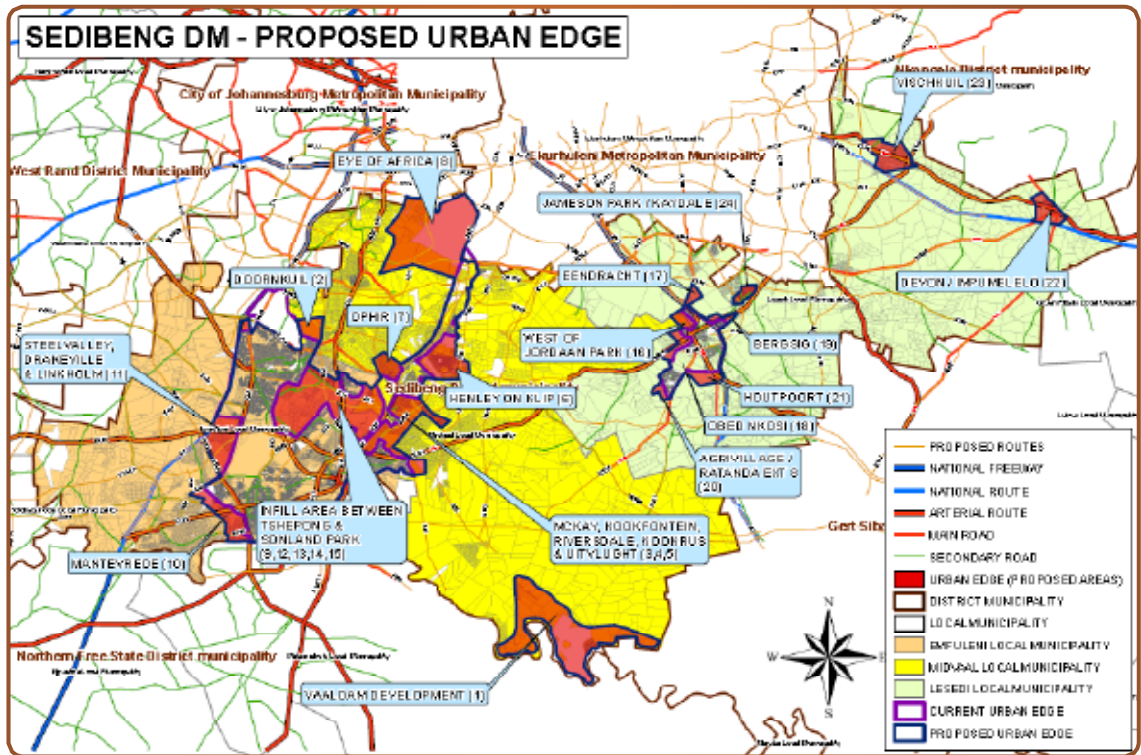
The respective areas proposed for inclusion within an amended urban edge are indicated in the table below and Map 2 (Proposed Urban Edge).

Map Ref No	Area	Policy Consideration
Midvaal LM		
1	Vaal Dam Development (Stryfontein, Viking Bay, Harbour Town, Vaal Marina, Mamello)	Sustainable tourism and leisure development
2	Doornkuil	New development node and affordable city
3	Area between Risiville and Rothdene along the K205 Road (Kookfontein and McKay areas)	Urban integration between Meyerton and Risiville
4	North and east of Risiville (Uitvlucht and Risi AH)	Development pressure and urban expansion
5	Riversdale and Kookrus	Densification and infill
6	Area between Meyerton and Henley-on-Klip, and Glen Donald Industrial area	Urban integration, infill and densification
7	Area North and West of Sicelo township (Ophir)	Urban expansion
8	'Eye of Africa' development	Southern expansion of Alberton new sustainable node

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Map Ref No	Area	Policy Consideration
Emfuleni LM		
9	Area between the K54 Road and proposed K11 Road (linkage between Tshepong and Sonland Park)	Infill and densification
10	Area to the west of the R57 Road and the proposed K188 (west of Bophelong, Bonnane) to include areas such as Mantevrede, Staalrus AH, Lochvaal. This area extends to the N1 Freeway	Maximization of infrastructure
11	Area to the west of Mittal Steel between the N1 Road, R553 (Golden Highway) and to the north of R5. These areas include Steelvalley, Drakeville and Linkholm AH	Promotion of compact urban structure along strategic corridors
12	Inclusion of Tshepong Proper, Ext.s 1 and 2	Compact urban structure
13	Northern extension of Dadaville	Infill and integration (approved township)
14	Areas to the west (Johandeo), east (Quaggasfontein) and south of Sebokeng	Infill and integration
15	Areas between Sebokeng and Vereeniging along the R28 and R54 Roads (Sonland Park, Homer AH and Unitas Park)	Infill and integration
Lesedi LM		
16	Area to the west of Jordaan Park	Urban expansion (approved township)
17	Area to the north of Heidelberg Ext. 9 (Eendraght)	Maximization of infrastructure
18	Area between Heidelberg and Ratanda (Obed Nkosi)	Infill and densification
19	Area between Heidelberg Ext. 9 (Bergsig) and Jameson Park	Infill and densification
20	Agrivillage and Ratanda Ext. 8 (south of Ratanda)	Urban expansion (approved township)
21	Houtpoort (Government-owned properties)	Compact urban structure (existing township)
22	Devon/ Impumelelo	Rural development areas (approved township)
23	Vischkuil	Rural development area – infill and densification
24	Jameson Park and Kaydale	Rural development area – infill and densification

