

2011/2012 FINANCIAL YEAR



ANNUAL REPORT

The Impossible Future

*Everyone, Every Household, Every Entity –
A Testimonial of our Excellent Service!*

ACKNOWLEDGEMENTS

This Annual Report is published by the Dikhalabeng Local Municipality. It seeks to give an overview of our performance against predetermined strategic objectives as we review progress on all projected targets of the Municipality for the period as at July 2011 to June 2012.

Every effort has been made to ensure that the facts as reported are accurate and a true reflection of achievements for the year under review. Every municipality and municipal entity must prepare and adopt an Annual Report for each financial year in accordance with the Municipal Finance Management Act 56 of 2003 (MFMA) and, the Municipal Systems Act 32 of 2000 (MSA) as Amended.

 **Chief Editor**

THABISO TSOAELI

 **Copywriting**

THABISO TSOAELI

 **Assistant Copywriting**

Executive Management Team

 **Compilation**

Performance Management Systems Unit

 **Art Direction, Design, Layout & Editing**

Marketing and Communications Unit

DIHLABENG LOCAL MUNICIPALITY

HEAD OFFICE 9 Muller Street East

P O BOX 551 BETHLEHEM 9700

TELEPHONE: (058) 303 5732

FAX: (058) 303 4703

FS 192

www.dihlabeng.gov.za

OUR VISION AND MISSION

A strategic vision enables an organization to focus on future success. On all encompassing vision will allow employees to be motivated and focused on the bigger picture of the municipality. The Dithubeng Local Municipality vision is:

***“To be people centred, people driven and self sufficient municipality committed to provision of effective and quality services to its community.*”**

A mission statement reflects the way in which Dithubeng Local Municipality will conduct its everyday tasks. It describes the purpose of the Municipality and the area on which the Municipality should focus in order to achieve its vision. The Dithubeng Local Municipality is:

“To provide effective and efficient people centred governance that will facilitate the governmental role of Local Government”

Based on the Municipality Turnaround Strategy, The strategic objectives were refined to be as follows:

- ✓ *Provide democratic and accountable government for local communities.*
- ✓ *Be responsive to the needs of the local municipality.*
- ✓ *Ensure the provision of services to communities in a sustainable manner.*
- ✓ *Promote social and economic development.*
- ✓ *Promote a safe and healthy environment.*
- ✓ *Encourage the involvement of communities and community organizations in the matters of local government.*
- ✓ *Facilitate the culture of public service and accountability amongst its staff and*
- ✓ *Assign clear responsibilities for the management and co-ordination of administrative units and mechanisms.*

TABLE OF CONTENTS

ACKNOWLEDGEMENTS.....	- 1 -
OUR VISION AND MISSION	- 2 -
FOREWORD: EXECUTIVE MAYOR.....	- 4 -
CHAPTER 1: INTRODUCTION AND OVERVIEW OF DIHLABENG LOCAL MUNICIPALITY	- 6 -
1.1LOCATION, COMPOSITION AND SIZE	- 6 -
1.2REGIONAL CONTEXT AND POPULATION COMPOSITION.....	- 7 -
1.3ECONOMIC PROFILE	- 12 -
1.4Leadership and Management Structure	- 16 -
CHAPTER 2: MUNICIPAL PERFORMANCE HIGHLIGHTS.....	- 27 -
2.1LEVEL AND STANDARD OF SERVICE - WATER AND SANITATION.....	- 27 -
2.1.2 SERVICE DELIVERY IMPROVEMENT INITIATIVES – WATER SERVICES	- 28 -
2.1.4 SERVICE DELIVERY IMPROVEMENT INITIATIVES – SANITATION SERVICES	- 29 -
2.2LEVEL AND STANDARD OF SERVICE - ELECTRICITY PROVISION.....	- 29 -
2.2.2 SERVICE DELIVERY IMPROVEMENT INITIATIVES – ELECTRICITY PROVISIONS.....	- 30 -
2.3LEVEL AND STANDARD OF SERVICE - REFUSE REMOVAL & SOLID WASTE MANAGEMENT	- 30 -
2.4LEVEL AND STANDARD OF SERVICE – LOCAL ECONOMIC DEVELOPMENT	- 31 -
2.5LEVEL AND STANDARD OF SERVICE – TOWN PLANNING & HOUSING	- 33 -
CHAPTER 3: HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT	- 35 -
3.1WORKFORCE PROFILE	- 35 -
3.2HUMAN CAPITAL DEVELOPMENT	- 36 -
CHAPTER 4: FUNCTIONAL AREA SERVICE DELIVERY REPORT	- 37 -
4.1SUMMARY OF BUSINESS PERFORMANCE	- 37 -
4.2KPA 1 – GOOD GOVERNANCE & PUBLIC PARTICIPATION	- 38 -
4.3KPA 2 – FINANCIAL MANAGEMENT	- 39 -
4.4KPA 3 – ORGANISATIONAL TRANSFORMATION AND DEVELOPMENT	- 40 -
4.5KPA 4 – LOCAL ECONOMIC DEVELOPMENT	- 41 -
4.6KPA 5.1 – COMMUNITY SERVICES.....	- 42 -
4.7KPA 5.2 – PUBLIC WORKS – INFRASTRUCTURE DEVELOPMENT	- 43 -
CHAPTER 5: AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION.....	- 44 -
ANNEXURE 1: FUNCTIONAL AREA SERVICE DELIVERY REPORT	- 45 -

FOREWORD: EXECUTIVE MAYOR



EXECUTIVE MAYOR: Hon. Cnr THM Mofokeng

Herewith our 2011/2012 Annual Performance Report. It is with great honour and humility that we present our achievements and appreciate challenges experienced by the Municipality during the said financial year.

As a Municipality we have traversed through the highs and lows during the year under review without abandoning the responsibility given to us by the community of Dihlabeng, which is to pursue the vision of building a united, non-racial, non-sexist, democratic and prosperous society by being people driven, people centred and self sufficient as we continue to provide effective and quality services to our community.

Transformation of State machinery and the creation of a developmental state is a programme which is on-going, and this municipality is also part of it. This is why every year we review our developmental plans and report on our progress as we relook at our strategic direction headed to a democratic revolution.

As part of our commitment towards stability and continuity, we retained the services of the Municipal Manager and Directors and also recruited and appointed people who were once part of the organisation into critical and strategic positions. We needed people who are willing and committed to provide leadership, discipline, dedication, sacrifice and accountability if we are to perform to the best of our ability and to the satisfaction of all the people we lead.

The establishment of the Municipal Public Accounts Committee is one highlight to mention as we intensify and strengthen our performance and monitoring capacity to provide oversight and accountability. Furthermore, in strengthening our capacity as Councillors to lead and champion service delivery, as well as improving on our coordination and effectiveness, a clustering approach was initiated, wherein departments and portfolios work together as a cluster when implementing some of the projects and programmes.

On our commitment to listen to our constituency and residents, a plan to establish a fully operational customer care help desk and petitions and grievance committee was initiated by the office of the Municipal Manager, where every query, complaint, suggestion and complements will be acknowledged and attended to, and feedback communicated.

In all our endeavours to transform this institution, we will continue to engage with all stakeholders, draw from their wisdom whilst being responsible and accountable to the mandate given to us by the electorate. We have joined hands with partners such as the University of the Free State, Four Paws, Afripalm Resources, Peermont, BHM Bricks, Investec, Tintswalo, Kgalapa Training Centre as well as the Dihlabeng Frontier Inn Community Development Fund to bring closer services, resources to implement programmes and projects aimed at benefiting our community, especially women, the youth and people with disabilities.

We are equally proud to mention that Council approved the intake of 41 unemployed graduates under the Graduate Development Programme, 28 of which are already in the system. These Graduates will complete a 12 months internship programme as we prepare them for employment opportunities that may be available to them anywhere including here in the municipality.

We allocated and honoured payments in respect of 211 bursaries awarded to deserving students around Dihlabeng to the tune of R 2,1 million. These students are pursuing studies at various Universities, Universities of Technology and Colleges for studies in Management Sciences, Science, Agriculture, Law, IT, Education, Engineering, Media Studies, Accounting and Medicine.

We also allocated resources and in partnership with the National Youth Development Agency a fully resources Youth Advisory Centre is now operational. We invite our youth to take advantage of the opportunities presented to them and make good use of the facility for their own development and empowerment.

Working together with private stakeholders we will continue to upgrade our parks, nature reserves, resorts and sport and recreational facilities as part of our commitment towards the of quality infrastructure for healthy and active communities.

We procured new trucks for the effective management of solid waste, in particular dealing with refuse removal and it is expected from the operators to take good care of them. We also call upon the public to be our eyes and ears to curb any misuse of these vehicles and any other municipal property.

We call upon all indigent households to register as we intensify our strategy to collect what is owed to the Municipality without fear or favour. We will continue to work with various stakeholders and the community to increase the collection rate, such that we can be able to expedite service delivery.

We are also clear that our role is merely that of enabling, facilitating and coordinating; for the success of our vision, the bulk of the responsibility resides with the residents and the community at large. They hold the key to surmount an incredibly diverse set of challenges and obstacles on our road to a democratic revolution.

We are committed as ever to ensuring that mechanisms are put in place to implement and continuously evaluate our work. We have a clear roadmap for delivery, both in the immediate, short-term, as well as the long term. We are inspired by our fore-fathers who in the face of repression and oppression, recognised the need for unity of all the people of South Africa and the conception of a better life for all.

Excellence is an art won by training and habituation. We do not act rightly because we have virtue or excellence, but we rather have virtue and excellence because we acted tightly. We are what we repeatedly do. Excellence, then is not an act but a habit.

We aim to make service excellence an enduring habit of our approach to service delivery that should be stubbornly and single-mindedly pursued. This and only this attitude will help ossify the foundational pillars of our endeavours to cultivate fine traditions of quality, superiority and distinction in our commitments to our people.

I present to you our 2011/2012 Annual Performance Report.

Khotso, Pula, Nala

CHAPTER 1: INTRODUCTION AND OVERVIEW OF DIHLABENG LOCAL MUNICIPALITY

1.1 LOCATION, COMPOSITION AND SIZE

The Dihlabeng Local Municipality, amongst the Local Municipalities of Setsoto, Phumelela, Maluti-a-Phofung, Mantsopa and Nketoana falls within the Thabo Mofutsanyana District Municipality, along the eastern boundary of the Free State Province. The total extent of Thabo Mofutsanyane District Municipality covers 28 347km² in extent of which the Dihlabeng local Municipality takes up 4 739km, which represents 17% of the District.

The Dihlabeng Local Municipality comprise of a large rural component together with the presence of five (5) urban concentrations, which is briefly explained as follows:

Bethlehem/ Bohlokong

Can be viewed as the “Capital” of the Eastern Free State and is situated approximately 240km north-east of Bloemfontein, 140km east of Kroonstad and 90km west of Harrismith. The town forms part of the Highland Route and is located 80 km from Qwa-Qwa and 60km from the Golden Gate Highlands. The town originally developed as a service centre.

Growth is stimulated by the strategic location of the area that presently serves as a central regional centre. This is attributed to the fact that the area is situated adjacent to the N5 National Road between Bloemfontein and Durban. Bethlehem/ Bohlokong are also directly linked to other towns such as Kroonstad, Reitz, Warden and Ficksburg. The accessibility of the town is further emphasized by the prominence of the railway station at the Kroonstad/Durban and Bloemfontein/Frankfort railway intersection in the urban area.

The scenic town of **Clarens/Kgubetswana**, often referred to as the “Switzerland of South Africa”, is situated approximately 34km south-east of Bethlehem. Clarens/Kgubetswana is 20km from the Golden Gate Highlands. This urban area is situated 10km from the Lesotho boarder and has a splendid view of the Maluti Mountains. The past few years experienced a rapid growth in the tourist industry. The urban area and surroundings is known for its “arts and craft” route in the picturesque sandstone Rooiberge and the Maluti Mountains.

Paul Roux/Fateng-tse-Ntsho is situated 35km west of Bethlehem. This urban area is located in an area of agricultural significance and mainly provides services in this regard to the surrounding rural areas. Bethlehem influences the area to a great extent as a large service centre in close proximity.

Fouriesburg/ Mashaeng is situated on the R26 route and in close proximity of Lesotho. The town’s location in relation to other major centres is as follows: 49km from Bethlehem and 46km from Ficksburg. Situated within the former Fouriesburg District, this urban area is predominantly the function of a small service centre to the surrounding agricultural communities. This primary function is being supported by tourism as the latter industry is starting to gain momentum in the Eastern Free State.

Rosendal/ Mautse is approximately 60km south west of Bethlehem, 40km south east of Senekal and 40km north of Ficksburg. The town is located in an area of agricultural significance and mainly provides services in this regard to the surrounding rural areas, together with a growth in tourism

1.2 REGIONAL CONTEXT AND POPULATION COMPOSITION

This subdivision presents the regional context analysis on a national and provincial level. The purpose of this analysis is to gain comprehension of the regional situation in terms of socio-economic factors. An understanding of the development context will inform the study, ensure relevant projects, guide implementation and coordination and place local conditions into perspective.

In Table 1.1 the composition of the population by race, gender, HIV/AIDS and population group for South Africa, Free State, Thabo Mofutsanyane District Municipality and Dihlabeng Local Municipality are provided. The figures provided in this table are analysed in detail in the following paragraphs.

Table 1.1 Demographic Indicators of Free State, Thabo Mofutsanyane and Dihlabeng LM,

Indicator	Free State	Thabo Mofutsanyane DM	Dihlabeng LM
Total Population	2,824,570	723,378	128 929 (census 2001) 108 449 (CS 2007) 114 818 (QR2011)
House Holds			33 027 (census 2001) 31 836 (CS 2007)
Population Growth p.a.	0.3%	0.0%	-0.9%
HIV/AIDS +	14.5%	14.3%	14.7%
Population Groups			
African	88.7%	94.7%	86.7%
Coloured	3.1%	1.1%	4.7%
Asian	0.1%	0.2%	0.2%
White	8.1%	4.0%	8.4%
Gender			
<u>Percentage</u>			
Male	48.2%	46.1%	47.6%
Female	51.8%	53.9%	52.4%

Source: Quantec Research, 2011

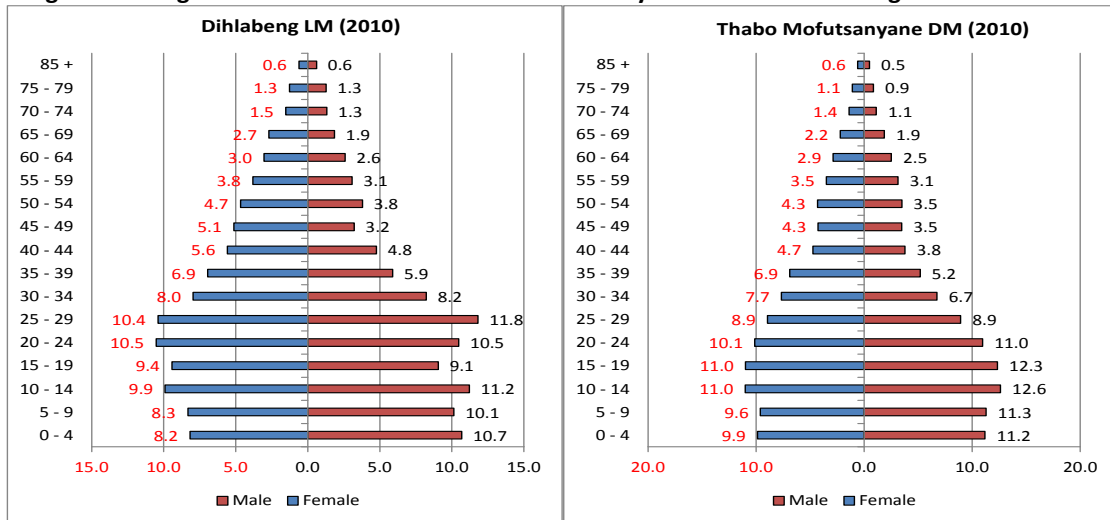
The Dihlabeng Local Municipality community comprises of approximately 108 449 individuals and 31 836 households. According to the Stats SA 2007 Community Survey, the population has since 2001 decreased by 16% (20 480 individuals). The number of households has also decreased with 4% since 2001. The total population of Dihlabeng is approximately 4.0% of the population in the Free State and 6.0% of the population of Thabo Mofutsanyane District Municipality. The demographic figures of Dihlabeng are now discussed in detail and compared to the population figures of the Province and the District Municipality.

