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SECTION A: EXECUTIVE SUMMARY

Thabo Mofutsanyana District Municipality (DC19) was established in terms of the Municipal Structures Act (Act 117 of 1998) and proclaimed in the Provincial Gazette, Notice No 184, on 28 September 2000. During the May, 2011 local government municipality boundaries were altered.

By provincial gazette of May 2011, the District together with Motheo District were de-established. Parts of Motheo now form part of the Mangaung Metro. Thabo-Mofutsanyana District Municipality was by the same notice re-established, to now include Mantsopa, which was part of Motheo as one of its local municipalities.

Location



Thabo Mofutsanyana District forms the north eastern part of the Free State Province and is one of four district municipalities in the Free State.

It is bordered by all of the other district municipalities of the province namely, Lejweleputswa District in the west, Fezile Dabi District in the north and Xhariep District in the south, as well as the Mangaung Metro in the southwest. Other borders are with the Kingdom of Lesotho in the south east, Kwa-Zulu Natal Province in the east and Mpumalanga Province in the north east.

Topographically the district is bordered for most of its eastern border by the Maluti and Drakensberg mountains. Hydrologically the district is located between the Vaal River to the north, and Orange river to the south, with rivers within the district draining towards these rivers.

Thabo Mofutsanyana consists of six local municipal areas, with Setsoto forming the south western section, Dihlabeng the south middle section, Nketoana the north middle section, Maluti a Phofung the south eastern section and Phumelela the north eastern section of the district. The district includes the former homelands of QwaQwa.

The table below identifies twenty six urban centres for the Thabo Mofutsanyana District, grouped per its respective local municipality:

Urban centres located within Thabo Mofutsanyana District

Dihlabeng Local Municipality	Maluti-a-Phofung Local Municipality	Nketoana Local Municipality	Phumelela Local Municipality	Setsoto Local Municipality	Mantsopa Local Municipality
Bethlehem	Harrismith	Reitz	Vrede	Ficksburg	Ladybrand
Clarens	Kestell	Petrus Steyn	Memel	Clocolan	Hobhouse
Fouriesburg	QwaQwa	Lindley	Warden	Marquard	Tweespruit
Paul Roux	Tshiame	Arlington		Senekal	Exelsior
Rosendal	Phuthaditjhaba				Thaba Patchoa

Bethlehem, Ficksburg, Harrismith, Vrede, Memel, Phuthaditjhaba, Senekal, Reitz and Ladybrand constitute the main economic centres within the district.

The above identified urban centres also serve the surrounding rural areas.

Thabo-Mofutsanyana district municipality enjoys high levels of connectivity to other districts and provinces within South Africa, as well as to airports and harbours.

The N3 that links the Gauteng Province with the Kwazulu Natal Province, passes Warden and Harrismith in the north eastern part of the district. The Harrismith logistics Hub will be established along this route. The N1 road borders the west of the district for a small section within Setsoto local municipality. The N5 road traverses the central part of the district from west to east, linking the N1 (at Winburg in Lejweleputswa district) with Harrismith via Senekal, Paul Roux, Bethlehem and Kestell. The R26/R711/R712 primary roads also constitute a major roadlink on the eastern border of the district linking Hobhouse, Ladybrand, Clocolan, Ficksburg, Fouriesburg, Clarens, Phuthaditjhaba with Harrismith. Ladybrand links the district with the N8 route, which links Kimberley with Lesotho via Bloemfontein.

Airfields are located in a number of towns throughout the districts, namely Ladybrand, Ficksburg, Bethlehem, Harrismith and Vrede.

Railway connections within and to the outside of the district are well established. In this regard, Harrismith provides an important link with the rail line between Gauteng and Kwazulu Natal. In this regard, the interprovincial rail freight arterial line (electric single railway track) from Kroonstad to Ladysmith via Bethlehem and Harrismith has reference. The Bloemfontein to Bethlehem via Ficksburg secondary main line (single track and diesel operated) is another major rail freight arterial line servicing the district. Branch lines located in the district include Heilbron - Arlington, Standerton (Mphumalanga) - Vrede, Arlington - Marquard, Bethlehem - Balfour North (Mphumalanga) via Reitz, Harrismith - Warden.

Border posts at Ladybrand, Ficksburg, Fouriesburg and Phuthaditjhaba connects the district with the Kingdom of Lesotho.

Land use in the district is primarily agricultural in nature. The district is also an important tourism destination due to spectacular scenic beauty of the Drakensberg and Maluti mountain ranges, as well as the Golden Gate Highlands National Park. Thabo Mofutsanyana is well known for several tourists' attractions and destinations and also features a variety of annual festivals. These annual includes among others the following:

Fouriesburg: Surrender Hill Marathon in February and the Rose Show in October.