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Map 2: Proposed Urban Edge

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2



Chapter 2: Institutional Transformation and Governance

2.1. Human Resource and Management

2.1.1. Breakdown of Organizational Structure within Clusters by End June 2009

Despite the fact, Council has not been able to implement the organizational structure approved in May 2008 which is fully aligned to its Growth and Development Strategy due to financial constraints, the organization has been able to achieve its priorities satisfactorily.

It can be noted from the information provided hereunder that the Council is operating on the staff complement of 815 instead of 904. It is however good to state that at the strategic level all positions are filled, as it can be seen from the tables hereunder. The staffing level within the Political Offices, Municipal Manager's Offices and the various Clusters are as depicted by the following diagram:

Cluster	Staff Compliment
Office of the Executive Mayor	08
Office of the Speaker	07
Office of the Chief Whip	04
Municipal Manager's Office	04
Corporate Services	249
Treasury	28
Community Services	307
Strategic Planning & Economic Development	39
Transport Infrastructure & Environment	169
Total	815

2.1.2. Vacancies by Year End June 2009

In order to meet its service delivery imperatives the Council, maintained its staffing levels at 90% of total approved positions.

Functional Area	Positions on the Organogram	Positions Filled	Vacant Positions
Office of the Executive Mayor	10	08	02
Office of the Speaker	09	07	02
Office of the Chief Whip	05	04	01
Office of the Municipal Manager (OMM)	09	04	05
Corporate Services	261	249	12
Community Services	356	307	49
Treasury	30	28	02
Transport Infrastructure & Environment	174	169	05
Strategic Planning & Economic Development	50	39	11
Total	904	815	89

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2.1.3. Training and Development

2.1.3.1. Workplace Skills Plan (WSP) by Year End June 2009

The National Skills Development Strategy (NSDS) remains one of government's vehicles to encourage employers to address scarce skills and promote equity in the workplace. In an effort to contribute positively towards the skills development initiatives, the Council committed itself to an environment in which officials are able to maximize their performance and contribute towards its business priorities.

The table below illustrates organizational capacity building and skills development undergone by the employees of Sedibeng District Municipality (SDM) as part of the WSP.

Training Course	No of Employees	Staff Levels
Managing Development in Municipal Finance	1	Senior Management & Top Management
Labour Law	2	Senior Management
Examiner of Vehicle	2	Clerk / Administrators
CCTV Training	14	Supervisors
Business Writing Skills (Report Writing)	24	Clerk / Administrators
Best Practice in Pay Roll	2	Clerk / Administrators
Public Relations	6	Clerk / Administrators
Records Management	5	Supervisor
Care and Growth	48	Top Management & Semi Skilled
Batho Pele	40	Clerk / Administrators
Project Management	1	Senior Management
Ms Office : Advance Excel	3	Clerk / Administrators
Quidity Software for Records	61	Top/ Senior Management
PMS	345	Employees
Basic Life Support refresher	29	Basic Life Support Attendants
Basic Life Support for health care providers	19	Basic Life Support Attendants
Advance Cardiac Life Support	1	Advance Life Support Attendants
Paediatric Advance Life Support	1	Basic Life Support Attendants
Hazmat Awareness	39	Basic Life Support Attendants
Rope Rescue 1	9	Basic Life Support Attendants
Rope Rescue	3	Basic Life Support Attendants
Driver Training	14	Operators
Intro to Project Management	35	Clerk / Administrators
Disciplinary Hearing	73	Senior Management

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Training Course	No of Employees	Staff Levels
Programme in Management Development	1	Senior Management
Health & Safety Management	1	Senior Management
TOTAL NUMBER OF PEOPLE TRAINED	779	

2.1.3.2. Performance Management and Development System (PMDS)

According to the Municipal Systems Act 2000, Chapter 6 (38) the municipality is required to establish a performance management and development system (PMDS). Therefore the municipality must establish a performance management system that is:

- Commensurate with its resources;
- Best suited to its circumstances;
- In line with the priorities, objectives, indicators and targets contained in its IDP; and
- Promote a culture of performance management among its political structures, political office bearers and Councillors and in its administration.