1.2.1 AGE AND GENDER

The age and gender profile of Dihlabeng appears relatively different to that of Thabo Mofutsanyane, with a large portion of the population under 15 years of age. The working-age population indicates the concentration of labour in the District and in the Local Municipality. Figure 1.2 illustrates the age-gender profile for Thabo Mofutsanyane District Municipality and Dihlabeng Local Municipality.

It is, however, observed that the working-age (15 to 64) population of Dihlabeng is female dominated (67.5%), where this age group is more evenly distributed between the genders in Thabo Mofutsanyane District. This can be attributed to young male workers that relocate to larger economic centres, such as Bloemfontein and Johannesburg, for better work opportunities.

Figure 1.2 – Age and Gender Profile of Thabo Mofutsanyane DM and Dihlabeng LM



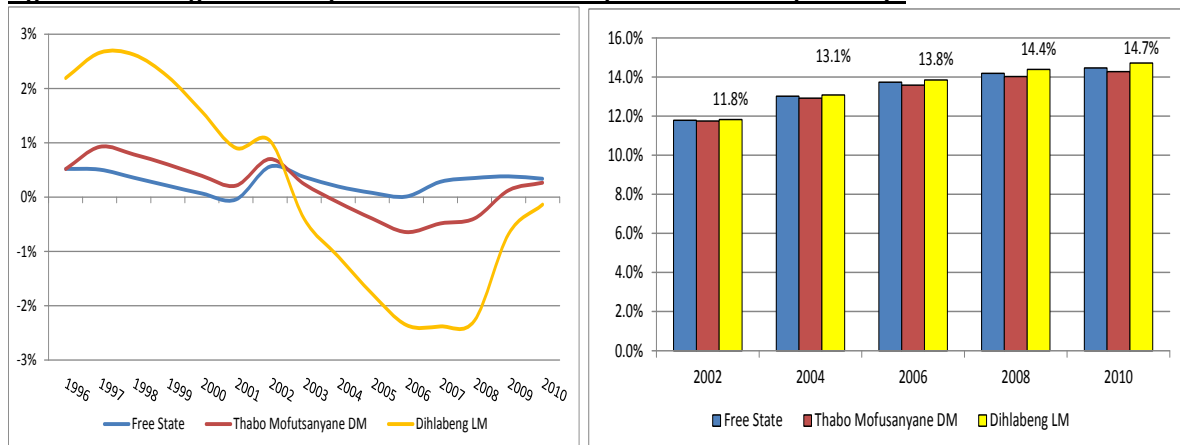
Source: Quantec Research, 2011

1.2.2 POPULATION GROWTH AND HIV/AIDS

The **population growth** of the Free State, Thabo Mofutsanyane and Dihlabeng is illustrated by Figure 1.3. On average, the population growth rate of Dihlabeng declined by 0.7% per annum from 2000 to 2010. Thabo Mofutsanyane, on average, maintained a slow decline in population, while the Free State grew by 2.6% per annum. The reason for the decline in population in Dihlabeng and Thabo Mofutsanyane can be attributed to the migration of job seekers to larger urban centres in the Free State or other Provinces. This is due to a lack of local employment opportunities, less opportunities for employment advancement and a growing preference among young people to work in the agriculture sector. Figure 1.3 further more reflects a low level of labour remuneration among working adults.

The **HIV/AIDS** profile of the Free State, Thabo Mofutsanyane and Dihlabeng (from 1996 to 2010) is illustrated by Figure 1.4. From this Figure it is evident that the prevalence of HIV/AIDS has increased in recent years in all of the geographic areas under discussion. The prevalence of this disease in Dihlabeng has increased from 11.8% in 2002 to 14.7% during 2010. This District has, however, managed a slightly lower rate of prevalence when compared to the Free State average (14.3% in 2010).

Figure 1.3 and Figure 1.4 - Population Growth and HIV/AIDS Profile Respectively



Source: Quantec Research, 2011

1.2.3 SOCIO-ECONOMIC PROFILE

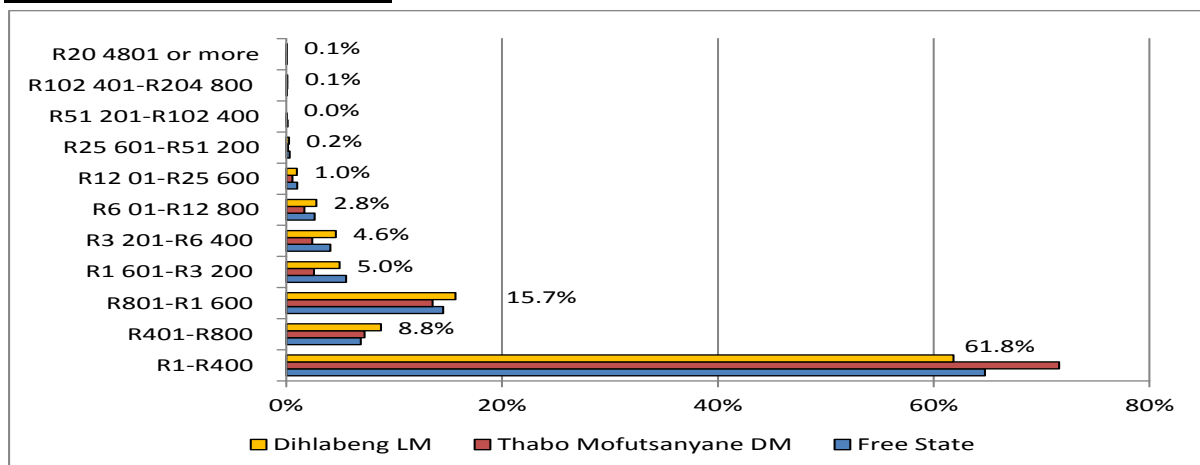
1.2.3.1 INCOME DISTRIBUTION

In order to determine the people's living standards, as well as their ability to pay for basic services, such as water and sanitation, the income levels of the local population are analysed and compared to the income levels of the Free State and Thabo Mofutsanyane. In Figure 1.5, the distribution of the employed per income group is shown (i.e. income among employees).

From Figure 1.5 it is evident that the largest portion (61.8%) of employed adults in Dihlabeng earns less than R401 per month. This trend is also observed in the Free State and Thabo Mofutsanyane, where 64.7% and 71.6% of the economically active population earns less than R401 per month respectively. The second most significant income category, of R801 to R1 600, represents 15.7% of the Dihlabeng working adults.

From these observations it is evident that the majority of the Dihlabeng population is very poor and thus experiencing low living standards. These low income levels indicate that the majority of the population is dependent on a small income.

Figure 1.5 – Socio-Economic Profile

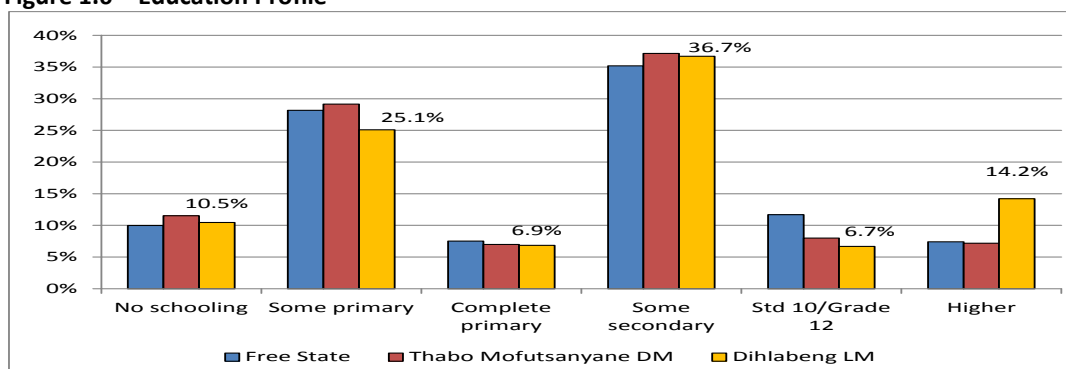


Source: StatsSA Community Survey, 2007

1.2.3.2 EDUCATION AND SKILLS

Figure 1.6 illustrates the level of adult education in Dihlabeng, compared to the Free State and Thabo Mofutsanyane. Less than 30% of adults in the Study Area completed Grade 12 or attained a higher education qualification, while 10.5% have no schooling at all.

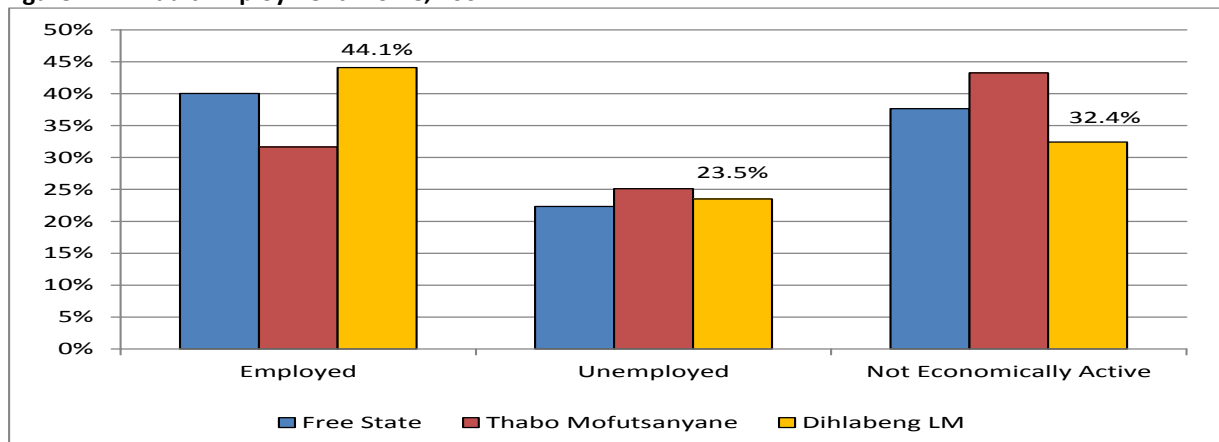
Figure 1.6 – Education Profile



Source: StatsSA Community Survey, 2007

Figure 1.7 illustrates the employment rate of Dihlabeng in 2007, in comparison with the Free State and the Thabo Mofutsanyane District. The Local Municipality had an unemployment rate of 23.5%, which is slightly lower than Thabo Mofutsanyane (25.1%). The province had an unemployment rate of 22.3% during 2007.

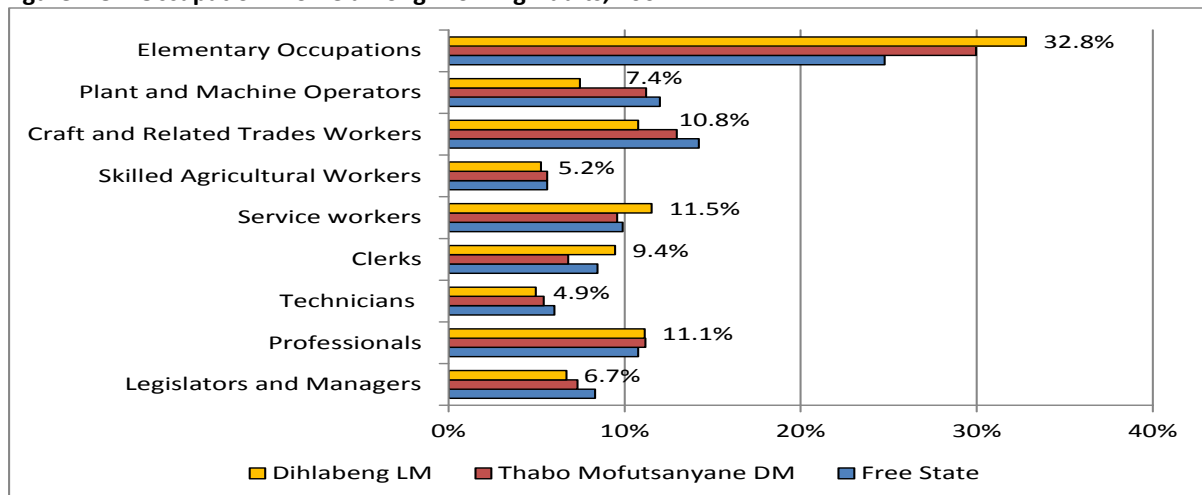
Figure 1.7 – Adult Employment Profile, 2007



Source: StatsSA Community Survey, 2007

The skills profile of the working age population of Dihlabeng is shown in Figure 1.8 and compared with the Free State and Thabo Mofutsanyane. The level of skills within an area is important to determine the level of potential employment. The largest category among the employed adult population in Dihlabeng (32.8%), the Free State (24.8%) and Thabo Mofutsanyane (30%) are employed in elementary occupations and can be regarded as low to semi-skilled. Approximately 11.1% of the working population in the Study Area can be categorised as professionals and regarded as high-skilled workers.

Figure 1.8 – Occupation Profile among Working Adults, 2007



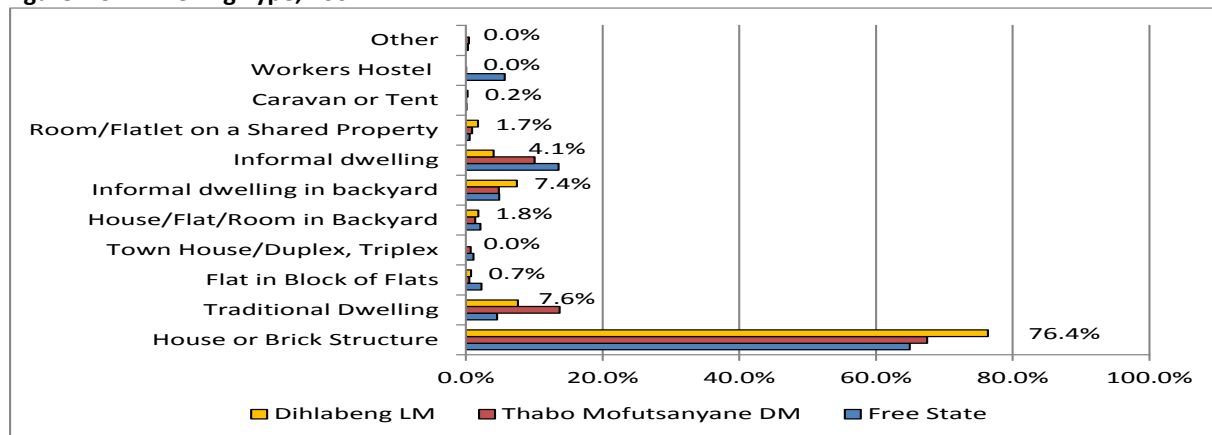
Source: StatsSA Community Survey, 2007

1.2.3.3. DWELLING TYPES

Figure 1.9 illustrates the various dwelling types found in Dihlabeng, the Free State and Thabo Mofutsanyane. The most common form of dwelling type is brick houses on individual stands. This category represents 76.4% of housing in Dihlabeng, 67.5% in the District and 65% in the Province. This means that 23.6% of households in Dihlabeng Local Municipality have to make use of alternative types of housing.

In this regard, 11.5% of households in Dihlabeng can be classified as informal (shacks), compared to 14.9% of households in Thabo Mofutsanyane and 18.9% in the Free State Province. From this it can be interpreted that Dihlabeng has a lower portion of informal settlement dwellings compared to the District and the Province.