Qwaqwa: Basotho Cultural Village traditional workshop and Family Day celebration in March

Ficksburg: Easter Festival at Rustlers valley in April and the Cherry Festival in November.

Bethlehem: Air show in May and the Hot Air Balloon competition in June.

Harrismith: Free State Polo championships in May and the Berg Bohaai in October.

Due to its regional characteristics, the main industries the district thus focuses on are agric-beneficiation and tourism development.

Mission and Vision

The vision and mission of the municipality is:

Vision

To create integrated, self-reliant and sustainable communities throughout the Thabo Mofutsanyana highlands, with financially viable, participative and developmental local municipalities.

Mission

Continuously improving and developing living conditions of our communities by providing efficient and effective bulk services and create a conducive environment for business opportunities and job creation.

Strategic Objectives

Thabo Mofutsanyana District Municipality has adopted Strategic Objectives that will support its programmens to meet the 2012-2016 government priorities. These key priorities are as follow:

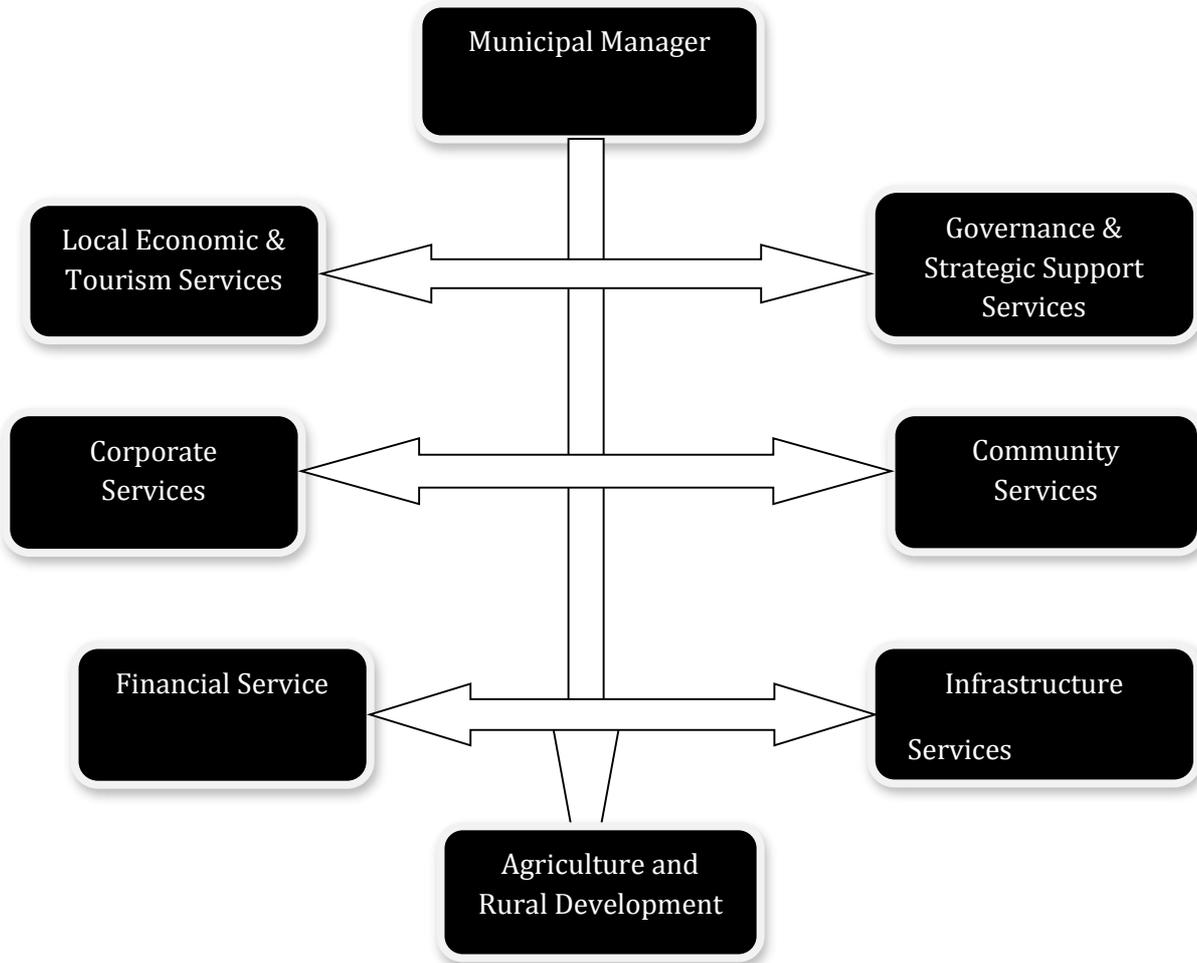
- Sustainable infrastructures
- Local Economic Development, Job creation and Tourism
- Agriculture and Rural Development
- Social Development, Sports, Arts and Culture
- Good Governance and Community Participation
- Financial viability

