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Foreword - Executive Mayor



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

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

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

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

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

Mahole Simon Mofokeng
COUNCILLOR,
DISTRICT EXECUTIVE MAYOR





Foreword – Acting Municipal Manager



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

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

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

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

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

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

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

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

Thanking you,

Yunus Chamda

ACTING MUNICIPAL MANAGER



Chapter 1



Chapter 1

1.1. Introduction

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

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

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

1.2. Overview of Sedibeng District Municipality

1.2.3. Geographic Location of the Sedibeng District Municipality

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

The SDM covers the entire southern area of Gauteng Province, extending along 120 km axis from East to West. The total geographical area of the municipality is 4630 square kilometres (km^2). The SDM comprises of the three Category B municipalities, namely Emfuleni, Midvaal and Lesedi Local Municipalities and is surrounded by the following municipalities:

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





Map of Sedibeng District Municipality



1.2.2. Demographics Profile

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

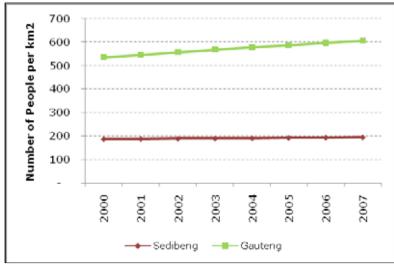


Figure 1.5 shows that there has been a steady increase in population density from 2000 to 2007 for Gauteng. Meanwhile, the population density in Sedibeng has remained fairly constant over the same period. In Gauteng, the density level was at approximately 500 people per km2 in 2000, this increased to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

Figure 1.1: Comparison of Municipal Population, 2007

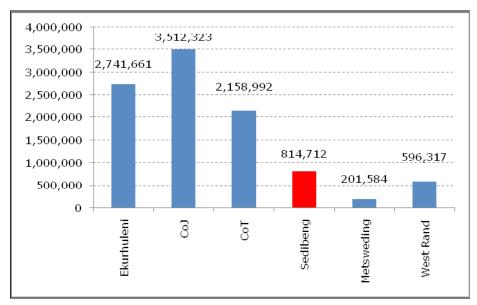


Figure 1.1 shows that Sedibeng has the third smallest municipal population in Gauteng, consisting of just over 814,000 people in 2007. Sedibeng exhibited the lowest population growth from 199735 to 2007 with the population growth rate in 1997 at 0.6% and increasing to 0.7% in 2007. This marginal increase in the population growth rate is coupled with a fairly stagnant level of population density and a decline in the rate of urbanisation within Sedibeng (to be discussed in section 7.2.2).

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

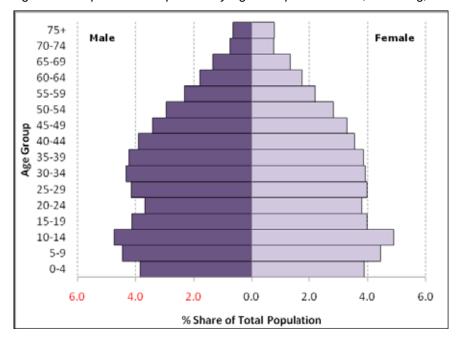


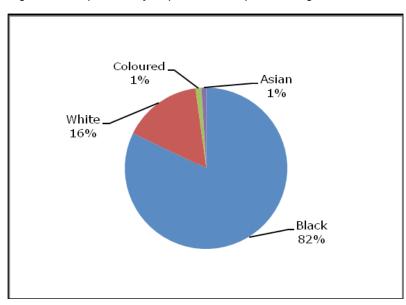
Figure 1.2 decomposes the Sedibeng population by both age group and gender for 2007. The gender spread in Sedibeng is fairly even, with males comprising a slightly higher share of 50.7% and females being the remaining 49.3%. The age group with the largest population share is the 10-14 cohorts with 9.6%,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





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

Figure 1.3: Population by Population Group, Sedibeng, 2007



Source: Global Insight, 2008

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

1.2.3. HIV/AIDS Profile

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

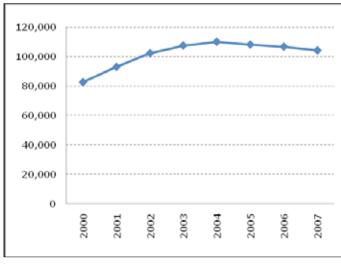


Figure 1.4 shows that the number of HIV positive individuals increased by about 27,000 from 2000 to 2004. Thereafter this number exhibited a decline of about 6,000 individuals between 2004 and 2007. In 2007 there were approximately 104,000 (3.8%) people who were HIV positive in Sedibeng. The ASSA 2003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