Figure 1.9 – Dwelling Type, 2007



Source: StatsSA Community Survey, 2007

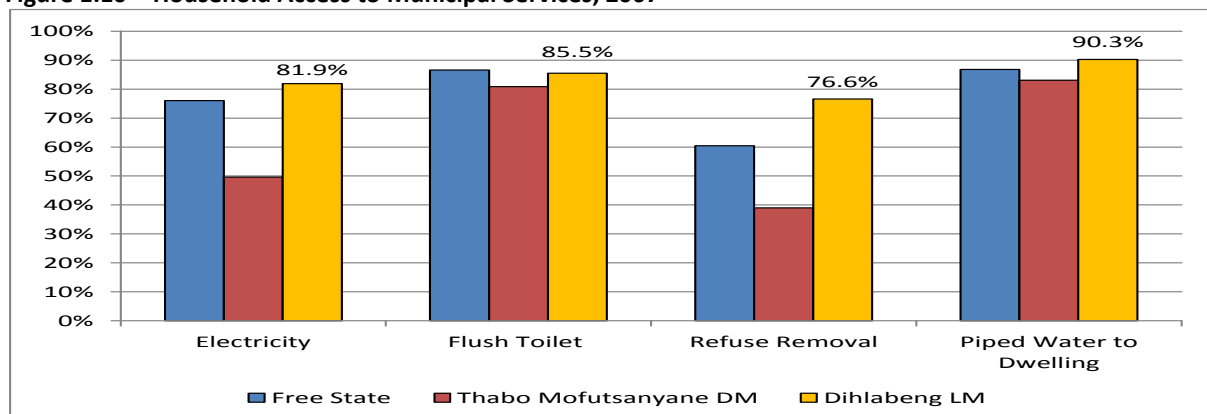
1.2.3.4 HOUSEHOLD ACCESS TO MUNICIPAL SERVICES

Household access to various municipal services in Dihlabeng is indicated by Figure 1.10. The majority of households in Dihlabeng are well catered for in terms of their access to municipal services.

The following observations are made:

1. About 10.9% of households were dependent on the use of candles as their main source of lighting during 2007.
2. Almost 12.4% of households indicated that they made use of their own refuse dump during 2007.
3. Some 6.3% of households did not have access to any form of piped water and had to make use of alternative sources such as streams, pools, water vendors, rain tanks, etc. during 2007.

Figure 1.10 – Household Access to Municipal Services, 2007



Source: StatsSA Community Survey, 2007

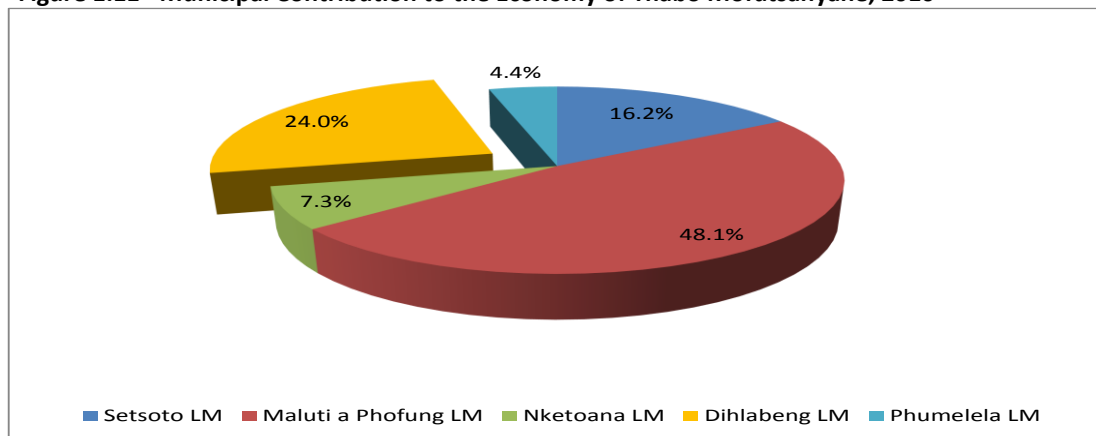
1.3 ECONOMIC PROFILE

The purpose of this Section is to provide a broad economic analysis of the regional and local economy. It is important to understand the economy of Dihlabeng within the context of the broader region so that comparisons and linkages with the broader economic community can be made. In doing so, this Section discusses and analyses each economic sector in terms of a sectoral analysis and also identifies those sectors with growth potential.

1.3.1 MUNICIPAL OVERVIEW

Figure 1.11 illustrates the GDP contribution of the Dihlabeng Local Municipality compared to the other 4 Local Municipalities in the Thabo Mofutsanyane District. Dihlabeng contributed the second most (24.0%) to the District economy, followed by Setsoto (16.2%). Overall, Maluti-a-Phofung contributed the most (48.1%) to the economy of Thabo Mofutsanyane during 2010.

Figure 1.11– Municipal Contribution to the Economy of Thabo Mofutsanyane, 2010

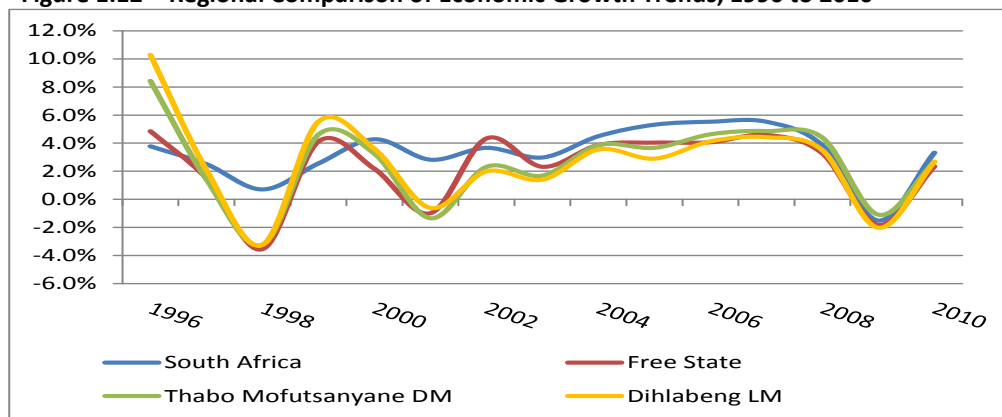


Source: Quantec Research, 2011

1.3.2 GROWTH

During 2000 to 2010, the economy of Dihlabeng experienced an average annual growth rate of 2.3%, compared to a 2.6% growth rate in Thabo Mofutsanyane and the Free State. Figure 1.12 indicates the annual growth rate from 1996 to 2010 in Dihlabeng, compared with the District, the Province.

Figure 1.12 – Regional Comparison of Economic Growth Trends, 1996 to 2010



Source: Quantec Research, 2011

1.3.3 LEVEL OF CONCENTRATION

A Location Quotient indicates the comparative advantage or disadvantage of a particular economic sector in an area or region. A comparative advantage indicates a relatively more competitive production function for a product or service in that specific activity.

A Location Quotient analysis for Dihlabeng in District context is provided by Table 1.13 below:

Table 1.13 – Location Quotient for Dihlabeng Local Municipality, 2010

Economic Sector	Sectoral contribution to total GDP (%)		Location Quotient
	Thabo Mofutsanyane DM	Dihlabeng LM	
Agriculture	6.2%	6.4%	1.0
Mining	0.4%	0.3%	0.8
Manufacturing	13.3%	13.2%	1.0
Electricity	2.6%	0.9%	0.3
Construction	2.1%	1.9%	0.9
Trade	15.6%	18.1%	1.2
Transport	7.2%	9.2%	1.3
Finance	21.7%	19.9%	0.9
Services	30.8%	30.1%	1.0
Total	100	100	1

Source: *Urban-Econ, 2011*

A quotient larger than one indicates a comparative advantage and a quotient smaller than one indicates a comparative disadvantage in an economic activity. A quotient greater than five indicates a dependence on an industry sector.

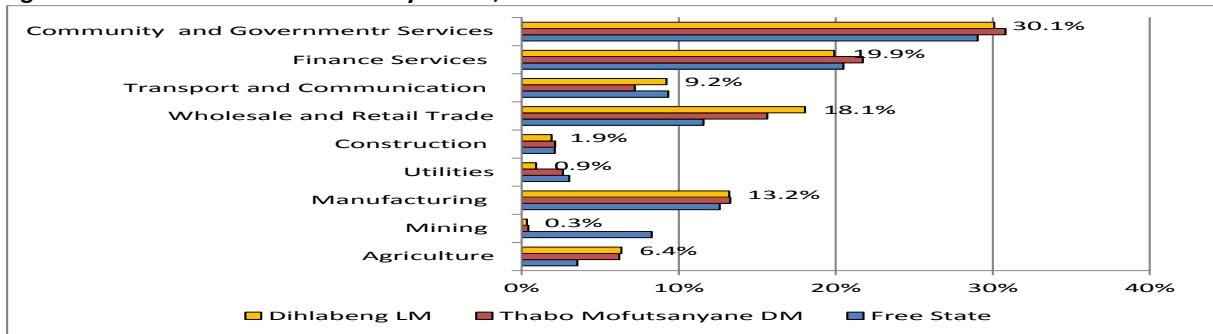
From this Table it is evident that the Dihlabeng economy has a comparative advantage in the following sectors with regards to the District economy:

1. Agriculture
2. Manufacturing
3. Trade
4. Transport
5. Government Services

In the following Section of this report, these sectors will be further unpacked and their comparative advantages discussed.

1.3.4 ECONOMIC SECTORS

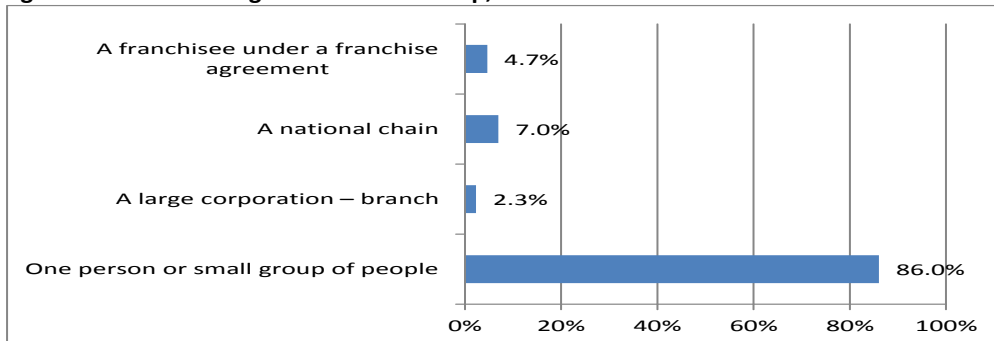
The economy of Dihlabeng is illustrated by sectoral production in Figure 1.14 and compared to Thabo Mofutsanyane and the Free State. From this Figure it is evident that the local economy is dominated by the Community and Government services sector (30.1%), similar to the Provincial and District profiles.

Figure 1.14 – Economic Production by Sector, 2010

Source: Quantec Research, 2011

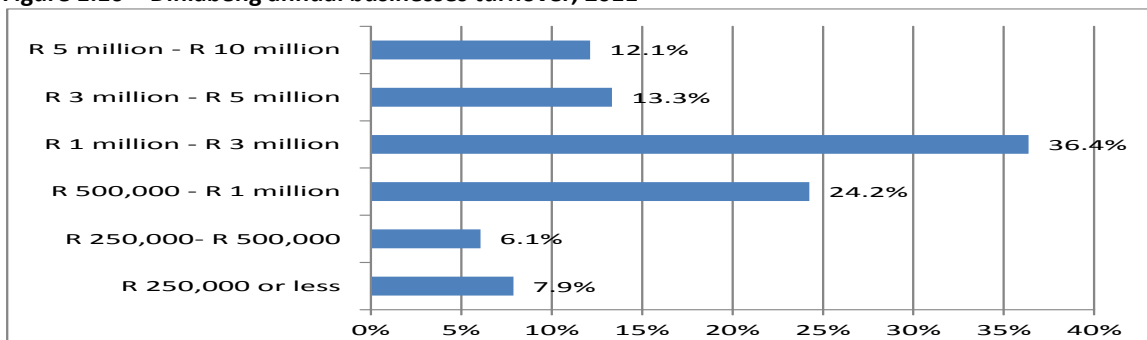
1.3.5 BUSINESS PROFILE

Business ownership is illustrated by Figure 1.15. From this Figure it is clear that almost 90% of local businesses are owned by one person or a small group of people. Large corporations only accounted for 2.3% of Dihlabeng businesses, while national chains accounted for 7.0% and franchises 4.7% during 2011. This profile reflects a Trade sector which is mainly dependent on SMME-size businesses.

Figure 1.15 – Dihlabeng business ownership, 2011

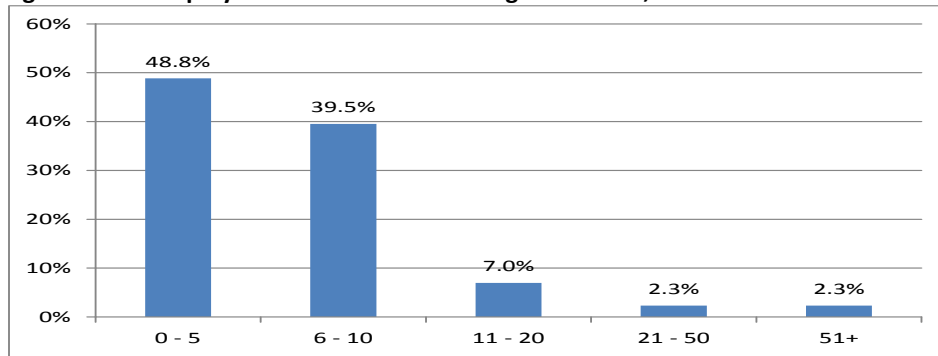
Source: Dihlabeng Business Survey, 2011

Figure 1.16 illustrates the annual turnover of businesses in Dihlabeng. Almost 40% of local businesses said that they have recorded a turnover of between one and three million Rand during 2010, while 25.5% of businesses indicated a higher turnover. This observation is in line with the majority of businesses being categorised as SMMEs.

Figure 1.16 – Dihlabeng annual businesses turnover, 2011

Source: Dihlabeng Business Survey, 2011

Another approach to measuring business size is to investigate employment absorption. Figure 1.17 illustrates the employment profile of local businesses. From this profile it is evident that almost half of all businesses in Dihlabeng employ less than six people, while 39.5% employ between five and ten workers. Only 11.6% of local businesses employ more than ten people.

Figure 1.17 – Employment Profile of Dihlabeng businesses, 2011

Source: *Dihlabeng Business Survey, 2011*

1.3.6 NATURAL ENVIRONMENT

1.3.6.1 CLIMATE

The mean annual temperature in Dihlabeng ranges between 12 and 15C . The average monthly temperatures for Bethlehem, the main town in the DLM range from 30C in winter to 300C in summer, with the lowest temperature recorded between 1961 and 1990 being -80C (June) and the highest being 400C (January) (SAWS, 2007).

Rainfall in DLM is strongly seasonal, with most rain occurring as thunderstorms during the summer period. The rainy season in Dihlabeng runs from October to March. The average annual precipitation ranges from 540 to 1142 mm per annum. The average maximum rainfall per month is 96 mm while the minimum is 7 mm, and this is recorded in the dry season between April and September. The average rainfall in the area supports cultivation and as a result 48% of the region is currently under cultivation.

1.3.6.2 LAND COVER

There are over 20 land cover types in Dihlabeng Local Municipality. The largest land cover type is unimproved natural grassland which covers just over half of the total area of DLM. Commercial dry-land cultivation is the second largest land cover type followed by urban/built up areas and irrigated agriculture.

1.3.6.3 TOPOGRAPHY

The elevation in DLM varies between 1400 and 2600 metres above sea level, with the highest parts being in the central and south eastern parts of the municipality. Large parts of the DLM, mainly in the southern and central parts of the municipality have a slope greater than 7% and this corresponds to the area of ridges. The aspect, through its influence on solar heating, air temperature and moisture, affects vegetation and species distribution.

1.3.6.4 GEOLOGY

The geology of DLM is dominated by the Molteno formation. The Tarkastad subgroup also occurs and is largely found in the north eastern part of DLM. The Drakensburg and Clarens formations occur in the south west, the central and the south eastern part of DLM. DLM is underlain by andesitic lava of the Drakensberg formation and this occurs in association with mudstones, shale and sandstones of the Clarens Formation, Molteno Formation and Elliot Formation. Dykes and sills resulting from dolerite intrusions also occur in the area. Alluvium occurs in some drainage channels and tallus (coarse alluvium) on some steep hill slopes (Department of Rural Development and Land Reform, 2009). The presence of sandstone, shale and dolerite can result in excavation problems and this has implications for developments such as building construction, pipelines and sewerage works (Department of Rural Development and Land Reform, 2009). In some areas, e.g. Clarens, colluvium consisting of silty clay deriving from the weathering of sandstones and lavas occurs, and the colluvium is moderately expansive/ shrinking (Blight, 2005).