Allocated Powers and Functions

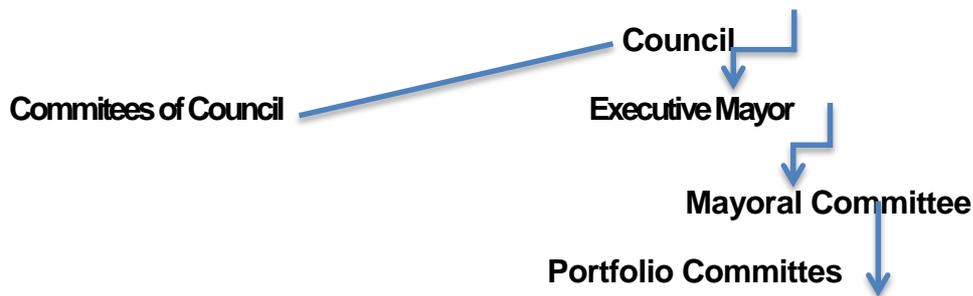
The allocated powers and functions to Thabo Mofutsanyana District Municipality in terms of the Local Government Municipal Structures Act No. 117 of 1998 are as follows:

- a. Integrated development planning for the district municipality as a whole, including a framework for IDP for the local municipalities within the area of the district,
- b. Bulk supply of water that affects a significant proportion of municipalities in the district,
- c. Bulk supply of electricity that affects a significant proportion of municipalities in the district,
- d. Bulk sewerage purification works and main sewage disposal that affects a significant proportion of municipalities in the district,
- e. Solid waste disposal sites serving the area of the district municipality as a whole,
- f. Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole,
- g. Regulation of passenger transport service,
- h. Municipal airports servicing the area of the district municipality as a whole,
- i. Municipal health services servicing the area of the district municipality as a whole,
- j. Fire fighting service servicing the area of the district municipality as a whole,
- k. The establishment, conduct and control of fresh produce markets and abattoirs serving the area of the district as a whole,
- l. The establishment, conduct and control of cemeteries and crematoria serving the district as a whole,
- m. Promotion of local tourism for the area of the district municipality,
- n. Municipal public works relating to any of the above functions or any other function assigned to the district municipality
- o. The receipt, allocation and if applicable the distribution of grants made to the district municipality,
- p. The imposition and collection of taxes and duties as related to the above functions or as may be assigned to the district in terms of the national legislation.

Administrative Structure



The political structure of the district is as follows:



DISTRICT IDP FRAMEWORK

2013 -2014

Introduction

The Integrated Development Planning Process is a comprehensive planning and implementation process that will be followed by all municipalities within the Thabo-Mofutsanyana District Municipality. As a District municipality, Thabo Mofutsanyana should adopt a framework for this process in order to align the planning and implementation of municipal services and development within the area. The Municipal Systems Act, 2001 states in section 27 that, after following a consultative process with the local municipalities in the area, the district municipality should adopt a framework for integrated development planning in the area as a whole. The framework will bind both the district and local municipalities.

The purpose of the framework is to:

- Identify plans and planning requirements binding in terms of national and provincial legislation on the district and local municipalities
- Identify the matters that should be included in the IDPs of the district and local municipalities that require alignment
- Specify the principles to be applied and co-ordinate the approach to be adopted in respect of those matters
- Determine procedures for consultation between the district and local municipalities during the drafting of IDPs
- Determine procedures for the amendment of the framework