1.2.4. Urbanisation

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

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

Source: Global Insight, 2008

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

1.2.5. Socio-Economic Review

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

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

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

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

1.2.5.1. Economic Performance

Figure 1.6: Composition of Gauteng GDPR by Municipality, 2007

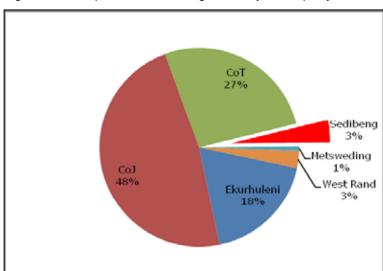
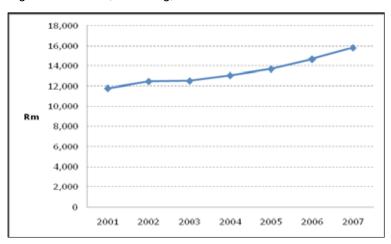




Figure 1.6 compares the relative GDPR contributions made by each of the municipalities in Gauteng. Sedibeng made a relatively small contribution to provincial GDPR of approximately 3% for 2007.

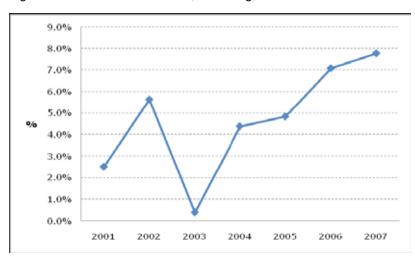
Figure 1.7: GDPR, Sedibeng, 2001-2007



Source: Global Insight, 2008

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

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



Source: Global Insight, 2008

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



1.2.5.1.1. Sectoral Analysis

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

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

Source: Global Insight, 2008

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

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

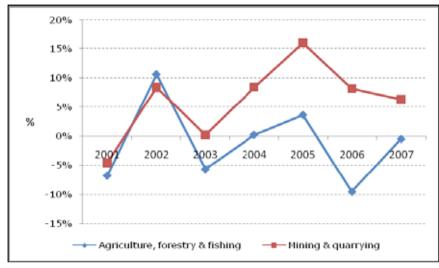


Figure 1.9 focuses on the GDPR growth in the primary sector between 2001 to 2007. Both sectors experienced a similar pattern of growth over the period under review but the growth rate for agriculture, forestry & fishing was consistently lower than that of mining & quarrying (with the exception of 2002).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



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

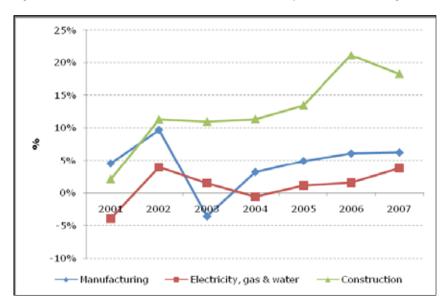


Figure 1.10 analyses GDPR growth in the secondary sector for 2001 to 2007. Although the manufacturing sector plays a dominant role within the Sedibeng economy, the construction sector exhibited the highest growth rates within the secondary sector from 2002 (10%) to 2007 (18.3%), this is proof of the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

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

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

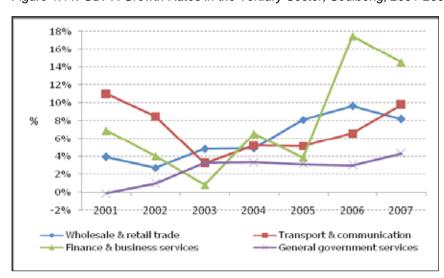


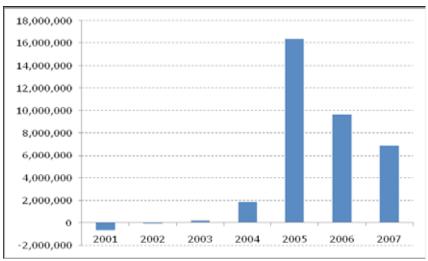
Figure 1.11 analyses GDPR growth rates in the tertiary sector for the period 2001 to 2007. During this period, finance & business services exhibited relative volatility. This sector started with the second highest growth rate, which fell dramatically before recovering and peaking at 17% in 2006. It has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