The Municipal Performance Management Regulations, 2001 also describes the nature of a performance management and development system that municipalities must develop and implement. Furthermore it is stipulated in the Municipal Financial Management Act no 32 of 2000, Chapter 6 that municipalities must:

- Establish a performance management and development system; as well as
- Develop a performance management and development system.

The PDMS seeks to achieve the following:

- To link the Sedibeng Growth and Development Strategy (GDS) 2025 and the IDP to departmental teams and individual performance;
- To fulfill all applicable National, Provincial and Local Government legislative requirements on performance management;
- To improve the organizational performance by improving team and individual performance;
- To clarify expectations of what teams and individuals are required to achieve;
- To develop the skills, competencies and abilities of individuals within the organization;
- To develop a sound working relationship between managers and employees through the development of agreed objectives, the provision of feedback, counseling and coaching;
- To identify and reward staff who render exceptional performance;
- To identify staff who render unsatisfactory performance and provide appropriate remedial action; and
- To provide a mechanism for identifying and linking training needs to performance management.

In line with above, SDM made great progress in implementing a fully operational performance management and development system by cascading the implementation of PMDS and the performance reward system to all levels of employment.

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All employees including Section 57 signed their performance management contracts. The assessments and the scores will be finalized during 2009/2010 financial year.

2.1.4. Employment Equity by End June 2009

In terms of Section 20 of the Employment Equity Act, all designated employers, must prepare and implement the employment equity plan, which will achieve reasonable progress towards employment equity.

Whilst the Council has been found to be performing relatively well in various areas of equity except for the disabled people, it started the process of developing the Employment Equity Policy and Plan. The policy is aimed at addressing workplace demographic imbalances, mainly the one that has been mentioned above.

The Council by developing the equity plan will demonstrate its commitment to achieve the following:

- Promote equal opportunity;
- Fair treatment in employment;
- Eradicate unfair workplace practices and
- Redress workplace demographic imbalances.

The table below depicts the demographics for the financial year 2008/2009.

The total number of Employees in SDM is 815.

Occupational Levels	Male				Female						Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (0-3)	27	02	03	08	7	00	00	02	40	09	49
Senior management (4-5)	26	00	02	09	18	01	02	06	37	27	64
Professionally qualified and experienced specialists and mid-management (6-7)	42	01	01	11	30	00	03	13	55	46	101
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (8-11)	192	06	03	13	210	04	00	10	214	224	438
Semi-skilled and discretionary decision making (12)	05	00	00	00	00	00	00	01	05	01	06

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Occupational Levels	Male				Female						Total
	A	C	I	W	A	C	I	W	Male	Female	
Unskilled and defined decision making (13-17)	89	01	00	00	67	00	00	00	90	67	157
GRAND TOTAL	381	10	09	41	332	5	5	32	441	374	815

The table below depicts the breakdown of top and senior management in percentages.

Occupational Levels	Male				Female						Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (0-3)	27	02	03	08	7	00	00	02	40 (82%)	09 (18%)	49
Senior management (4 – 5)	26	00	02	09	18	01	02	06	37 (60%)	27 (40%)	64

The following table is a breakdown of employees with disabilities

Occupational Levels	Male				Female						Total
	A	C	I	W	A	C	I	W	Male	Female	
Professionally qualified and experienced specialists and mid-management (6-7)	00	00	00	01	00	00	00	01	01(1.8%)	01(2.2%)	02 (2%)
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (8-11)	00	00	00	01	00	00	00	00	01(0.5%)	00	01(0.5%)
Unskilled and defined decision making (13-17)	03	00	00	00	00	00	00	00	03(3.3%)	00	03(3.3%)
GRAND TOTAL	03	00	00	02	00	00	00	01	05(1.1%)	01(0.3%)	06(0.7%)

2.1.5. Staff Loss and Retention

Though the staff loss has not reached what can be termed as a crisis level in the Council, there are various initiatives like Care Growth as well as workplace policies like EAP, as well as Workplace Climate Survey which the Council is involved in as part of staff retention through creation of friendly, caring and conducive working environment. There are however factors like the salary gap between the District and other municipalities which is beyond the Council's control which has been the main factor for the skill loss that has been recorded for the period under review.