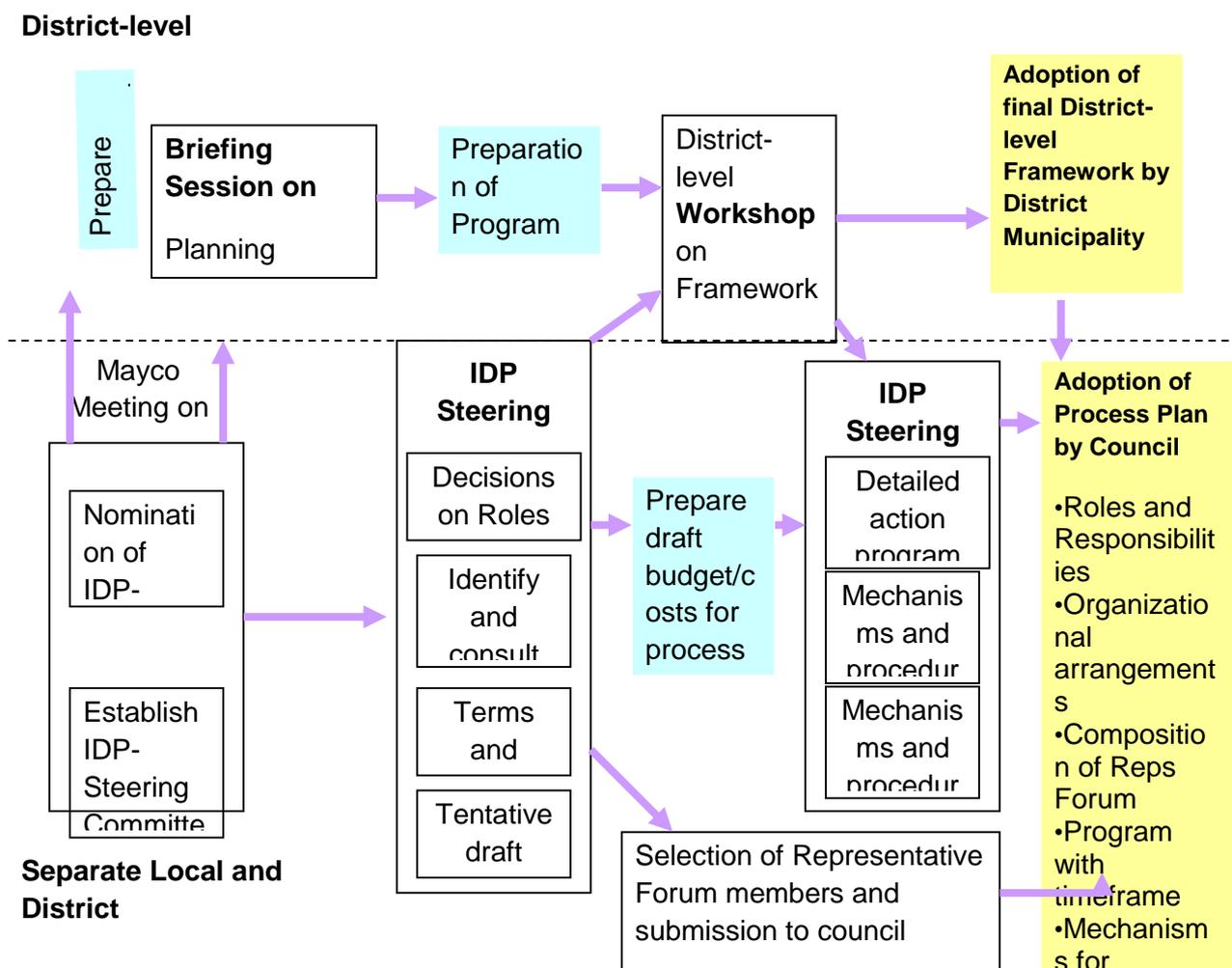
The preparation process for IDP has been done in a consultative manner. The district and local municipalities have been involved, as well as the Department of Cooperative Governance and Traditional Affairs- Free State.

District IDP Framework and Process Plan

Framework and Process Plan

The Process Plan was compiled by the IDP and PIMS Unit guided by the Executive Mayor with input of the local municipalities and management. The Portfolio Committee on IDP and PMS, and the District IDP and PMS Managers Forum made valuable input to the drafting of the District IDP Framework.

A briefing session was held with the local municipalities on the purpose of the IDP, Process Plan and Framework and to clarify roles and responsibilities with these processes.



Institutional Arrangements

IDP Representative Forum

The purpose of the forum is to provide an organisational mechanism for discussion, negotiation and decision-making within the municipality. It therefore, includes all stakeholders within the municipality. It is also the duty of the forum to monitor progress with the IDP process.

This forum has representatives from all local municipalities in the Thabo-Mofutsanyana District. It also has participants from different government departments, service providers like Eskom, trade and farmers unions, regional NGOs and tertiary institutions.

IDP Steering Committee

It is the purpose of the IDP Steering Committee to take control of the process and make the decision with regard to who does what. The terms of reference for the Steering Committee includes preparing, facilitating and documenting various planning activities, considering comments and inputs from stakeholders and other committees and taking responsibility for the documentation of all the outputs.

It comprises of members of the Executive Mayoral Committee, the Executive Mayor, and Senior Management of the District Municipality.