Construction on expansive soils such as the expansive colluvium which occurs in the DLM may require specialised construction techniques and this increases construction costs and has implications for development.

No significant mineral deposits have been found or are being exploited in DLM. Gravel mining and sandstone cutting are the main mining activities in DLM. Mudstone is utilised for brick manufacturing. Due to the geology of the area, ground water is an important resource in DLM. It is pumped for use in agriculture and for human consumption. The water quality is generally high, containing less than 30mg/l of dissolved solids (Bosch, 2001). The Elliot formation is characterized by vertebrate fossils and fossils occur widely in DLM. The occurrence of fossils has implications for excavation and mining activities, which have to take into consideration impact on fossils.

1.3.6.5 ECOLOGY

The DLM falls within the grassland biome. The grassland biome in the Free State is home to a range of species of flora and fauna, some of which are Red Data listed such as the Grey Crowned Crane, Cape Vulture and Blue Crane (River Health Programme, 2003). The south eastern part of Dihlabeng municipality including Clarens and surrounding areas falls in the Eastern Mountain Biodiversity Hotspot (the Maluti-Drakensburg mountains biodiversity hotspot) (MDTP, n.d.) and the Golden Gate Highlands National Park. Globally significant plant and animal biodiversity occurs in the area. The area is also an important water catchment for Lesotho and South Africa. The area provides habitat for a range of specialised floral and faunal species with up to 300 endemic and about 500 near endemic flowering plant species (MDTP, n.d.).

In DLM, the Eastern Free State Sandy Grassland vegetation around Bethlehem is threatened by human activities. Climate change and pollution also threaten biodiversity. The riverbanks in Dihlabeng host a unique vegetation type known as 'riparian bush' or 'gallery bush'. This vegetation is distinctive to the Free State and North West provinces. Riparian bush generally consists of indigenous trees and dense undergrowth although alien vegetation such as poplar and blue gum trees can also occur. Some of the indigenous trees which occur in riparian areas are White Stinkwood (*Celtis africana*), Wild Olive (*Olea africana*), Buffalo Thorn (*Ziziphus mucronata*), Sweet Thorn (*Acacia karoo*) and Bush Willow (*Salix capensis*).

1.3.6.6 AIR POLLUTION

There is no air quality monitoring in DLM. The DLM SDF (2008/2009) notes that smoke pollution mainly from cooking fires and open field fires creates a potential health hazard in the municipality. Due to the prevalence of agricultural activities which include tillage and crop spraying in the area, it is anticipated that airborne dust and agricultural chemicals could be a concern in the area.

1.4 Leadership and Management Structure

1.4.1 GOVERNANCE STRUCTURES

The political component of the Dihlabeng Local Municipality is based on the Executive System which reports to the Council and whose duties and functions are defined as to ensure proper decision making and allocation of funds.

The Dihlabeng Local Municipality consists of 40 Councillors, 20 Ward Councillors and 20 Proportional Councillors.

The following political parties are being represented in the Council.

Political Party	Ward Councillors	Proportional Councillors	Total
African National Congress	18	12	30
Democratic Alliance	2	6	8
Freedom Front Plus	0	1	1
Congress of the People	0	1	1
Total	20	20	40

DIHLABENG LOCAL MUNICIPALITY COUNCIL MEMBERS

NAME	DETAILS	NAME	DETAILS
Mr. T M H Mofokeng	EXECUTIVE MAYOR	Ms. M E Sempe.	Councillor, Ward 15
Ms. M A Noosi	SPEAKER	Mrs. S M Jacobs	Councillor, Ward 16
Mr. M M Radebe	COUNCIL WHIP	Mrs. A L R Mkhwanazi	Councillor, Ward 17
Mr. P D Lengoabala	Chairperson MPAC	Mr. J F Bonthuys	Councillor, Ward 18
Mr. C C Harrington	MMC LED	Mr. M V Mofokeng	Councillor, Ward 19
Ms. A L Rakhothule Mkhwanazi	MMC Human Settlement	Ms. M R Mokoena	Councillor Ward 20
Mr. L J Lemako	MMC IDP& PMS	Mr. M M Radebe	Councillor
Mr. M J Tshabalala	MMC Finance	Mr. H E Mokoena	Councillor
Mr. P P Mokoena	MMC Community Services	Ms. L U Makhalema	Councillor
Mrs. L U Makhalema	MMC Corporate Services	Mrs. N E Mabizela	Councillor
Mrs. T J Tshabalala	MMC Women, Children, Disability and Vulnerable Groups	Mrs. T J Tshabalala	Councillor
Mr. T J Seekane	MMC Public Works	MR. L J Lemako	Councillor
Mrs. M A Mokoena	Councillor, Ward 1	Mr. J P H Pienaar	Councillor
Mr. S Msimanga	Councillor, Ward 2	Mr. C C Harrington	Councillor
Mr. N N Nzimande	Councillor, Ward 3	Ms. M K Mofokeng	Councillor
Mr. P P Mokoena	Councillor, Ward 4	Mr. L J Mosikili	Councillor
Mr. M D Shabalala	Councillor, Ward 5	Mr. M J Mokoena	Councillor
Mr. M J Tshabalala	Councillor, Ward 6	Mr. B D L Venter	Councillor
Ms. T M Mofokeng	Councillor, Ward 7	Mr. P D Lengoabala	Councillor
Mr. T M H Mofokeng	Councillor, Ward 8	MRS. M Prior	Councillor
Mr. R P Mofokeng	Councillor, Ward 9	Mr. T V Mofokeng	Councillor
Mr. G J Roetz	Councillor, Ward 10	Mr. D Steven	Councillor
Mr. T A Masoeu	Councillor, Ward 11	Ms .M A Noosi	Councillor
Mr. J M Radebe	Councillor, Ward 12	Mr. P A Maarsdorp	Councillor
Mr. T J Seekane	Councillor, Ward 13	Mr P H Johannes	Councillor
Mr. T J Tseki	Councillor, Ward 14	Mr P T Ramaele	Councillor

1.4.2 Executive Political Leadership

MAYCO MEMBERS



**THE EXECUTIVE MAYOR
HONOURABLE Cnr TMH MOFOKENG**



**MADAM SPEAKER
Cnr M A NOOSI**



**THE COUCIL WHIP
M M RADEBE**



**CHAIRPERSON: MPAC
Cnr P D LENGOABALA**



**MMC L J LEMAKO
IDP & PMS**



**MMC M J TSHABALALA
FINANCE**



**MMC L U MAKHALEMA
CORPORATE SERVICES**



**MMC C C HARRINGTON
LED**



**MMC P P MOKOENA
COMMUNITY SERV**



**MMC T J SEEKANE
PUBLIC WORKS**



**MMC T J TSHABALALA
WOMEN, CHILDREN,
DISABILITY & VULNERABLE HUMAN SETTLEMENT
GROUPS**



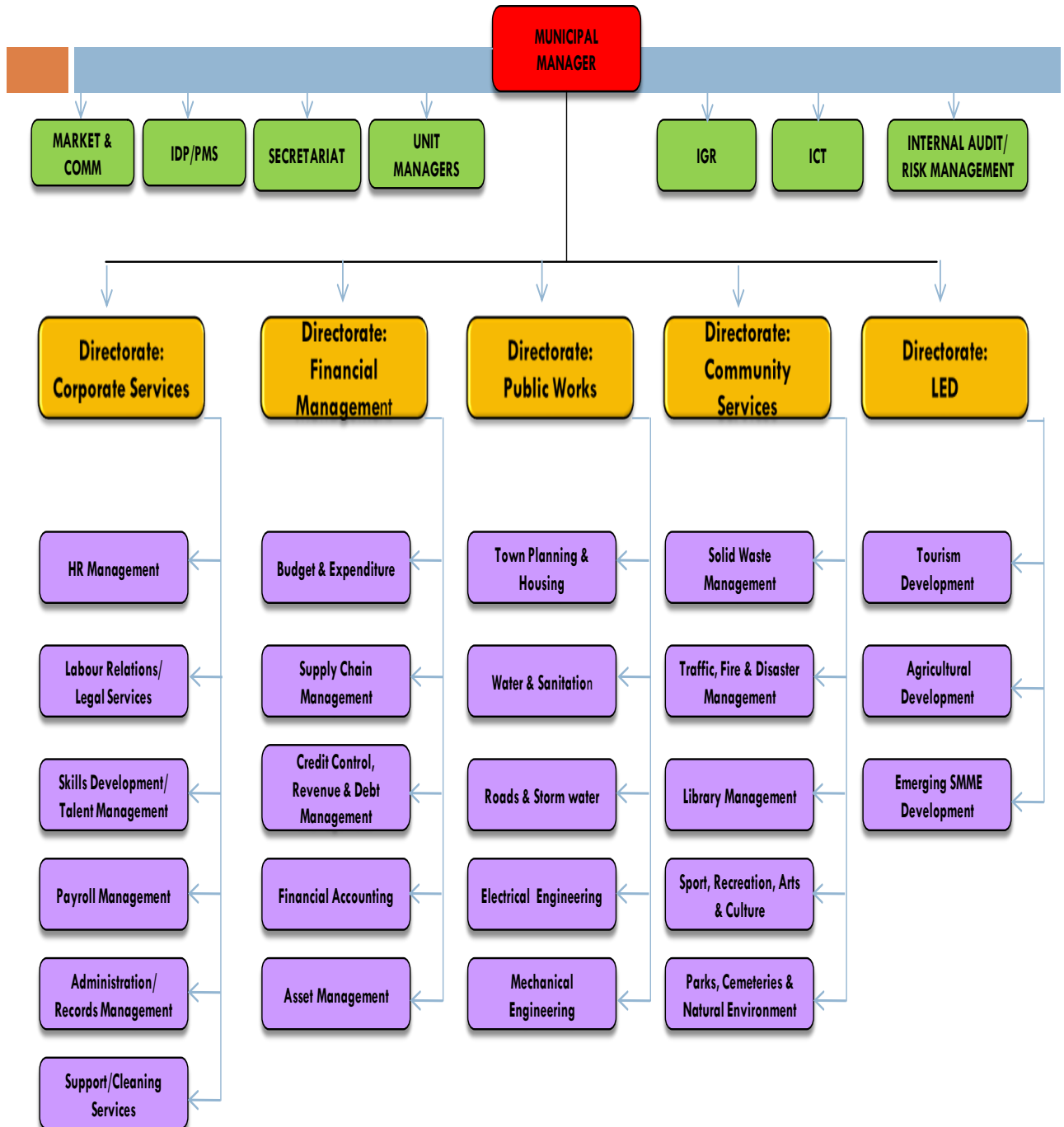
**MMC A L RAKHOTHULE
MKHWANAZI**

1.4.3 Executive Management Team

DESIGNATION	NAME	DESIGNATION	NAME
<i>Municipal Manager</i>	MR THABISO TSOAELI	<i>Manager: Libraries</i>	Mrs MB Mazibuko
<i>Chief Financial Officer</i>	Mr R Provis	<i>Manager: Water & Sanitation</i>	Mr M Machongoane
<i>Director: Corporate Services</i>	Mr MES Mthwalo	<i>Manager: Assets</i>	Mr I J Rossouw
<i>Director: Public Works</i>	Mr A B Masuku	<i>Manager: Internal Audit</i>	Mr S Morare
<i>Director: Community Services</i>	Mrs MMC Sepheka	<i>Manager: IDP</i>	Mr J Potsane
<i>Director: Local Economic Development</i>	Mrs T G Hadebe	<i>Manager: Sport & Recreation</i>	Ms N P Mdakane
<i>Unit Manager: Bethlehem</i>	Mr S Lengoabala	<i>Manager: Solid Waste</i>	Ms M A Mosima
<i>Unit Manager: Clarens</i>	Mr S Lekota	<i>Manager: Revenue & Debt</i>	Mr N K Mokhonoane
<i>Unit Manager: Fouriesburg</i>	Mr L P Ncala	<i>Acting Manager: Secretariat</i>	Mrs J Etzebeth
<i>Unit Manager: Paul Roux</i>	Mr D R Evans	<i>Manager: PMS</i>	Mr M Zondo
<i>Unit Manager – Rosendal</i>	Mr P F R Reed	<i>Manager: Human Resources</i>	Mr T E Posholi
<i>Manager: Financial Accounting</i>	Mr C Barnard	<i>Manager: Roads & St. Water</i>	Mr T Nkadimeng
<i>Manager: Supply Chain</i>	Mr P V Tlhabanelo	<i>Manager: Legal Services</i>	Mr J L Botha
<i>Manager: Budget & Expenditure</i>	Mr P Khiba	<i>Manager: Marketing/Comm</i>	Mrs S Masoeu
<i>Manager: Human Settlement</i>	Mr M Nhlapo	<i>Manager: Mechanical Engineering</i>	Mr J Delport
<i>Manager: Tourism & Buss Development</i>	Mr T Dladla	<i>Manager: Public Safety & Emergency Services</i>	Mr M A Ramotso
<i>Assistant Manager: Electricity</i>	Mr S Masoeu	<i>Manager: Town Planning</i>	Mr T Mokomatsili
<i>Manager: Risk</i>	Ms V Sikaundi	<i>MPAC Support Function</i>	Mr T E Maitse
<i>Manager in the Office of the Mayor</i>	Mr L I Tshabalala	<i>Manager in the office of MM</i>	Mr S E Mpetsheni
<i>Manager: Project Management Unit</i>	Mr M Mphati		

1.4.4 High Level Organisational Structure

Functional View of Dihlabeng Local Municipality



1.4.5 High Level Strategic Agenda

The people driven IDP and Budget of the municipality reflect community priorities. In addition, the IDP is also informed by National Spatial Development Perspective and Free State Provincial Growth and Developmental Strategies. The IDP is therefore a government-wide expression of developmental commitments.

1.4.5.1 Local Perspective

All strategic agendas, whether of national, provincial or local government, are underpinned and guided by and designed to satisfy the needs of all local communities. Citizenry of Dihlabeng Local Municipality take the lead in defining and shaping their priorities through a variety of public participation processes and programmes, such as ward-based planning, MAYCO meets the people, Community Development Workers and Ward Committees.

The following are the key priority that have been identified from the consultation processes and that have shaped this IDP, informed by the 5 Year Local government Strategic Agenda:

1. Infrastructure and Services
2. Local Economic Development
3. Organizational Development and Transformation
4. Financial Viability and Management
5. Good Governance and Public Participation

1.4.5.2 Dihlabeng Local Municipality Turnaround Strategy

All Local Municipalities within South Africa were tasked by National Government to prepare turnaround strategies with the objectives to:

- Restore the confidence in the municipalities, as the primary delivery machine of the developmental state at a local level; and
- Rebuild and improve the basic requirements for a functional, responsive, accountable, effective, and efficient developmental local government.

The Dihlabeng Local Municipality identified the following strategies at propelling the Municipality to contribute to building the Developmental State:

- Provide democratic and accountable government for local communities;
- Be responsible to the needs of the local community;
- Ensure the provision of services to communities in a sustainable manner;
- Promote social and economic development;
- Promote a safe and healthy environment;
- Encourage the involvement of communities and community organizations in the matters of local government;
- Facilitate the culture of public service and accountability amongst its staff; and
- Assign clear responsibilities for the management and co-ordination of these administrative units and mechanisms.

1.4.5.3 National Perspective

National Government develops strategies, policies and legislation that have to be implemented by all spheres of government. Among the key strategies that pertain to local government sphere are the following:

1.4.5.4 Millennium Development Goals (MDGs)

The aim of the MDGs is to encourage development by improving social and economic conditions. It provides a framework for the entire international community to work together towards a common end i.e. making sure that human development reaches everyone, everywhere.

1.4.5.5 Delivery Agreement- Outcome 9

The Municipality responds to the Delivery Agreement: Outcome 9. This outcome intends to ensure a responsive, accountable, effective and efficient local government system with an intention of restoring the confidence of citizens in the local government sphere.