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2.1.5.1. Staff Loss

For the period under review the Council has lost 47 employees due to factors depicted below which represents 5,76 % of total staff, very minimal and does not have an adverse impact on service delivery, because the Council has been able to replace the majority of the lost skill.

The staff loss is caused by the following factors:

- Headhunting/Poaching;
- Resignations, to pursue green pastures like better salaries;
- Dismissals, which is not that much rampant;
- Death;
- Attrition; and
- Medical boarding.

2.1.5.2. Staff Retention Strategies

The following strategies were employed to retain staff:

- Performance acknowledgement and recognition;
- South African Local Government Association (SALGA) is in the process of standardizing the industry Conditions of Employment, Salary structures, regulatory policies and practices;
- Processes are unfolding to create a Single Public Service (integration of Local Government Provincial Structures and the Central Government);
- Council is intensifying its individual career development interventions as a strategy to retain staff; and
- The Council has established an Employee Assistance Programme that caters for the wellness of employees.

2.1.6. Labour Relations/Industrial Relations

2.1.6.1. Local Labour Forum

Local Labour Forum (LLF) comprised of management and recognized labour has been established, specifically to handle all matters that relate to the employer-employee workplace relationships. The LLF is functioning well and the parties involved conduct themselves with mutual respect without compromising the rights of either side. All scheduled meetings are sitting except during the process of organizational restructuring where the bulk of the meetings were around this matter therefore, the relevant LLF Sub-Committee on organizational restructuring was the one that was regularly sitting whilst the LLF meetings were convened when there was a direction needed from it. The LLF is mainly involved with an oversight role over the following matters:

- Policy development;
- Performance assessments;
- Organizational restructuring;
- Recruitment;
- Workplace dispute resolution; and
- Workplace negotiations.

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2.1.6.2. Discipline in the Workplace

In order to harmonize the workplace and to correct unacceptable workplace behaviour, the Council applies the principles of progressive discipline and provides continuous training on employees contractual obligations.

For the financial year 2008/2009 labour relation matters were dispensed with:

- Disciplinary Cases; and
- Suspensions.

Out of disciplinary cases only 2 employees were dismissed for serious misconduct, which represents 0, 24 of the staff compliment which indicates that discipline is well managed in the Council.

The suspensions were lifted because cases did not amount to dismissal and corrective measures were implemented.

2.1.7. Employee Assistance Programme

In order to mitigate the negative impact on employees performance, by the following factors i.e. rapidly changing societies, social pressures, heavier workloads and extended family commitments, the Council established a confidential Employees Assistance unit staffed by a duly qualified official.

Among its programmes the EAP unit has successfully hosted Employee and Family Day.

2.1.8. Batho Pele Programmes

The government in its endeavour to provide quality and quantitative service delivery to the community of the country adopted the Batho-Pele principles.

This is done to accelerate and fast track service delivery to the community and endures public servants render an efficient and effective service delivery.

Local government, as one of the government spheres of governing, is nearer to the communities than the other two tiers of government, viz. Provincial and National. It is for strategic reasons that the unit of Batho-Pele has to be established at Local Government level to ensure that the Batho-Pele principles are entrenched, implemented and evaluated to effectively contribute to the positive transformation of society to realize the vision of a better life for all.

The Sedibeng District Municipality duly appointed the Batho-Pele Coordinator in August 2008. Since the appointment of the Batho-Pele Coordinator the following have been achieved:

- Established a Batho Pele Task Team;
- Initiated a process of acquisition of name tags;
- Initiated a weekly Batho Pele Local Radio slot: to engage with communities on provision of service delivery information and feedback;
- Batho Pele awareness through full participation in Family Day - Batho Pele Band and Drama Group;

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- Know Your Service Rights Campaign was held as part of Human Rights Month activities;
- Established a Batho Pele Office;
- Service Delivery Charter was made available to inform communities of commitment to service;
- Distributed Batho Pele Material at Sedibeng Offices (posters/pamphlets/booklets); and
- Networking with certain NGOs, Local Municipalities and other Departments (e.g. Home Affairs, hospitals).

2.2. CORPORATE GOVERNANCE

2.2.1. Governance Structures

The governance structure of the municipality consists of the Council (Legislature) and the Mayoral Committee (Executive). The Council is headed by the Speaker, Clr Kedibone Mogotsi representing the African National Congress (ANC) and the Mayoral Committee is headed by the Executive Mayor, Clr Mahole Simon Mofokeng who also represents the African National Congress (ANC).