IDP Project Design Task Team

The existing ten Section 80 Committees chaired by members of the Executive Mayoral Committee act as the task team.

Formulation Procedure and Planning Steps

The procedure for the formulation of the IDP includes several steps. Planning steps include workshops of the Representative Forum, the Steering Committee and district wide representatives, meetings with local municipalities' representatives individually and desk work.

Analysis Phase

The analysis phase includes Representative Forum Workshops where information was shared on the current situation. To kick start the discussions the district profile compiled in the IDP, and the SDF was used. Some desk work was done to compile information and data on the current situation and to do an in-depth analysis on the priority issues. The Representative Forum identified the priority issues and the core issues with each of the priorities.

The facilitation of the workshops and the desk work was done by the IDP and Planning Department.

Strategies Phase

During the strategies phase wider participation was needed and 2 district level workshops were held, therefore, that involved provincial and national government departments and service providers. In addition 2 Representative Forum workshops were held.

The Representative Forum developed a vision and objectives, which were later validated and finalized by the Steering Committee. The Representative Forum also make inputs for strategies.

The district wide workshops were held firstly to develop localised strategic guidelines for Spatial Issues, LED, Gender Equity and Poverty Alleviation, Institutional Issues, Environmental Issues and HIV/Aids. The second workshop was held to develop strategies for the common priority issues of the different municipalities with the help of government departments.

Projects Phase

The Representative Forum met once during this phase to identify projects and finalise the terms of reference for the Project Task Teams. The project Task Teams designed the projects and submitted project sheets with detailed project information. Some desk-work was done to finalise the project sheets.

Integration Phase

This phase consisted mainly of desk work to compile the different plans and programmes from the existing information on the previous three phases and drafting the IDP document. One Representative Forum workshop was held to discuss the different plans and programmes and their content.

Approval Phase

After the document had been drafted it was submitted to council for approval. At the same time the document will be published and distributed to all local municipalities and the Interdepartmental IDP Assessment Committee for comment. Comments received will be adhered to by the municipal manager. The document will then be finally approved by the council on 29 May 2013 and submitted to the MEC: Local government and Housing for her perusal.

Compliance with Process Plan

The Process Plan served as a guideline for the methodology followed to compile the IDP. Although it was not possible to keep to all the target dates, the majority of the activities indicated in the process plan were done.

Alignment

The District IDP Framework that was formulated by the local and district municipalities of Thabo Mofutsanyana during the preparation phase was used as the basis for alignment during the IDP process. Although the process was stipulated, the outputs of alignment were not always achieved due to a number of reasons. Limited participation by government departments was the main problem. The fact that the provincial budget cycle differs from the municipal budget cycle also caused difficulties in aligning projects and programmes.

Alignment with the district municipality and other local municipalities within Thabo Mofutsanyana was less difficult as regular contact and information sharing took place..

Important alignment that needed to take place throughout the IDP process was the alignment of the IDP with the Free State Growth and Development Plan (FSGDP), Operation Hlasela, and the National Development Plan. The FSGDP will always be viewed as the broader framework for development within which the IDP should operate. During each phase of the IDP common ground was found with the FSGDP in order to reach the objectives of the FSGDP.

Framework Programme

Activity	Time/date	Event
Localised strategic guidelines	15-19 October 2012	District level workshops
Strategy workshop	29 October - 02 November 2012	District level workshop
Involvement of project partners	14-18 January 2013	District level workshop
Technical project indicators and decisions	12-27 March 2013	District level workshop

Table #: Timetable for District Alignment Events

Dates given above are the weeks within which the events took place. Closer to the date the IDP and planning Department communicated with the different role-players to set the specific dates.

Issues, Mechanisms and Procedure for Alignment

Alignment between the different spheres of government was necessary in order to achieve the purpose of integrated development planning, which is faster and more appropriate delivery of services and providing a framework for economic and social development. Aligning the planning process of different spheres of government and service providers is an international trend within governments. It is also an integral part of what integrated development planning is.