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

1.2.5.2. Trade Position

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



Source: Global Insight, 2008

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

Figure 1.13: Export Composition, Sedibeng, 2007

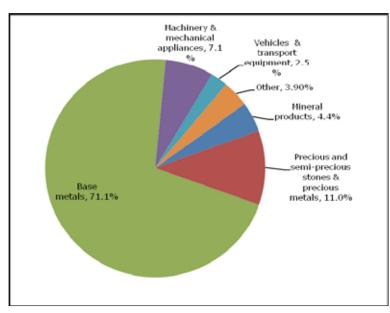
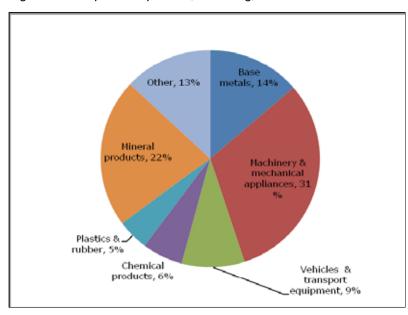


Figure 1.13 shows the composition of exports in Sedibeng for 2007. From the figure it is evident that exports are comprised of a few key commodities, the largest of which are base metals which constitute 71.1% of all Sedibeng's exports, followed by precious & semi-precious stones & precious metals (11%)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

Source: Quantec Research, 2007



Figure 1.14: Import Composition, Sedibeng, 2007



Source: Quantec Research, 2008

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

1.2.5.3. Employment

1.2.5.3.1. Labour Force Profile

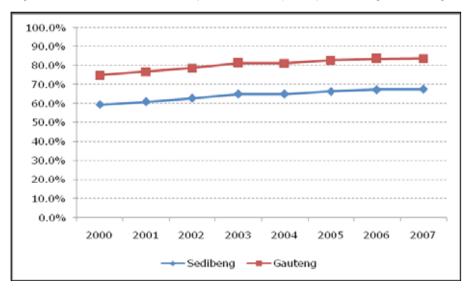
Table 1.3

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

Source: Global Insight, 2008

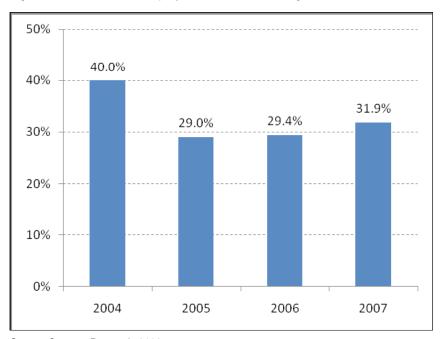
Table 1.3 categorises the EAP by gender and population group. The table indicates that in 2007 there were 375,000 individuals in Sedibeng who were classified as economically active that is, both willing and able to work. It further shows that the male population accounted for a larger share than the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

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



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

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



Source: Quantec Research, 2008

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



Table 1.4

	Male		% Point Change	7		% Point Change
	2000	2007		2000	2007	
Black	42.6%	36.9%	-5.6%	64.1%	60.1%	-3.9%
White	11.3%	12.2%	0.8%	20.4%	18.2%	-2.2%
Coloured	23.5%	21.9%	-1.5%	36.5%	30.0%	-6.5%
Asian	8.9%	6.8%	15%	18938	11	48826
Total	35.9%	32.8%	3.1%	57.0%	54.9%	-2.0%
Asian	2,031		1%	866	0%	2897
Total	201,572		100%	173,710	100%	375,282

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

1.2.5.3.2. Sectoral Employment

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

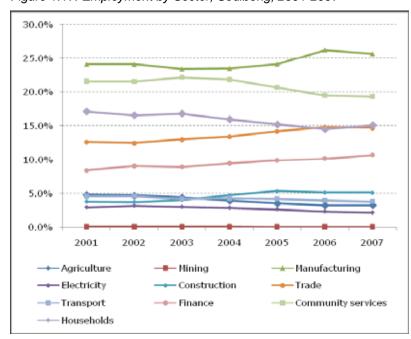
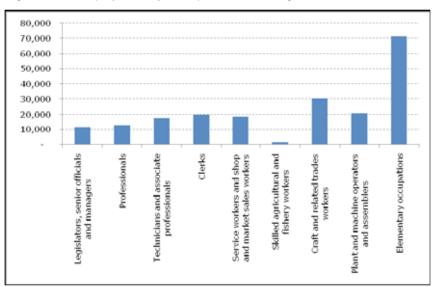