2.2.2. Council

Council which is the Local Legislature has both the legislative and executive powers and is responsible for accountability and oversight. The Sedibeng District Council convened five (5) ordinary Council meetings and two (2) special Council meetings under the stewardship of the Speaker, Clr. Kedibone Mogotsi. Sedibeng District Council has forty three (43) Councillors consisting of thirty two (32) Councillors from the African National Congress (ANC), nine (9) Councillors from the Democratic Alliance (DA) and two (2) Councillors from the Pan Africanist Congress (PAC). The representation of Council from a gender perspective is 23 female and 20 male Councillors. Council consists of seventeen (17) directly elected representatives, two (2) from Midvaal Local Council, two (2) from Lesedi Local Council and twenty two (22) from Emfuleni Local Council. During the 2008/9 financial year two (2) ANC Councillors resigned and that brought the number of ANC Councillors to 41, as of 30 June 2009.

2.2.3. Mayoral Committee

The Mayoral Committee consists of nine (9) members, these are Councillors appointed by the Executive Mayor to perform functions for which the Mayor is responsible. All members of the Mayoral Committee were allocated portfolios as per the functions of the municipality. The Mayoral Committee held twenty (21) meetings in the year under review.

2.2.4. Section 79 Committees

Section 79 Committees are committees of Council which are also directly accountable to Council. Council has established six (6) Section 79 Committees responsible for oversight matters. These committees report directly to Council. The six (6) Section 79 Committees are:

1. Municipal Public Accounts Committee (MPAC) and is represented by five (5) ANC Councillors, one (1) DA Councillor and one (1) PAC Councillor;
2. The Petitions Management Committee is represented by five (5) ANC Councillors, two (2) DA Councillors and one (1) PAC Councillor;

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3. The Ethics Committee is represented by three (3) ANC Councillors, one (1) DA Councillor and one (1) PAC Councillor;
4. The Rules Committee is represented by five (5) ANC Councillors, one (1) DA Councillor and one (1) PAC Councillor;
5. The Gender Committee is represented by five (5) ANC Councillors, two (2) DA Councillors and one (1) PAC Councillors;
and
6. Elections Committee is represented by five (5) ANC Councillors, one (1) DA Councillor and one (1) PAC Councillor.

The Section 79 Committees convened four (4) meetings whilst the MPAC met twice, the Ethics Committee met once and so did the Petitions Management Committee.

2.2.5. Section 80 Committees

These are committees of the Mayoral Committee. There are eight (8) Section 80 Committees namely Corporate Services; Finance; Environment Management; Transport & Infrastructure; Public Safety, Health & Social Development; Sports, Recreation, Arts, Culture & Heritage; Development Planning & Housing as well as Strategic Planning & Local Economic Development & Tourism. Councillors serving on Section 80 Committees are from political parties represented in the Council. The number of Councilors in Section 80 Committees varies from ten (10) to twelve (12) Councilors. Each Section 80 Committee is chaired by a Member of the Mayoral Committee - MMC.

2.2.6. Audit Committee 2008/2009 – Sedibeng District Municipality

The municipality has an Audit Committee consisting of ten (10) members, five (5) of which are appointed internally and the other five (5) externally. Audit Committee meetings have been consistent in the last five (5) five months. Management is the process of advertising and recruiting new members with the purpose of fulfilling the Audit Committee role.

2.2.7. Remuneration Committee

In line with good corporate governance, the Sedibeng District Municipality has established a Remuneration Committee. The committee deals with matters of salaries and benefits of all Section 57 employees/officials including all employees employed on contractual basis. Salaries and benefits of all staff are negotiated at the South African Local Government Bargaining Council.

Salaries and benefits of Sedibeng District Municipality are not competitively comparable to that of the private sector. However, the municipality's salary and benefits offerings are sufficient to draw and attract necessary and required skill.

2.2.8. RISK Committee

Whilst risk in the organization has not been appropriately mitigated in the 2008/2009 financial year, the Council appointed the Risk Solutions Company to identify and workshop the Senior Management Team, on serious risks per Cluster thereafter incorporated those identified risks per Cluster into the Performance Contract of the Executive Directors. The risks identified were those that will affect service delivery severely if not properly mitigated, hence their inclusion into the Performance Contracts of the Section 57 employees. The municipality will identify top ten risk factors as well as means to mitigation mechanisms for the identified risk in the new financial year.

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2.2.9. Bursary Committee

The committee comprises of members of the public i.e. educationists, women, youth and people with disabilities. The seven (7) member committee oversees and facilitates the awarding of bursaries to needy students. However the screening of the process is undertaken by Council administration. The committee takes part in the short listing of prospective bursary recipients and makes recommendations to Council. It also oversees the bursary process to ensure that no financial mismanagement occurs. Furthermore it deals with appeals from unsuccessful applicants and recommends appropriate measures.