The appropriate level where alignment and co-ordination took place within the IDP processes of different municipalities was at a district level. The district level meetings/workshops were “*where people and places met sectors and subjects*”. At the framework workshop the following issues were discussed regarding alignment:

Role-players

- Department of Provincial and Local government-COGTA
- Rural development
- Department of Water affairs and forestry
- Environment and Tourism
- Department of Trade and Industry
- Social Development

- Public works
- Agriculture
- Health
- Education
- Same departments as National government
- Tourism partners (Kwa Zulu Natal, Free State and Mpumalanga)
- All SETAs
- University of the Free State
- Maluti FET College
- Ukhahlamba District Municipality
- TELKOM
- I Burst
- Maluti Water

Communication Mechanisms

The communication between the different stakeholders was crucial in aligning plans successfully. Appropriate mechanisms for communication differed from event to event. The IDP and Planning Department acted as the communication link between the various role-players and used existing communication channels to disperse information. The mechanisms that were used are:

- Fax and/or e-mail/ SMS/Video calls
- Telephones/ Mobile Phones
- Meetings and workshops

Events and Timeframes

Within the adopted process, district level alignment took place at the strategy phase of the IDP process and again at the projects phase. The first important event was the district strategy workshops, where all the stakeholders got together and discussed the different development strategies for the area.

Other events where input from sector departments was needed was at the project phase. Municipalities ensured that project proposals are aligned to sectoral procedures of the national and provincial spheres of government. The approach was to invite relevant departments to a district briefing session, where they were given the necessary technical guidelines and help municipalities to set indicators for their objectives.

Establishment of a Structure (Forum)

The role-players identified above constituted the forum for district level events within the IDP process. The desirable outcome of each event determined if only specific or all departments and service providers were to be invited. This depended on the type of priority issues identified by the municipalities.

Management Structure/District IDP Forum

The following people formed part of the structure that managed the proposed forum for district level events:

- 6 municipalities' IDP managers
- 6 municipalities PMS managers
- Provincial IDP Co-ordinator

Logistical Arrangements

The IDP and Planning Department organized the meetings/workshops. Each municipality budgeted for the attendance of the district level event. The costs for the catering and administration were to be split proportionally amongst the municipalities.

Binding Legislation and Planning Requirements

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
GENERAL MANAGEMENT	
Constitution of Republic of South Africa 1996	To introduce a new constitution for the Republic of South Africa and to provide for matters incidental thereto
Local government: Municipal Systems Act, 2000	To give effect to “developmental local government” To set principles, mechanisms and processes to promote social and economic upliftment of communities and to ensure access to affordable services for all. To set a framework for planning, performance management, resource mobilization and organizational change and community participation
Local government Municipal Structure Act, 1998	To provide for the establishment of municipalities in accordance with the requirements relating to the categories and types of municipality, the division of functions and powers between municipalities and appropriate electoral systems
Consumer Affairs (Unfair Business Practices) Act, 1996	To provide for the investigation, prohibition and control of unfair business practices in the interest of consumers
Local Government: Municipal Demarcation Act, 1998	To provide for the demarcation of boundaries of municipalities for the establishment of new municipalities
Municipal Electoral Act, 2000	To regulate the municipal elections To amend certain laws and to provide for matters connected therewith
Organized Local Government Act, 1997	To provide for the recognition of national and provincial organizations representing the different categories of municipalities and the National Council of Provinces etc.
Occupational Health and Safety Act, 1993	To provide for occupation health and safety in the work place and the protection of persons outside the work place against hazards to health and safety arising from activities of persons at the work place.

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
Promotion of Access to information Act, 2000	To control and regulate the right of all persons to access to information
Promotion of Fair Administrative Justice Act, 2000	To give effect to the administrative action that is lawful, reasonable, and procedurally fair in terms of the constitution of the Republic of South Africa 1996
Promotion of Equity and Prevention of unfair Discrimination Act, 2000	<p>To give effect to section 9 read with item 23(1) of Schedule 6 to the constitution of the Republic of South Africa, 1996, to prevent and prohibit unfair discrimination and harassment.</p> <p>To promote equality and eliminate unfair discrimination and to prevent and prohibit hate speech and to provide for matters connected therewith</p>
FINANCE	
Division of Revenue Act	To provide for a fair division of revenue to be collected nationally between national, provincial and local government sphere for 2012/13 financial year and for matters connected therewith
Business Act, 1991	<p>To repeal certain laws regarding the licensing of businesses</p> <p>To provide for the licensing and operation of certain businesses, shop hour and related matters</p>
Debt Collectors Act, 1998	To provide for controlled debt collecting
Income Tax Act, 1962	To provide for the payment of taxes on incomes of persons and taxes on donations
Insolvency Act, 1936	To consolidate and amend the law relating to insolvent persons and their estates
Municipal Accountants Act, 1988	To provide for the establishment of a Board for Municipal Accountants and the registration of Municipal Accountants and the control of their profession