Figure 1.17 show that the manufacturing sector employed the largest share of individuals for the entire period under review. This was followed by employment in the community services sector which declined from 2003 to 2007. The mining sector employed the smallest share of individuals for the entire period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



1.2.5.3.3. Employment by Occupation and Skill Level

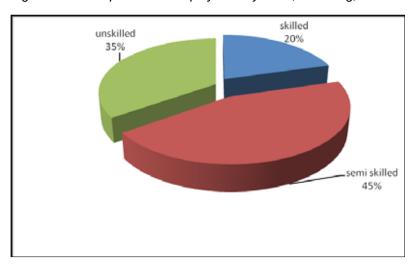
Figure 1.18: Employment by Occupation, Sedibeng, 2007



Source: Quantec Research, 2008

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

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



Source: Quantec Research, 2008

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





1.3. Access to Service

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

1.3.1. Education

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

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

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

Source: Gauteng Department of Education, 2008

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

1.3.2. Housing

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

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

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

Table 2: Access to dwelling type by location in quantities

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

Source: MHDP 2006

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



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

1.3.3. Health Services

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

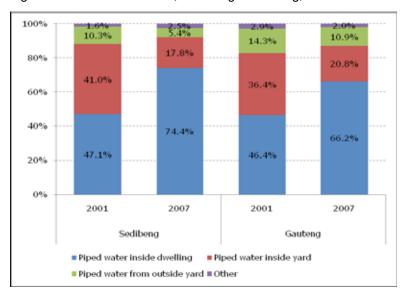
Indicator	2004/05	2005/06	2006/07
Medical Aid coverage	-	14.8%	14.5%
Nurse clinical workload	42.7	39.3	36
Bed utilisation rate (BUR)	68%	72%	65%
TB cure rate	57% -	66% -	-

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

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

1.3.4. Water and Sanitation

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



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

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

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





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

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

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

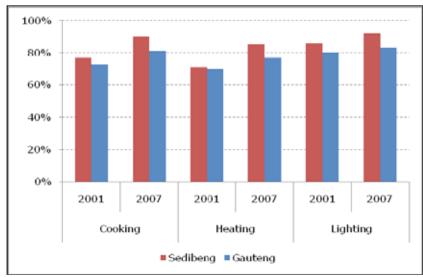
Source: StatsSA, Census 2001 (P0300) & Community Survey 2007 (P0301)

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

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

1.3.5. Electricity

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



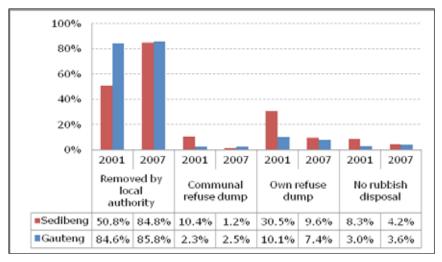
Source: StatsSA, Census 2001 (P0300) & Community Survey 2007 (P0301)

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



1.3.6. Refuse Removal

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



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

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

1.3. Development

1.4.1. The Poverty Rate

Table 1.9: Poverty Indicators, Sedibeng, 2000-2007

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

Source: Global Insight, 2008

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



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

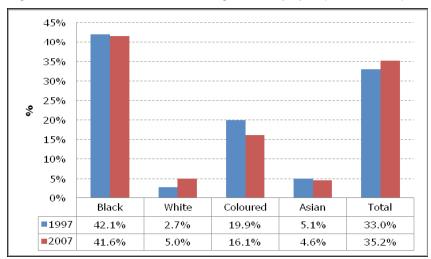
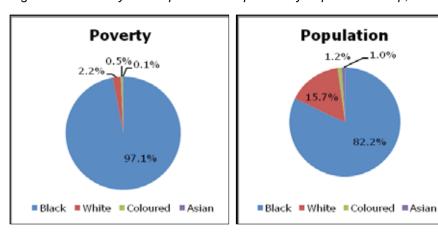


Figure 1.23 provides a comparative analysis of the share of individuals living in poverty by population group for 1997 and 2007. There has been a decline in the poverty rates for Blacks (0.5 percentage points), Coloureds (3.8 percentage points) and Asians (0.5 percentage points) but an increase of 2.3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