1.4.5.6 National Government Programme of Action 2009-2014

The government has identified 10 priority areas in its programme of action, with an intention to turn around the global economic slowdown, whilst at the same time ensuring that the needs of all its citizens are met. Vision 2014 targets inform some programmes of our IDP. These targets cut across a broad spectrum of issues and are reflected in the IDP according to the five key performance areas of the municipality.

1.4.5.7 Medium Term Strategic Framework

The basic thrust of the Medium Term Strategic Framework 2009 – 2014 (MTSF) is to improve the conditions of life of all South Africans and contribute to building a better Africa and a better world. The MTSF base document is meant to guide planning and resource allocation across all the spheres of government. National and provincial departments in particular will need immediately to develop their five-year strategic plans and budget requirements taking into account the medium-term imperatives. Similarly, informed by the MTSF and their 2006 mandates, municipalities are expected to adopt their Integrated Development Plans in line with the national medium-term priorities.

The strategic priorities are as follows:

Strategic Priority 1: Speeding up growth and transforming the economy to create decent work and sustainable livelihoods

The main objective over the medium-term is to respond appropriately, promptly and effectively so that growth in decent employment and income security are reinforced and investment sustained to build up national economic capability and improved industrial competitiveness. The MTSF places emphasis on improved support systems and structures (i.e. infrastructure, training, regulations, marketing support, and finance) for economic activities with potential to create work. Creation of decent work opportunities therefore is the primary focus of economic policies.

Strategic Priority 2: Massive programme to build economic and social infrastructure

Government will continue with the infrastructure investment programme aimed at expanding and improving social and economic infrastructure, transportation, energy, water, sanitation and information and communications infrastructure to increase access, quality and reliability of public services and to support economic activities while also considering environmental sustainability and pursuing maximum employment impact. The aim is to ensure sustained investment growth over the medium-term so as to achieve the target of a fixed investment ratio above 25% of GDP by 2014.

Strategic Priority 3: Comprehensive rural development strategy linked to land and agrarian reform and food security

Between 10 and 15 million South Africans live in areas that are characterized by extreme poverty and underdevelopment. Largely rural, many of these areas have an average per-capita income approximately 9% of the national average. Like urban areas, rural areas are diverse and varied in terms of their basic resources, characteristics and development patterns. Government's approach to spatial development should encourage policy actions that are responsive and conducive to the requirements of the different contexts prevailing in each territory,

primarily levels of economic potential and location of poverty. In this regard, the National Spatial Development Perspective will be reviewed and, where appropriate, adjusted.

Spatially differentiated; fast-track land reform; provide institutional support (incl. water harvesting, irrigation schemes, implements and inputs); shielding valuable agricultural land; ensure 60% satisfaction of food requirements through own production by 2014; improve rural transport (including logistics); skills development (develop rural further education and training (FETs) centres and agricultural colleges); rural town revitalization (develop a rural nodal system and the neighbourhood development partnership grant (NDPG) is to be extended to rural towns); improve light manufacturing, tourism and cultural work opportunities in rural areas and develop cooperatives in rural areas (including a one-stop shop to provide all the necessary support for cooperatives).

Strategic Priority 4: Strengthen the skills and human resource base

Since 1994, government undertook aggressive investment in education and training, a result of which is that education has enjoyed the largest share of the national budget throughout the past 15 years. This significant investment in building human capital and capabilities has gradually improved the quality of the country's human resource and skills base. Recognizing the importance of skills and education to enable every member of society to realize her/his potential and participate in social and economic life and thus contribute to the reduction of inequality. The objective is to focus our skills and education system towards the delivery of quality outcomes.

Strategic Priority 5: Improve the health profile of all South Africans

Improving access to health services and achieving better clinical and patient outcomes from the public health system is a central goal of government's health care services. The health sector saw significant increases in real expenditure in the 2004 to 2009 period reflected in expanded infrastructure, upgrading of facilities and broadening the available package of health services. The poor quality of health care, aggravated by the burden of disease, calls for an overhaul of the health system. A National Health Insurance system will be phased in.

Strategic Priority 6: Intensify the fight against crime and corruption

While significant progress has been recorded, further success however rests upon overcoming critical weaknesses in the functioning of the criminal justice system (CJS) including lack of integrated implementation, the shortage of critical skills and suboptimal use of resources leading to huge case and workloads for the police, courts and correctional centres, the less than satisfactory accountability systems and the disappointing levels of citizen involvement and community mobilization in the fight against crime.³¹ Municipalities have to develop and implement anticorruption strategies. A possible review of the Community Policing Forums (CPFs) is to transpire.

Strategic Priority 7: Build cohesive, caring and sustainable communities

Social cohesion- that which gives members of a society the capacity to cooperate in ways that create the possibility for positive change- is important if we are to achieve development success. However inequalities of condition (wealth, income, education, health) and inequality of opportunity and a general absence in society of being part of a common enterprise, facing shared challenges and belonging to the same democracy with a shared destiny, is placing stress and strain on social cohesion. The provision of comprehensive social assistance and social insurance (social transfers, unemployment insurance fund (UIF), basic services, etc); development and strengthening of community organizations (school governing bodies (SGBs), street committees, CPFs, etc) and nation-building.

Strategic Priority 8: Pursuing African advancement and enhanced international cooperation

Pursuant to the 2004-09 Medium Term Strategic Framework government committed itself to pursue the objective of contributing to and promoting the creation of a better Africa and a better world. Significant advances have been made but many challenges remain. The main goal of government for the medium-term is to ensure that our foreign relations contribute to the creation of an environment conducive for economic growth and development especially in Africa and other developing countries.

Strategic Priority 9: Sustainable Resource Management and Use

South Africa, like the rest of the world, is vulnerable to the impacts of climate change, biodiversity loss and diminishing water resources. The 2006 State of the Environment Report provided a comprehensive analysis of the state of South Africa's natural resources and ecosystems, which advances the need for a balanced approach. The main objective of government is to encourage sustainable resource management and use by focusing on various interventions including the diversification of the energy mix in pursuance of renewable energy alternatives and promotion of energy efficiency; adopting waste reduction practices by encouraging the re-use of waste outputs as productive inputs; enforcing zero tolerance approach to illegal and unsustainable exploitation of resources; improving air and atmospheric quality for health and well being of citizens; supporting local and sustainable food production; sustainable water use and preserving quality of drinking water and enhancing biodiversity and the preservation of natural habitats.

Strategic Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions

In the previous mandate period, government committed itself to improving the capacity of the state for growth and development. It identified strengthening the capacity of the local government sphere as a critical area of focus. Government also committed itself to making information available to citizens about public services and opportunities offered by our democracy.

Furthermore, it called for a new culture in the operation of government, informed by the concept of a People's Contract, to take root across all spheres of government.

- Build an effective and accountable state and active citizenship (improve citizen feedback);
- focus on improving the capacity and efficacy of the state (through the planning commission,
- vision 2025 and utilizing the spatial development framework as an instrument for joint planning and alignment);
- improve the delivery and quality of public service (single public service to be finalized, improve technical skills in critical areas of basic service delivery and develop a core set of indicators);
- development of a common dataset; integrate and monitor the work of State Owned Enterprises (SOEs);
- finalize the powers and functions review; unqualified audit opinions for municipalities in the province and build partnerships and strengthen democratic institutions (strengthen the work of community development workers (CDWs)).

As a result of the global economic crisis, growth in public spending is likely to slow for the next two to three years. In addition to the tough choices that will have to be made now, it will also be necessary in the medium-term to reverse the large budget deficits that this posture will exact. The MTSF will be the central guide to resource allocation across the three spheres of government.

At the same time, a comprehensive review of expenditure patterns of departments should open up possibilities for savings and reprioritization. In this regard, while it is a matter of principle that all the priorities should receive urgent attention, it may be necessary to phase them in and sequence their comprehensive Implementation taking into account the availability of resources – infrastructure, human and financial.

In the submission and interrogation of budgetary submissions, account should be taken of the priorities identified above, including decent jobs, human capital development and rural development. The MTSF will be reviewed annually, in the light of a changing environment and experience in implementation. Ideally, a medium-term programme of government should draw its posture and content from the long-term plan.

The annual review of the base MTSF in 2012 should ensure such alignment with the long-term plan, without detracting from the electoral mandate. It is also suggested that the current annual planning cycle be improved. The current annual planning cycle is as follows:

- The base five year MTSF is adopted at the beginning of the mandate period and updated/reviewed annually;
- The Medium Term Budget Policy Statement is presented to Parliament;
- The integration of detailed programmes for the following year. In other words, the detailed programme for the year contains items that are already budgeted for; and
- The Programme of Action is an annual statement of government's priorities for the year.

1.4.5.8 Government Programme of Action

The Programme of Action (PoA) is an annual statement of government's priorities for the year. It aims to outline government's major plans for the year ahead. These plans are announced in the State of the Nation Address delivered by the President during the opening of Parliament. The PoA is informed by the MTSF, the deliberations of the January Cabinet Lekgotla and the President's State of the Nation Address.

The purpose of PoA is to improve the operation of the mechanisms within government to ensure the proper monitoring and evaluation of work being done. Government has identified 10 priority areas, from now up to 2014.

These are to:

- Speed up economic growth and transform the economy to create decent work and sustainable livelihoods;
- Introduce a massive programme to build economic and social infrastructure;
- Develop and implement a comprehensive rural development strategy linked to land and agrarian reform;
- Food security;
- Strengthen the skills and human resource base;
- Improve the health profile of all South Africans;
- Intensify the fight against crime and corruption;
- Build cohesive, caring and sustainable communities;
- Pursue African advancement and enhanced international cooperation;
- Ensure sustainable resource management and use; and
- Build a developmental state, improve public services and strengthen democratic institutions.

1.4.5.9 National Aids Strategy

The strategy is designed to guide South Africa's response to HIV & AIDS and Sexual Transmitted Infection (STI) control. The strategy recognizes that the following contextual factors relating to HIV & AIDS and STI transmissions:

- That poverty is critical in terms of spreading the epidemic;
- That gender and gender based violence is also central to the problem;
- That cultural attitudes and practices which are rigid and conservative may result in the increased spread of these diseases;
- That stigma, denial, exclusion and discrimination increase peoples un-likeliness to test or seek help once they have contracted these diseases;
- That mobility and labour migration increases some peoples likeliness to engage with other partners thus increasing the spread of the epidemic; and
- That social fragmentation in informal areas adds to vulnerability of these communities.

The strategy identifies women, adolescents and young adults (15-24 years), children 0-14 years, people with disabilities, men who have sex with men, commercial sex workers, mobile, casual and atypical forms of work, refugees, injecting drug use and incarcerated individuals as those who are most vulnerable to the pandemic. In order to deal with the pandemic the following focus areas are proposed:

- Preventions (Priority Area 1);
- Treatment, care and support (Priority Area 2);
- Research, monitoring and surveillance (Priority Area 3); and
- Human rights (Priority Area 4).

1.4.6 Provincial Perspective

1.4.6.1 Provincial Growth and Development Strategy

The PGDS also plays an important role in shaping the municipality's IDP. The PGDS of the Free State Government is reflected as follows in the municipality's four key performance areas:

- I. Stimulate economic development.
- II. Develop and enhance infrastructure for economic growth and social development.
- III. Reduce poverty through human and social development.
- IV. Ensure a safe and secure environment for all people of the province.
- V. Promote effective and efficient governance and administration.

These are all underpinned by key performance areas relating to financial viability and good governance.

1.4.6.2 Free State Spatial Development Framework

The 2009 Free State Spatial Development Framework primary aim is to guide spatial planning, land development and land use management in the Province.

The objectives of the Free State Spatial Development Framework is to:

- a) Informs on the strategic focused areas (spatially) of provincial departments and service providers.
- b) Foster spatial development in such a way that resources are invested optimally and areas of potential are promoted in a suitable manner.
- c) Identifies the key spatial development issues, main nodes and zones of potential where development could be encouraged, and those natural systems and environmental areas where development should be carefully and sensitively managed.
- d) Provides management principles and criteria for spatial development issues to enable Local and District Municipalities to formulate IDPs within a broad policy framework that is aligned to national planning strategies.
- e) Gives direction to line departments within Provincial Government and other development agencies responsible for investment programmes, infrastructure and development.
- f) Assists to co-ordinate sectoral plans and interdepartmental co-operation.
- g) Manages development in the province towards achievement of a common vision and set of objectives.
- h) Guides as to where development attention could be directed in the province to achieve the most effective benefits in a co-ordinated manner for the ordering of spatial development in areas of opportunity and need.
- i) Provides the framework for the spatial elements of development actions from a provincial perspective.
- j) Is derived from the Provincial Growth and Development strategy.

CHAPTER 2: MUNICIPAL PERFORMANCE HIGHLIGHTS

As a directive of the Constitution of the Republic of South Africa, Dhlabeng Local Municipality provides services as outlined in Schedules 4 (Part B) and 5 (Part B) of the Republic of South Africa Act, (Act 108 of 1996). These services include water provision, waste water (sanitation), electricity distribution, waste management (including refuse removal and solid waste disposal) and the facilitation of housing and provision of sites. In accordance with National Treasury Guidelines and Directives, the Municipality also provides Free Basic Services (FBE) to indigent households within our communities. This is meant to provide relief to those households that are not able to pay their consumer accounts.

2.1 LEVEL AND STANDARD OF SERVICE - WATER AND SANITATION

The Water Services Act of 1997 and the General Enabling Act of 2005 dictate how Water Authorities and Water Service Providers should provide the water services as well as the quality of water that needs to be supplied.

Dhlabeng Municipality is the Water Service Authority and as such we are committed to improving the physical, socio-economic and institutional arrangements in order to address poverty and promote infrastructure development. For the year under review we committed to ensuring the provision of water and sanitation services to our communities in a sustainable manner.

All townships around Dhlabeng have access to water and sanitation services (according to RDP standards) and only informal areas mention in Table 2.1 and 2.2 below: **have no access to water and sanitation services according to RDP standards**

Town	Informal settlements	Total to Informal areas	Farms
Bethlehem	Captain Charles & Selahliwe	1097	Ward 3, 6, 10,11, 17,18
Clarens	Makobobong	300	All
Paul Roux	Makwetu	93	All
Rosendal	Metati	1000	All
Fouriesburg	None	None	All

Town	VIP	Water borne	Informal area(No access)	Farms (No access)
Bethlehem	None	15 954	1 097	Ward 3,6,10,11,17,18
Paul Roux	1 699	113	93	All
Fouriesburg	None	2900	none	All
Rosendal	224	925	1 000	All
Clarens	None	1504	300	All

2.1.1 WATER SUPPLY

According to the 2007 Community Survey, there was an increase of 33.8% of piped water inside the dwelling between 2001 and 2007, and a decrease of 16.9% households which makes use communal standpipes outside the erf.

Source	Census 2001	Community Survey 2007
Piped Water Inside Dwelling	25.0	58.8
Piped Water Inside Yard	48.7	31.4
Piped Water Outside Yard	20.3	3.4
Borehole	1.4	3.3
Water Vendor	0.1	0.2
Other	4.5	2.9
Total	100	100

2.1.2 SERVICE DELIVERY IMPROVEMENT INITIATIVES – WATER SERVICES

The Municipality initiated a number of programmes to drive the achievement of the set strategic objectives which included the provision of water reticulation networks in all underserved areas around Dihlabeng and at the same time continue to carry out the maintenance and upgrading of existing water networks programme.

During the year under review we initiated the following projects in line with our strategy to increase the percentage of households with access to water services:

Ward No. / Area	National Project No.	Project Name	Project Category	Project Status	No. of Jobs Created
Fouriesburg / Ward 12,13 & 14	MIG/FS0238/W /06/08	Upgrading/Augmentation of bulk water supply – Phase 1	Water	Completed	
Kgubetswana / Ward 20	MIG/FS0695/W /08/09	Upgrading of water purification works (163894)	Water	Design and Tender stage	
Kgubetswana / Ward 20	MIG/FS0800/W /11/12	Water demand management (watermeters and bulk water meters) MIS: 197025	Water	Under construction	8
Mautse / Ward 15	MIG/FS0801/W /11/12	Water demand management (watermeters and bulk water meters) MIS: 197394	Water	Under construction	4
Fouriesburg / Ward 12,13 & 14	MIG/FS0802/W /11/12	Water demand management (watermeters and bulk water meters) MIS: 198572	Water	Completed	13
Fateng tse Ntsho/ Ward 17	MIG/FS0862/W /11/12	Water demand management (bulk water meters)	Water	Under construction	
Bohlokong / Ward 3	MIG/FS0864/W /11/12	Water demand management (bulk water meters)	Water	Under construction	5

We continue to provide quality portable water access to all our Schools, Public Hospitals and Clinics around our jurisdiction in a sustainable manner. The number of qualifying beneficiaries with access to portable access to water increased by 143% during the year under review, in total we registered an increased number of indigent from 4 188 the previous financial year to 13 902 for the period ending June 2012.