Municipal Finance Management Act, 2003	To regulate financial management in the local sphere of government to require that all revenue, expenditure assets and liabilities of municipalities and municipal entities are managed efficiency and effectively, to determine responsibilities of persons entrusted with local sphere financial management and to determine certain conditions and to provide for matters connected therewith
Public finance Management Act, 1999	To regulate financial management in the national and provincial government and inter alia, provincial public entities
Prescribed Rates of Interest Act, 1975	To prescribe and regulate the levying of interest from debtors
Reporting by Public Entities Act, 1992	To provide for the reporting to parliament by public entities
Value Added Tax Act, 1991	To provide for the taxation in respect of the supply of goods and services
Local Government Property Rates Act	To regulate general property valuation

ADMINISTRATION/CORPORATE AND LEGAL SERVICES

Electoral Act, 1998	To manage and regulate elections on national, provincial and local government level
Expropriation Act, 1975	To provide for the expropriation of land and other property for public and certain other purpose and matters connected thereto

HOUSING

Housing Act	To provide for the establishment of a National and Regional Housing Board(s) and the abolition of certain existing boards
Rental Housing Act 1999	To define the responsibility of Government in respect of rental housing
Residential Landlord and Tenant Act, 1997	To provide for the regulation of landlord-tenant in order to promote stability in the residential rental sector in the province

TOWN PLANNING AND SPATIAL DEVELOPMENT

Provision of Certain Land for Settlement, 1993	To provide for the designation of certain land to regulate the subdivision of such land and settlement of persons thereon
Advertising on Roads and Ribbons Development Act, 1940	To control advertising on national and regional roads

Development Facilitation Act, 1995	To provide for Integrated Development Plans, reflecting current planning and to institutionalize development tribunals for evaluating applications
Physical Planning Act, 1991	To provide guidelines for drafting of urban development
Regulations on Advertisements on or Visible from National Roads, 1998	To control all advertising on national and regional roads
Subdivision of Agricultural Land Act, 1970	To control the subdivision of farm land and agricultural holdings
Town and Regional Planners Act, 1984	To provide for the training and registration of professional Town Planners
ENVIROMENT	
Environmental Conservation Act, 1982	To provide for environmental impact assessments and exemptions, noise control areas etc
Environment Conservation Act 1989	To provide for the effective protection and controlled utilization of the environment and for matters incidental thereto
National Environmental Management Act, 1998	To provide for co-operative environment governance by establishing principles for decision making on matters affecting the environment and to provide connected therewith
ENGINEERING / TECHNICAL SERVICES	
National Building Regulations and Building Standards Acts, 1997	To provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards
National Water Act, 1998	To provide for fundamental reform of the laws relating to water resources
Water Service Act, 1997	To provide for the rights of access to basic water supply and sanitation, national standards and norm for tariffs and service development plans
SAFETY AND SECURITY	
Criminal Procedure Act, 1977	To consolidate and regulate procedure and evidence in criminal proceedings

Disaster Management Act 2000	To provide for an integrated, co-coordinated and common approach to disaster management by all spheres of government and related matters
Fire Brigade Services Act, 1987	To provide for the rendering of fire brigade services and certain conditions to the rendering of the service
Gathering and Demonstration Act, 1993	To control public gatherings and procession of marches
Hazardous Substances Act, 1973	To control matters relating to gas, petrol and liquids
National Land Transport Act, 1999	
National Land Transport interim Arrangement Act, 1998	To make arrangements relevant to transport planning and public roads transport services
Urban transport Act, 1977 as amended 1992	To promote the planning and provision of adequate urban transport facilities
National Roads Traffic Act, 1996	To regulate traffic on public roads, the registration and licensing of motor vehicles and drivers, including fitness requirements and incidental matters
Roads traffic Management Corporation Act, 1999	To provide in the public interest for co-operative and co-ordinated strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters and to provide for matters connected therewith
Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998	To provide for the eviction of unlawful occupants of land and the protection of the rights of such occupants under certain conditions
Regulation of Gathering Act, 1993	To control public gatherings and procession of marches
South African Police Service Act, 1995	To provide inter alia, for a municipal (city) police

HEALTH AND WELFARE

Hazardous Substances Act, 1973	To control matters relating to gas, petrol and liquids
Health Act, 1997	To provide for the promotion of the health of the inhabitants of the Republic, for the rendering of health services, to define the