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



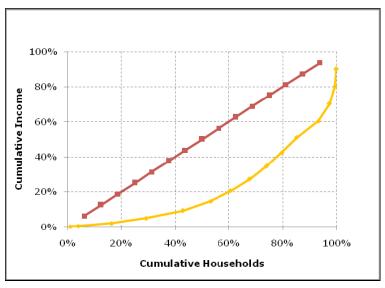
Source: Global Insight, 2008

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



1.4.2. Income Inequality

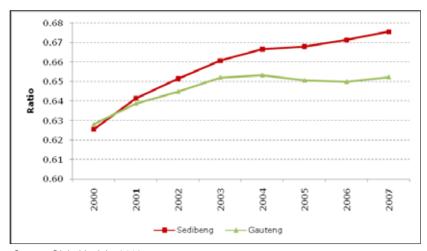
Figure 1.25: Lorenz Curve for Sedibeng, 2007



Source: Global Insight, 2008

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

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



Source: Global Insight, 2008

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



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

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

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

1.4.3. Human Development

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

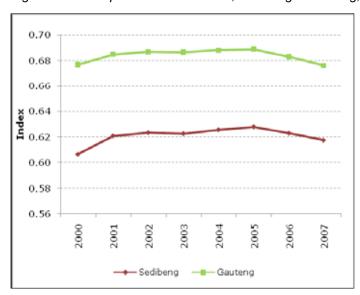


Figure 1.27 compares HDI levels between Sedibeng and Gauteng during the period 2000 and 2007. The level of human development in Sedibeng is lower than that of Gauteng for the entire period under review. Although development levels increased from 2000 to 2005, the HDI started to gradually decline from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





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

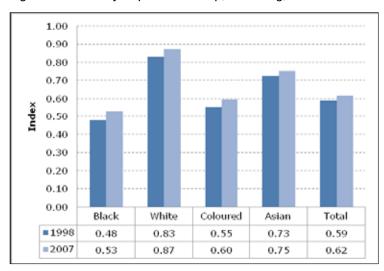


Figure 1.28 decomposes the HDI measure by population group from 1998 and 2007. HDI levels were higher in 2007 than 1998 for all of the population groups. In 2007, HDI levels for Whites were the highest (0.87) followed by Asians (0.75), Coloureds (0.6) and Blacks (0.53). The overall development level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

1.5. Municipal Sustainability

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

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

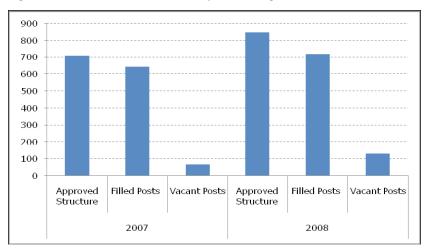
Source: Sedibeng Municipality, 2008

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





Figure 1.29: Personnel Sustainability, Sedibeng, 2007 & 2008



Source: Sedibeng District Municipality, 2008

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

1.7. Conclusion

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

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





2. Sedibeng Spatial Development Framework

2.1. Principles

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

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

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

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

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

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

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

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

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

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

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

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



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

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

These objectives led the region to achieve the following outcomes:

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

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

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

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

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



2.2. SWOT ANALYSIS OF THE SDF

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

Strengths

• The existence of hierarchical nodes within the municipalities in Sedibeng area, resulting in development planning accordingly.

Opportunities

- Opportunity in terms of nodes and corridors (especially R59) which could be used to develop a commercial / industrial activity zone.
- Land development in areas identified within the Urban Edge would have many positive spinoffs for the surrounding communities.

Weaknesses

- Poor living standards in rural areas, particularly in areas with high population concentrations.
- Poor assistance to marginalized and impoverished farming communities.
- Vast rural areas to the south of Midvaal. Provision of services is hampered.
- Housing backlog in local municipalities, especially Emfuleni Local municipality due to high
 population growth as compared to Lesedi local municipality as well as Midvaal Local
 Municipality.

Threats

- Increasing population densities around informal settlements like Mamello, Sicelo, Winnies Park, Polomiet, Sonderwater and others without the basic services being in place.
- Threat of farm evictions and abandonment associated with illegal occupation, a shortage of running water, shack farming and a lack of law enforcement.

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

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

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

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

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

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



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

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

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

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

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

2.3. Land Use Management and Urban Edge

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

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



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

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

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

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

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

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

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



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

2.3.1. Development Tribunals

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

2.4. Vision

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

Values

Service orientation Discipline Professionalism Equity Commitment Consistency Anti-corruption Transparency

2.5. Key Performance Areas

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

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