Dihlabeng Local Municipality complies and continues to improve our ratings with regards to adherence to the water services regulation in particular taking into account the Blue Drop Assessment Criterion.

2.1.3 SANITATION SERVICES

According to the National Census information, there has been an increase of 20.1% of households which connects to a sanitation system between 2001 and 2007. Although the households which are dependent upon the bucket system have decreased from 16.0% to 9.6%, this percentage of households is still high.

Toilet type	Census 2001	Community Survey 2007
Flush Toilet (Connected to Sanitation System)	54.6	74.7
Flush toilet (with septic tank)	2.1	1.9
Chemical/dry toilet	0.3	1.2
Pit Latrine (VIP)	1.1	0.8
Pit Latrine (Without Ventilation)	9.0	8.6
Bucket Latrine	16.0	9.6
None	16.8	3.2
Total	100%	100%

2.1.4 SERVICE DELIVERY IMPROVEMENT INITIATIVES – SANITATION SERVICES

Ward No. / Area	National Project No.	Project Name	Project Category	Project Status	No. of Jobs Created
Kgubetswana / Ward 20	MIG/FS0696/S /08/09	Upgrading of waste water treatment works (MIS: 163422)	Sanitation	Completed	
Bohlokong / Ward	MIG/FS0863/S /11/12	Upgrading of outfall sewer pumpstations and pipeline	Sanitation	Under construction	

We are committed to provide the highest level of sanitation services to its residents. In our area of jurisdiction the highest level of sanitation services provided by the municipality is a flush toilet connected to the sewerage system and the basic level of service includes flush toilet with septic tank and a PIT latrine with ventilation.

We continue to provide quality full and intermediate access to sanitation to all our Schools, Public Hospitals and Clinics around our jurisdiction in a sustainable manner. The number of qualifying beneficiaries with access to full and intermediate access to sanitation increased by 143% during the year under review, in total we registered an increased number of indigent from 4 188 the previous financial year to 13 902 for the period ending June 2012.

Dihlabeng Local Municipality complies and continues to improve our ratings with regards to adherence to the water services regulation in particular taking into account the Green Drop Assessment Criterion.

2.2 LEVEL AND STANDARD OF SERVICE - ELECTRICITY PROVISION

Electricity Generation and Transmission is in part the sole responsibility of Eskom and the Municipality. Dihlabeng Local Municipality is licensed by the National Energy Regulator of South Africa (NERSA) only to distribute electricity within the Bethlehem area of jurisdiction. Dihlabeng Local Municipality noted over time that electricity is no longer a cheap commodity hence our successful initiative to use our water resource to generate and distribute electricity using the HYDRO plant located at the Saulspoort dam.

The municipality continues to appeal and educate users on how to use electricity sparingly and wisely to sequentially reduce pressure on the national grid hence the intensive initiative to roll-out solar systems as an alternative energy source.

The indicators for electricity services are depicted below (the figures below apply to the municipality's licence area and including the Eskom licence area):

From the Table 2.3, it is viewed that electricity is the major source of energy for cooking, heating and lighting.

Energy Source	Cooking %	Heating %	Lighting %
Electricity	70.1	51.0	85.5
Gas	4.1	4.7	-
Paraffin	10.8	14.4	2.1
Wood	11.2	15.2	-
Coal	3.4	11.9	-
Animal Dung	0.2	0.2	-
Solar	0.1	-	0.4
Candles	-	-	10.9
Other	-	2.6	1.1
Total	100%	100%	100%

2.2.1 ELECTRICITY ACCESS LEVELS

For the purpose of electricity provision, basic level of access to electricity is defined as including connection of the household to the grid and basic level of service includes 10 Amp. Connection

Town	Total houses	Unconnected	Informal areas	Connected	Connection Levels %
Bethlehem	15 954	0	1 097	15 954	100%
Paul Roux	1 699	279	93	1420	84%
Fouriesburg	3100	50	0	3050	98%
Rosendal	2254	1 329	1000	925	41%
Clarens	1 418	144	293	981	69%

2.2.2 SERVICE DELIVERY IMPROVEMENT INITIATIVES – ELECTRICITY PROVISIONS

Ward No. / Area	Source of Funding	Project Name	Project Category	Project Status
Fouriesburg / Ward 12,13 & 14	INTERNAL FUNDING	Maintenance of sub-stations and mini sub-stations within Dihlabeng	Electricity	Completed - Fouriesburg
Fateng tse Ntsho/ Ward 17	INTERNAL FUNDING	Maintenance of sub-stations and mini sub-stations within Dihlabeng	Electricity	Completed – Paul Roux
Bohlokong / Ward	INTERNAL FUNDING	Six (6) Identified intersections fitted with traffic lights	Electricity	Completed – Bohlokong
Bohlokong / Ward	INTERNAL FUNDING	Provision of Area lighting to all under serviced areas – erection and electrification of 6 High mast lights.	Electricity	Completed – Bohlokong

We continue to provide uninterrupted access to electricity to all connected households around our area of jurisdiction in a sustainable manner. The number of qualifying beneficiaries with access to free basic electricity increased by 143% during the year under review, in total we registered an increased number of indigent from 4 188 the previous financial year to 13 902 for the period ending June 2012.

Dihlabeng Local Municipality provides free basic electricity to 358 households around Bethlehem and Eskom makes provision for the 13 544 registered indigents around Dihlabeng.

2.3 LEVEL AND STANDARD OF SERVICE - REFUSE REMOVAL & SOLID WASTE MANAGEMENT

Dihlabeng Local Municipality spares no effort in ensuring that refuse removal is done at least once a week at every household, to ensure the efficient management of the solid waste disposal sites, to prevent littering and to ensure that the street and pavements are regularly cleaned.

Refuse collection between 2001 and 2007 has increase to be more effective, with collections being made once a week by the Local Municipality as indicated in Table 2.4 below:

Refuse Removal		Census 2001	Community Survey 2007
Local Municipality	At least once a week	63.0	81.1
	Less often	1.8	0.8
Communal Refuse Dump		1.7	0.9
Own Refuse Dump		21.5	12.4
No Rubbish Disposal		11.9	4.6
Often		-	0.2
Total		100%	100%

With the exception of Bethlehem (permitted landfill site) and Clarens (permitted transfer station), none of the other urban areas permitted disposal site are functional. The capacity of each of the permitted and non-permitted disposal sites is sufficient over the medium-to-long term as indicated in Table 2.5 below:

Town	Waste Facility	Collection System	Capacity
Bethlehem	Permitted Regional Landfill Site.	Once a week collection	25-30 years
Paul Roux	Waste disposal site permitted. A transfer Station not operational.	Once to twice a week collection	5-10 years
Rosendal	Waste disposal site permitted. A transfer Station not operational.	Once to twice a week collection	10-15 years
Fouriesburg	Waste disposal site permitted. A transfer station not operational.	Once to twice a week collection	10-15 years
Clarens	A permitted and operational transfer Station.	Once to twice a week collection	25-30 years

We continue to provide free basic refuse removal to all registered indigent households around our area of jurisdiction in a sustainable manner. The number of qualifying beneficiaries with access to free basic refuse removal service increased by 143% during the year under review, in total we registered an increased number of indigent from 4 188 the previous financial year to 13 902 for the period ending June 2012.

To ensure a reduction in overtime costs and at the sametime providing an improved refuse removal service, the municipality introduced a shift allowance system where refuse collectors and street sweepers collect refuse and clean identified areas after hours to improve the town's ambience.

To ensure the smooth and uninterrupted provision of refuse collection and at the same reducing overheads the municipality leased six (6) haulage trucks from the Government Garage on a three year contract, over and above this initiative the municipality embarked on a number of cleaning campaigns and initiated recycling projects around the Dihlabeng Communities.

The Dihlabeng Local Municipality is characterized by large areas of natural beauty (mountains, rivers) which contributes to the vibrant tourism activities within the area. Apart from a number of policy guidelines, environmental activities are regulated in terms of the National Environmental Management Act and the Regulations thereto.

2.4 LEVEL AND STANDARD OF SERVICE – LOCAL ECONOMIC DEVELOPMENT

Local Economic Development (LED) must be viewed as an overarching programme which needs to be implemented by all the Directorates relating to a number of specific initiatives (use of local labour in construction projects, labour desks and others). Based on the Status Quo Assessment which has been compiled by Urban Econ during 2011, the economic attributes are as follows:

2.4.1 SECTOR ECONOMIC CONTRIBUTION

In terms of the Dihlabeng GDP Production (Rm) between 2004 and 2010, the trends are as follows:

- The largest decline occurred within the Utilities sector (11.2%), followed by mining (9.6%) and agriculture (1.7%);
- All the other sectors experienced growth, with manufacturing the highest with 5.4% followed by trade (4.5%), construction (3.3%), services (3.4%), transport (1.5%) and finance (1.2%).

During 2000 to 2010 the economy of Dihlabeng experienced an annual growth rate of 2.3%, compared to a 2.6% growth rate in Thabo Mofutsanyane and Free State. Dihlabeng experienced an average decline in economic growth over the last 3 years, which is mainly attributed to the global financial recession during the 2008/2009 period.

2.4.2 EMPLOYMENT PROFILE (2010)

The Dihlabeng Local Municipality had an unemployment rate of 23.5% which is slightly lower than Thabo Mofutsanyane (25.1%) in 2010. The Free State Province had an unemployment rate of 22.3%. The most significant employment sectors in Dihlabeng were community and government services (33.7%), wholesale and retail trade (29.2%) and agriculture (15.7%). Utilities and mining were the least significant employment sectors in the Local Municipality with only 0.1% of people employed in these sectors.

2.4.3 BUSINESS SURVEY

Surveys were conducted in Bethlehem, Fouriesburg, Paul Roux, Clarens and Rosendal. A summary of the findings is as follows:

- The main business sectors are food/beverages and liquor (16.3%) followed by clothing/fashion accessories (9.3%).
- 62.8% of businesses fall under the Trade sector and 16.2% fall under the Personal & Community Services Sector.
- 86.0% of Businesses are owned by one person or a small group of people.
- 34.1% of businesses have been operating in Dihlabeng for 5 to 10 years. 22.0% have been operating less than 5 years.
- Approximately 48.8% of businesses employ 0-5 employees and 39.5% employ between 6 to 10.
- 32.7% of businesses view the proximity to consumer demand as their main advantage in the LM.
- 21.5% perceives local accessibility as a business advantage in Dihlabeng.
- Bethlehem is the town where the majority of clients are situated (55.6%) for businesses in the LM.
- The majority of businesses clients in the LM can be classified under the Public Sector.
- 7.0% of businesses export goods and services to other countries.
- 32.6% of businesses belong to a business organisation.
- The 3 main disadvantages concluded from the survey for businesses in the LM is the lack of economic growth (23.4%), unemployment (18.0%) and crime and security (14.4%).
- The majority (57.1%) of business supplies and stock is sourced from outside the Free State.
- Around 37.1% of business stock and supplies are sourced from Bethlehem.
- 81.4% indicated the Free State as one of the main offset areas for goods and services.

With regard to Tourism related businesses, the conclusions are as follows:

- The 3 Main Advantages for Tourism Businesses Location in the LM are:
 - a. Availability of labour.
 - b. Local accessibility.
 - c. Proximity to demand.
- 16.7% of Tourism Businesses are expecting an increase in turnover while 54.2% expects the situation to remain the same.
- 54.2% of Tourism Institutions expect visitor numbers to stay the same.

The Local Economic Development Directorate continues to fund and support a number of Entrepreneurial initiatives around Dihlabeng and as such contributes towards poverty alleviation and job creation. The municipality continually facilitates SMME development and community projects in line with the broader LED Strategy implementation.

2.5 LEVEL AND STANDARD OF SERVICE – TOWN PLANNING & HOUSING

Town Planning is responsible for determining the development direction of the Local Municipality. It provides services relating to Spatial Planning, Building Control, Development Control and Land Use Management.

Although the Dihlabeng Local Municipality does not have powers to approve the respective Land use applications, it does provide recommendations to the Free State Province.

2.5.1 BUILDING AND ZONING PLANS

The submission and approval of building plans within a Local Municipality is used as an economic indicator within its boundaries.

The submission and approval of building plans is classified as follows:

- New Residential Buildings;
- Extensions to Residential Buildings;
- Non-residential Buildings; and
- Extensions to Non-Residential Buildings.

With regard to the above, the number of building plans submitted end of August 2010 linked to financial value is as follows:

Approvals	New Residential	
	2010/2011	2011/2012
Bethlehem/Bohlokong		
Number	31	34
Value	R 30,901,000.00	R39,924,000.00
Clarens/ Kgubetswana		
Number	4	10
Value	R 4,000,000.00	R9,864,000.00
Paul Roux/Fateng-tse-Ntsho		
Number	2	4
Value	R 1,424,000.00	R1,835,000.00
Rosendal/Mautse		
Number	0	1
Value	0	R800,000.00
Fouriesburg/Mashaeng		
Number	4	1
Value	R 3,215,000.00	R964,000.00
Total Number	41	50
Total Value	R 39,540,000.00	R53387,000.00

It is evident that the majority of building activity within the residential market is focused within Bethlehem/Bohlokong followed by Clarens/Kgubetswana. This trend is a national phenomenon with a significant slow-down in the new property market.

2.5.2 EXTENSIONS TO RESIDENTIAL BUILDING

Trend seems to be that property owners rather opted to upgrade their existing properties as opposed to built new buildings. The drop in the number of applications (141 to 134) was only 4.8% between 2008 and 2009, although the financial value of alterations was 7% higher in 2009 as opposed to 2008.

During the first 8 months of 2010, only 78 applications have been received, which at this point in time is much less than the total of 134 applications during 2009.

Approvals	Extension to Residential	
	2010/2011	2011/2012
Bethlehem/Bohlokong		
Number	78	109
Value	R 15,794,000.00	R20,637,000.00
Clarens/ Kgubetswana		
Number	5	8
Value	R 1,879,000.00	R2,372,000.00
Paul Roux/ Fateng-Tse-Ntsho		
Number	3	2
Value	R 543,000.00	R322,000.00
Rosendal/Mautse		
Number	0	1
Value	0	R147,000.00
Fouriesburg/Mashaeng		
Number	3	2
Value	R 640,000.00	R362,000.00
Total Number	89	122
Total Value	R 18,856,000.00	R23,840,00.00

2.5.2 EXTENSIONS TO NON-RESIDENTIAL BUILDINGS

The majority of non-residential activities are taking place in Bethlehem/Bohlokong, with marginal activities in Clarens and Fouriesburg. The total number of applications for non-residential buildings and extensions thereto is summarized below:

Approvals	Non-Extension to Residential	
	2010/2011	2011/2012
Bethlehem/Bohlokong		
Number	11	9
Value	R10 263 000.00	R58,096,000.00
Clarens/ Kgubetswana		
Number	1	0
Value	R1 100 000.00	0
Paul Roux/ Fateng-tse-Ntsho		
Number	0	0
Value	0	0
Rosendal/Mautse		
Number	0	0
Value	0	0
Fouriesburg/Mashaeng		
Number	8	0
Value	R4 255 000.00	0
Total Number	20	9
Total Value	R15 618 000.00	R58,096,00.00

The future development proposals of each of the urban areas are contained in **SDF 2010/2011**. Details pertaining to each of the proposals are contained in the Dihlabeng Local Municipality SDF. Although the planning of the Dihlabeng Local Municipality should occur in an integrated manner, the scale and the detail of development between the rural and urban development is totally different and for such reason the proposals are dealt with separately.

CHAPTER 3: HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT

The Human Resources function is located within the Department of Corporate Services and is headed by the Director: Corporate Services who is accountable to the Municipal Manager. The Section serves as a catalyst to all Departments of the Municipality with regards to Human Capital Placement, Development and Retention amongst other services rendered by the Directorate.

3.1 WORKFORCE PROFILE

During the year under review, the municipality revised its organisational structure to ensure that it is aligned to strategic priorities. Subsequently, the municipality ensured that most critical posts were filled, and the positions were filled through internal movements and external appointments. Below is a breakdown of the staff establishment of the municipality:

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	31	1	0	13	14	0	0	2	0	1	62
Senior management	12	1	0	11	14	0	0	5	0	0	43
Professionally qualified and experienced specialists and mid-management	75	1	0	22	35	0	0	11	0	0	144
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	71	1	0	5	23	1	0	6	0	0	107
Semi-skilled and discretionary decision making	80	0	0	3	9	0	0	0	0	0	92
Unskilled and defined decision making	293	5	0	1	133	1	0	1	0	0	434
TOTAL PERMANENT	562	9	0	55	228	2	0	25	0	1	882
Temporary employees	6	0	0	1	3	0	0	0	0	0	10
GRAND TOTAL	568	9	0	56	231	2	0	25	0	1	892

In filling the critical posts, the municipality took into account, the Employment Equity Plan. It ensured that deliberate measures were taken to promote the appointment of women, in particular. This was an important step in the right direction since the municipality if not doing particularly well on the employment equity front.

Over and above the many human resource policies that are already in place, the municipality continuously reviews and updates its policies to ensure the acceleration of our organisational development and transformation goals, in particular talking to talent management and leadership development.

On Labour Relations, the municipality made efforts to resuscitate the Labour Forum including its sub-committees, in particular the Health and Safety Committee and the Training Committee. Dispute the challenges the forum and its sub-committees managed to meet on a regular basis and progressive decisions taken in the interest of both parties.

3.2 HUMAN CAPITAL DEVELOPMENT

In relation to skills development, the municipality ensured that training needs are identified and the Workplace skills plan is compiled and submitted to the LGSETA. The municipality ensured in implementing its workplace skills plan that most of the training targets were met for the period under review. Below is a breakdown of the interventions implemented by the municipality during the period under review:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	6	0	0	2	4	0	0	1	13
Senior management	7	0	0	2	2	0	0	0	11
Professionally qualified and experienced specialists and mid-management	21	0	0	5	3	0	0	1	30
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	6	1	0	2	2	0	0	3	14
Semi-skilled and discretionary decision making	6	0	0	0	15	1	0	10	32
Unskilled and defined decision making	111	2	0	12	28	1	0	1	155
TOTAL PERMANENT	157	3	0	23	54	2	0	16	255
Temporary employees	0	0	0	0	0	0	0	0	0
GRAND TOTAL	157	3	0	23	54	2	0	16	255

The municipality is also in the process of rolling out the implementation of its Performance Management System to lower levels in line with the Individual Performance Management Framework developed by SALGA. The municipality is currently reviewing its PMS policy accordingly to ensure standardisation and compliance. This is one of the matters that the Auditor General has been raising consistently with the municipality hence the exerted effort to ensure adherence and compliance to the legislation as prescribed.

The policy seeks to outline a framework for planning, monitoring, evaluation and rewarding exceptional performance. While reviewing the policy to capture the amended municipal systems act, the municipality has nevertheless ensured that Senior Managers including the Municipal Manager, enter into and signed performance agreements.

With regard to institutional development, the municipality focused on leadership development aimed at driving change initiatives within the organisation, some of the interventions implemented included training of Ward Committees, Councillors and Senior Managers to ensure that we meet the minimum requirements as stipulated by National Treasury.

Further, the municipality ensured that the Annual Training Report was compiled and submitted to the LGSETA.

CHAPTER 4: FUNCTIONAL AREA SERVICE DELIVERY REPORT

4.1 SUMMARY OF BUSINESS PERFORMANCE

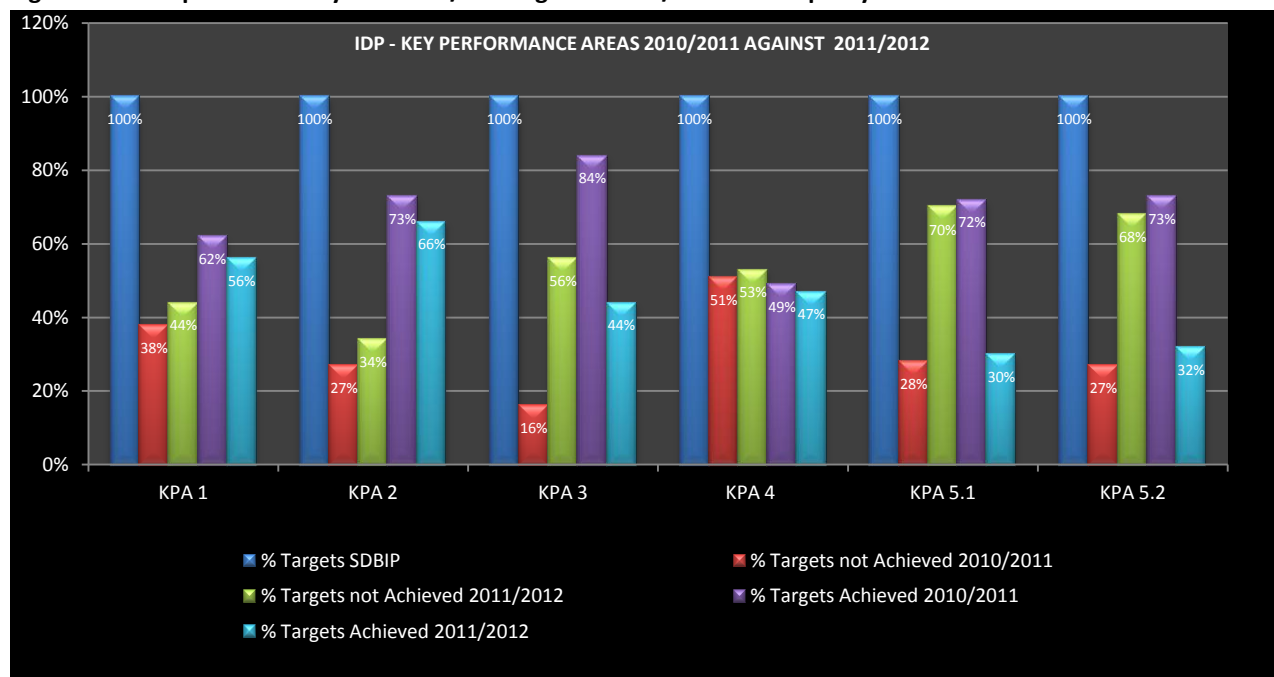
Dihlabeng Local Municipality is executing its core business focused on expediting effective and efficient people centred governance and provision of value for money services to the community. During the year under review as Council we continued to focus on the following Key Performance Areas:

- Encouraging and creating conditions conducive for public involvement in the affairs of Dihlabeng Local Municipality
- Ensuring Financial Viability and compliance to relevant legislation
- Transforming and Strengthening Institutional Capacity aimed at ensuring effective and efficient service delivery
- Building the Economic Capacity of Dihlabeng to improve the economic future, sustainability and quality of life for all
- Ensuring that services are delivered to the Community in line with strategies as outlined in the IDP

An analysis of our performance on each of the key performance areas is addressed in paragraph 4.2 to 4.7 below.

A visual presentation of our overall organisational performance against the annual targets is displayed in figure 4.1 below:

Figure 4.1: Comparative Analysis – 2010/2011 against 2011/2012 municipal cycle

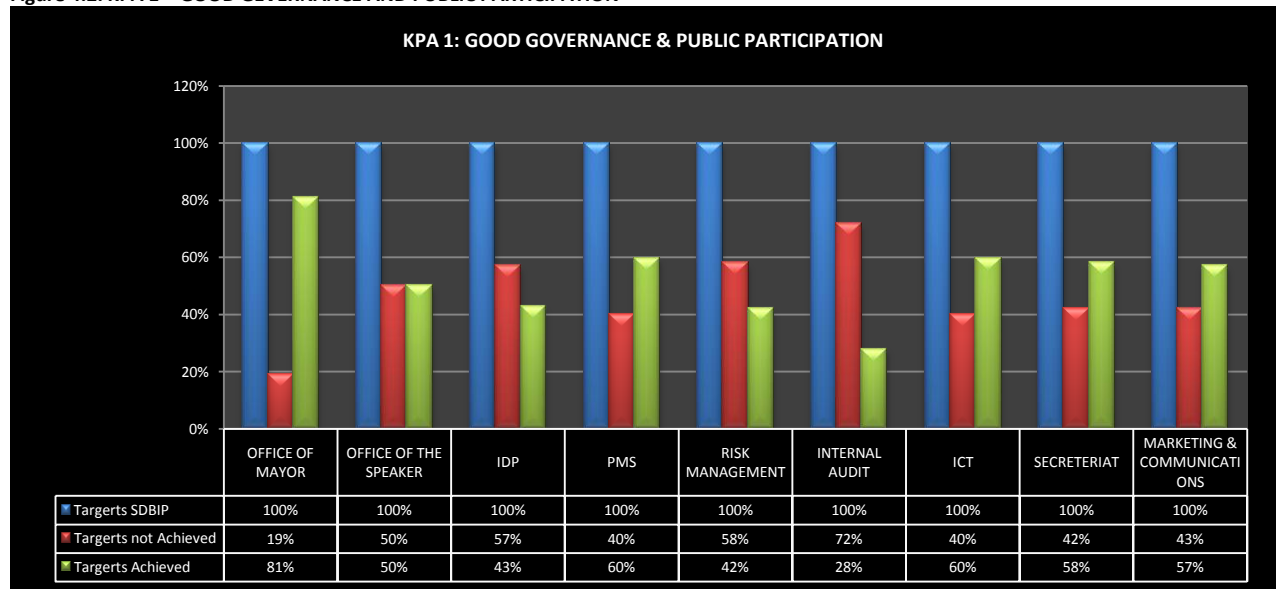


During the year under review, the municipality realise 46% of the SDBIP targets during the year under review. Figure 4.1 above, gives a reflection of how we performed against predetermined targets in particular talking to Good Governance and Public Participation. A detailed report of our performance is attached as ANNEXURE 1 of this report.

4.2 KPA 1 – GOOD GOVERNANCE & PUBLIC PARTICIPATION

The Programme's Strategic objective is to oversee, coordinate and manage the transformation and strategic agenda of the Municipality as well as facilitating the development process by providing advice and project support to the Mayor and the Speaker and thereby ensuring political and administrative cohesion.

Figure 4.2. KPA 1 – GOOD GOVERNANCE AND PUBLIC PARTICIPATION



The primary function of this area is to create and encourage conditions conducive for good governance and effective public participation process. In essence it was our mandate to oversee the following:

- Adopt IDP planning processes appropriate to the capacity and sophistication of the municipality
- Implement the Community Work Programme
- Ensure Ward Committees are representative and fully involved in community consultation processes around the IDP, Budget and other strategic service delivery issues
- Functional Organisational Performance Management system
- Effective Internal Audit and Risk Management practices

Dhlabeng Local Municipality developed and adopted risk management strategy to oversee the effective implementation of a risk based internal audit plan, each business has a risk register that talks to implementation of appropriate Internal controls and ensures compliance to legislative and policy framework. The Performance Audit Committee is functional and continues to execute the oversight role.

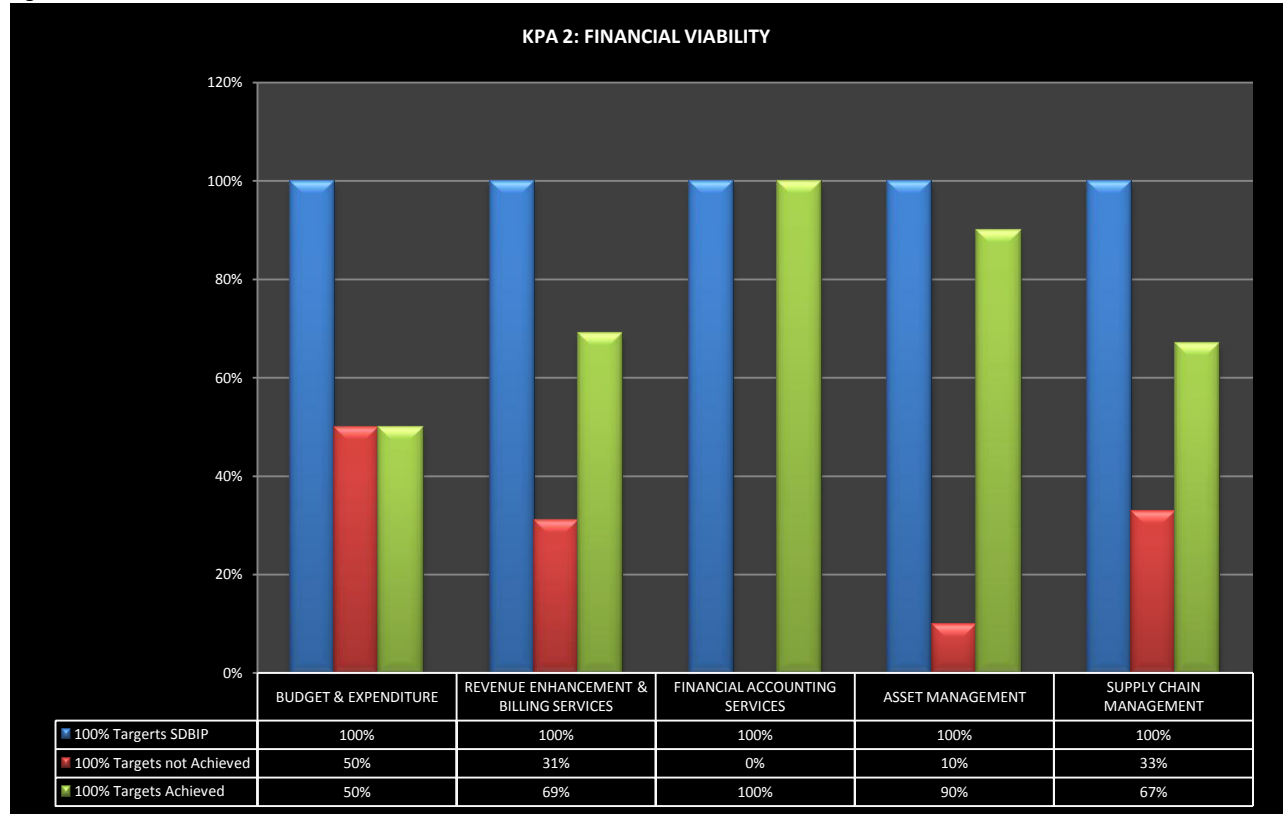
During the year under review Council focused on Performance Management and in particular developing programmes to facilitate our readiness to comply with the National Outcome Based Approach. More emphasis will be placed on performance monitoring and evaluation hence the establishment of MPAC and a Section 80 committee solely focusing on IDP, PMS and Monitoring and oversight.

We were able to realise 56% of the SDBIP targets during the year under review. Figure 4.2 above, gives a reflection of how we performed against predetermined targets in particular talking to Good Governance and Public Participation. A detailed report of our performance is attached as ANNEXURE 1 of this report.

4.3 KPA 2 – FINANCIAL MANAGEMENT

The Programme's Strategic objective is to manage and control all financial functions of the municipality so that the current and future effectiveness of Council services programmes and operations are asserted in a sustainable way.

Figure 4.3. KPA 2 – FINANCIAL VIABILITY



During the year under review, the following strategic priorities were identified and appropriate internal controls deployed to manage and improve on our financial viability:

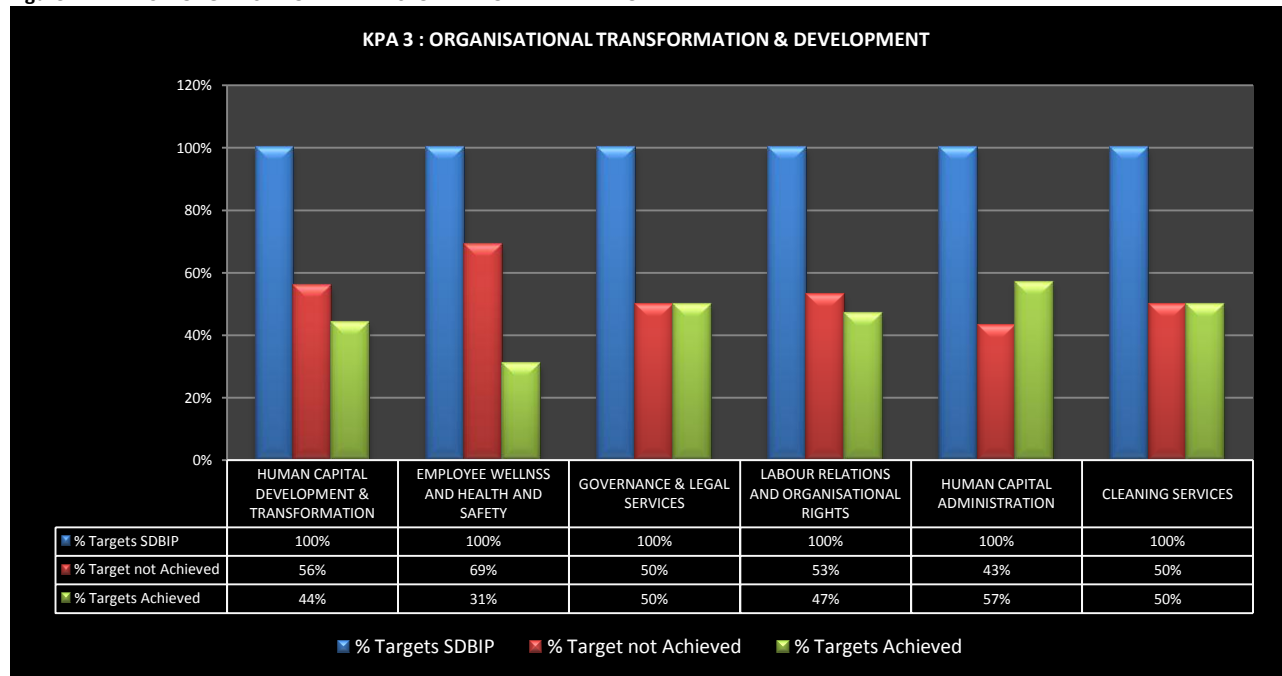
- Improve municipal financial administrative capacity by implementing competency norms and standards and acting against incompetence and corruption
- The establishment of a Public Accounts Committee
- Intensify the implementation of a Revenue Enhancement Strategy
- Effective implementation of an integrated financial management system

We were able to realise 66% of the SDBIP targets. Figure 4.3 above, gives a reflection of our performance against predetermined targets with regards to financial viability. A detailed report of our performance is attached under ANNEXURE 1 of this report

4.4 KPA 3 – ORGANISATIONAL TRANSFORMATION AND DEVELOPMENT

The Programme's Strategic objective is to provide internal support services, facilitate transformation and development and ensure service excellence to the Dihlabeng Community.

Figure 4.4. KPA 3 – ORGANISATIONAL TRANSFORMATION AND DEVELOPMENT



During the year under review, the following priority areas were identified and appropriate strategies deployed to ensure sufficient transformation and Human Capital Development.

- Review the Organisational Structure and ensure all funded posts are filled.
- Policy and By-Law development and effective implementation
- Effective talent management and skills development
- Provision of legal services and integrated HR management systems
- Improved Labour Relations

We were able to realise 44% of the SDBIP targets. Figure 4.4 above, gives a reflection of our performance against predetermined targets. A detailed report of our performance is attached under ANNEXURE 1 of this report.

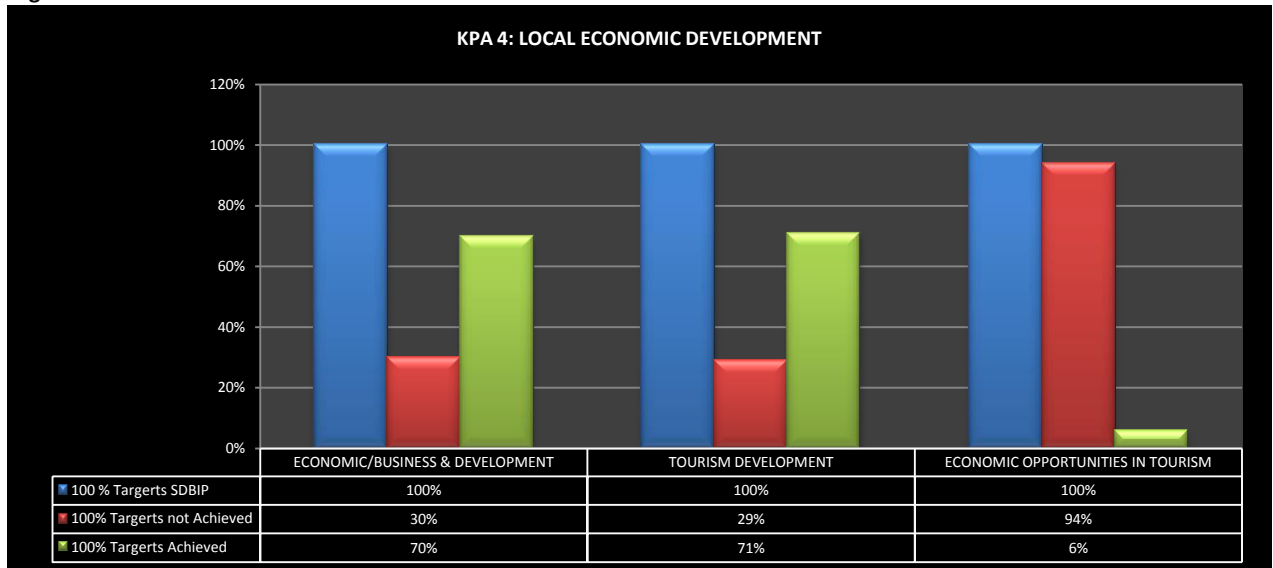
For the year ahead we will be focusing on the following: but not limited to,

- To finalize the implementation of the organisational structure and recruitment of employees.
- To develop all governance by-laws that effects the functioning of the organization.
- To strengthen institutional capacity of Dihlabeng through employee wellness programmes.
- Implement HIV preventative measures.

4.5 KPA 4 – LOCAL ECONOMIC DEVELOPMENT

Programme's Strategic objective is to stimulate economic growth, create jobs and business opportunities and thus alleviate poverty.

Figure 4.5. KPA 4 – LOCAL ECONOMIC DEVELOPMENT



The purpose of Local Economic Development (LED) is an approach to sustainable economic development that encourages residents of local communities to work together to stimulate local economic activity that will result in, inter alia, an improvement in the quality of life for all in the local community.

It is a process by which the public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation to advance the economic identity, based on a local competitive and comparative economic profile.

It encompasses a range of disciplines, including physical planning and economics. It also incorporates many local government and private sector functions, including environmental planning, business development, infrastructure provision, real estate development and finance, translating into a range of sector investments.

We were able to realise 47% of the SDBIP targets. Figure 4.5 above, gives a reflection of our performance against predetermined targets. A detailed report of our performance is attached under ANNEXURE 1 of this report. An LED strategy is developed and for the year ahead we will be focusing on achieving enhanced economic growth and creating new employment opportunities in the following key areas, Agriculture and agro-processing; Tourism Development; Trade and Business including manufacturing.

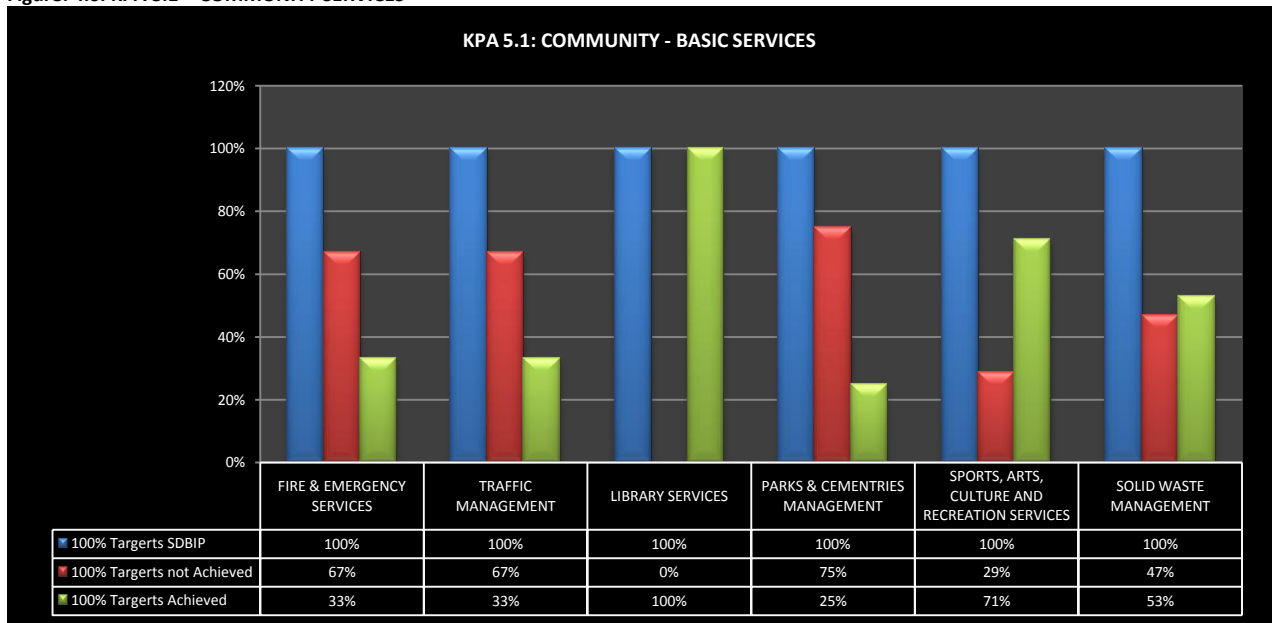
A total of R 2.1 Million was spent on LED projects during the year under review. The following companies benefited from this initiative:

SMME	Amount	SMME	Amount	SMME	Amount	SMME	Amount	SMME	Amount
Ratanang Creations	R 14 K	Chilla Nathi	K 85 K	Hopolang ke Nako	R 45 K	Zim Arts & Craft	20 K	Vulamehlo Food Garden	R 53 K
Lujanda Distribution	R 18 K	Poultry Feeds	R 47 K	Tractor	R 13 K	Ankies Metal & Steel	R 50 K	Re Tentsha Bana	R 30 K
Ucedidisoano CC	R 28 K	Poultry Chicks	R 23 K	Pheellang Broiler & Veg	R 9 K	Kwavulamehlo Arts & Idies	R 164 K	Mathousands	R 128 K
Mahlabathini Building & Welding	R 4 K	Broiler Production	K 130 K	Upgrade of Existing Structure	R1216 K	Sekgutlong Trust	R 50 K		

4.6 KPA 5.1 – COMMUNITY SERVICES

The Programme's Strategic objective is to ensure that social services are effectively provided to the Dhlabeng Community.

Figure: 4.6. KPA 5.1 – COMMUNITY SERVICES



During the year under review, the following priority areas were identified and appropriate strategies deployed to ensure effective provision of social services.

- Improved Waste Management System and Facilities
- Improved community services such as Disaster Management, Cemeteries, Parks, Sport and Libraries

We were able to realise 30% of the SDBIP targets. Figure 4.6 above, gives a reflection of our performance against predetermined targets. A detailed report of our performance is attached under ANNEXURE 1 of this report.

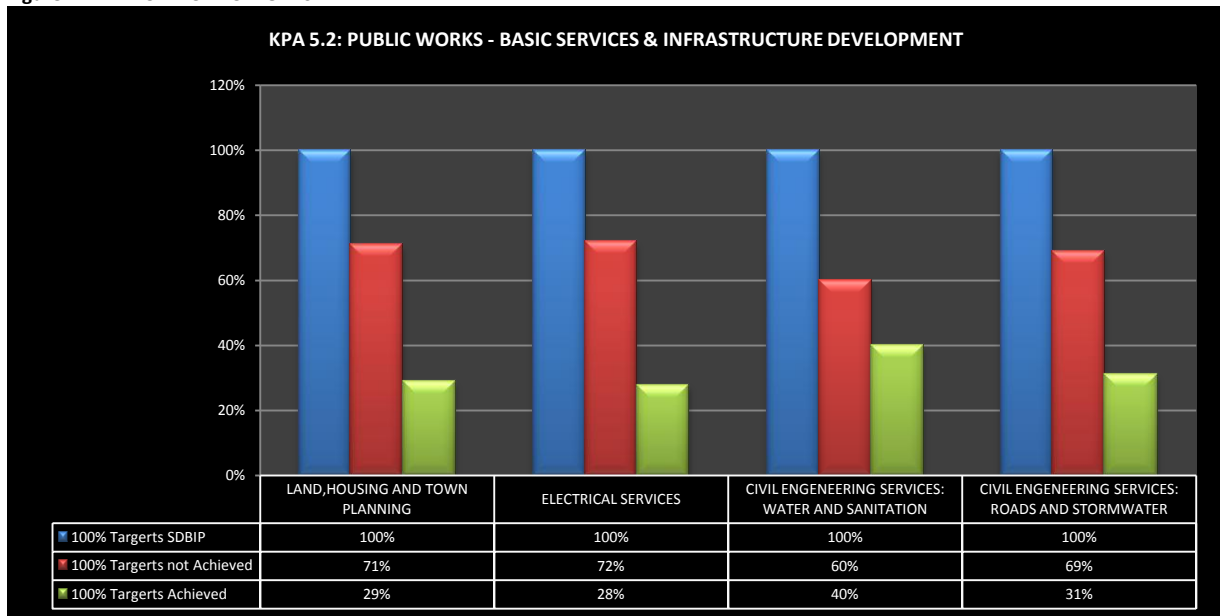
For the year ahead we will be focusing on the following areas: but not limited to,

- Improve service delivery within our units, by improving the method of collection.
- To promote a clean and healthy environmental by providing street sweeping services
- To promote sport and recreation in the community and amongst employees
- To promote, develop and preserve arts, cultural and heritage
- To maintain high standard of our sport facilities
- To ensure timeous upgrading and integration of cemeteries
- To provide an effective fire fighting and rescue service
- To provide effective and efficient law enforcement/safety in general
- To have institutional capacity to handle all natural disasters
- To provide access to libraries for residents with emphasis on reading material and other educational expedients to improve education levels.
- To maintain clear visible road signage and marking

4.7 KPA 5.2 – PUBLIC WORKS – INFRASTRUCTURE DEVELOPMENT

The Programme's Strategic objective is to deliver infrastructural services in a manner that achieves a high level of customer satisfaction and cost effectiveness, improving on benchmarks.

Figure 4.7. KPA 5.2 PUBLIC WORKS



We were able to realise 32% of the SDBIP targets. Figure 4.7 above, gives a reflection of our performance against predetermined targets. A detailed report of our performance is attached under ANNEXURE 1 of this report.

For the year ahead we will be focusing on the following areas: but not limited to,

- To maintain surfaced roads and rehabilitation of gravel roads
- To improve raw water supply to Saulspoort Water Treatment Works
- To improve drinking water supply to Morelig area
- To improve the security at Reservoirs
- To improve access to sanitation services to Bohlokong residents
- To improve access to sanitation services to Rosendal residents
- To improve access to water and sanitation in Bohlokong
- To improve the monitoring of water and wastewater treatment systems
- To improve access to sanitation services in Paul Roux and Fateng-Tse-Ntsho
- To improve the provision of water supply in Clarens and Kgubetswana
- To improve the provision of sanitation services in Clarens and Kgubetswana
- To improve the provision of water supply to Paul Roux and Fateng-Tse-Ntsho
- To improve the provision of water supply in Mashaeng.

CHAPTER 5: AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION

ANNEXURE 1: FUNCTIONAL AREA SERVICE DELIVERY REPORT