	duties, powers and responsibilities of certain authorities which render such services and for the co-ordination of the services
National Policy for Health Act, 1990	To provide for control measures to promote the health of the inhabitants of the Republic and for matters connected thereto
HUMAN RESOURCES	
Employment Equity Act, 1998	To promote the constitutional rights of equality and the exercise of true democracy To eliminate unfair discrimination in employment To redress the effect of unfair discrimination in the workplace to achieve a workforce representation of the population
Basic Conditions of Employment Act, 1997	To give effect to the right to fair labour practice To provide for the regulation of basic conditions of employment
Compensation of Occupational Injury and Diseases Act, 1993	To regulate the categories of persons entitled to compensation for occupational injuries and diseases, and to determine the degree of disable employees
Labour Relations Act, 1995	To regulate the organizational rights of trade unions, the rights to strike and lock out To promote and facilitate collective bargaining and employee participation in decision making To provide simple procedure for labour disputes
Skills Development Act, 1998	To provide for the implementation of strategies to develop and to improve the skills of South African workplace, to provide for learnerships, the regulation of employment services and the financing of skills development.
Skills Development Levies Act, 1999	To provide for the establishment of a National Qualification Framework and the registration of National Standards Bodies and Standards Generating Bodies and the financing thereof
Unemployment Insurance Act, 1996	To provide for the payment of benefits to certain persons and the dependants of certain deceased persons and to provide for the combating of unemployment
ELECTRICITY	
Electricity Act, 1987	To provide for and regulate the supply of electricity and matters connected thereto

PROVINCIAL	
Free State Rural Development Strategy	To provide strategies for rural development within the Free State
Poverty Eradication Strategy for the Free State	To provide strategies for eradicating poverty, especially in rural areas
Free State Growth and Development Strategy	To provide for spatial planning, economic development nodes, and growth points in the Free State

Amendment Procedure

The framework for IDP is a working document that will guide all the municipalities with the IDP process. It will therefore be necessary to make provision to amend the Framework, if and when the process that we envisage are not practical or cannot in any way be adhered to. The representatives at the district framework workshop adopted certain procedures to amend the Framework should it be necessary.

Conclusion

This Framework serves as the guideline to local municipalities and the district municipality of Thabo Mofutsanyana for aligning their respective IDP processes with each other and with the plans and programmes of other organs of state. It will be submitted to the MEC: Local Government and Housing with the final IDP document of the district municipality.

SECTION B: SITUATIONAL ANALYSIS

Introduction

As the first step of the process of formulating an IDP it is necessary to analyse the current situation in order to identify the needs and problems to come up with priority issues within the municipality. The

priority issues should reflect the needs of communities within the municipality as well as the municipal needs and problems.

The methodology followed by the district municipality during the analysis phase was adopted from the methodology set out in the IDP guidelines developed by DPLG. The establishment of a steering committee (mayoral committee, heads of departments) and a representative forum from local municipalities, district level trade, farmers and labour unions, traditional leaders and district level NGOs were the first step in starting with the process.

The steering committee takes a leading role in terms of planning for the process, considering comments and inputs from various stakeholders, also making content recommendations and is responsible for preparing, facilitating and documenting the process. The representative forum represents the interest of the constituency, provides an organisational mechanism for discussion, negotiation and decision-making and ensures communication between different stakeholders within the municipality.

Demographic Profile

A huge problem exists with the demographic and socio-economic information that are available and have been used as baseline information in planning over the last few years. Although in many instances statistics from the 2007 Community Survey and 2011 Census are used, additional information was cited from relevant reports..

GENERAL POPULATION STATISTICS

General statistics on total population distribution identified the following specific geographic areas (district and local municipalities) with population totals, indicated in relation with Thabo Mofutsanyana District Municipality and its local municipalities:

Demographic and service delivery statistics from Stats SA

(Source: Statistics South Africa.2011, Census 2011-Municipal Report, Free State)

▪	▪ Population		▪ Household		▪ Population
	▪ Census 2001	▪ CS 2007	▪ Census 2001	▪ CS 2007	▪ Census 2011
▪ Setsoto	▪ 123 194	▪ 102 826	▪ 32 746	▪ 29 828	▪ 112 588
▪ Dihlabeng	▪ 128 929	▪ 108 449	▪ 33 027	▪ 31 836	▪ 128 704
▪ Nketoana	▪ 61 951	▪ 62 367	▪ 14 904	▪ 16 748	▪ 60 324
▪ Maluti-a-Phofung	▪ 360 787	▪ 385 413	▪ 90 390	▪ 97 172	▪ 335 784
▪ Phumelela	▪ 50 906	▪ 35 090	▪ 11 934	▪ 11 531	▪ 47 772
▪ Mantsopa(New LM 18/5/2011)					▪ 51 056
▪ Total District	▪ 725 939	▪ 694 316	▪ 183 049	▪ 187 115	▪ 517 362

Demographic and service delivery statistics from Stats SA (Source:

Statistics South Africa.2011, Census 2011-Municipal Report, Free State)

Total population and number of households per municipality

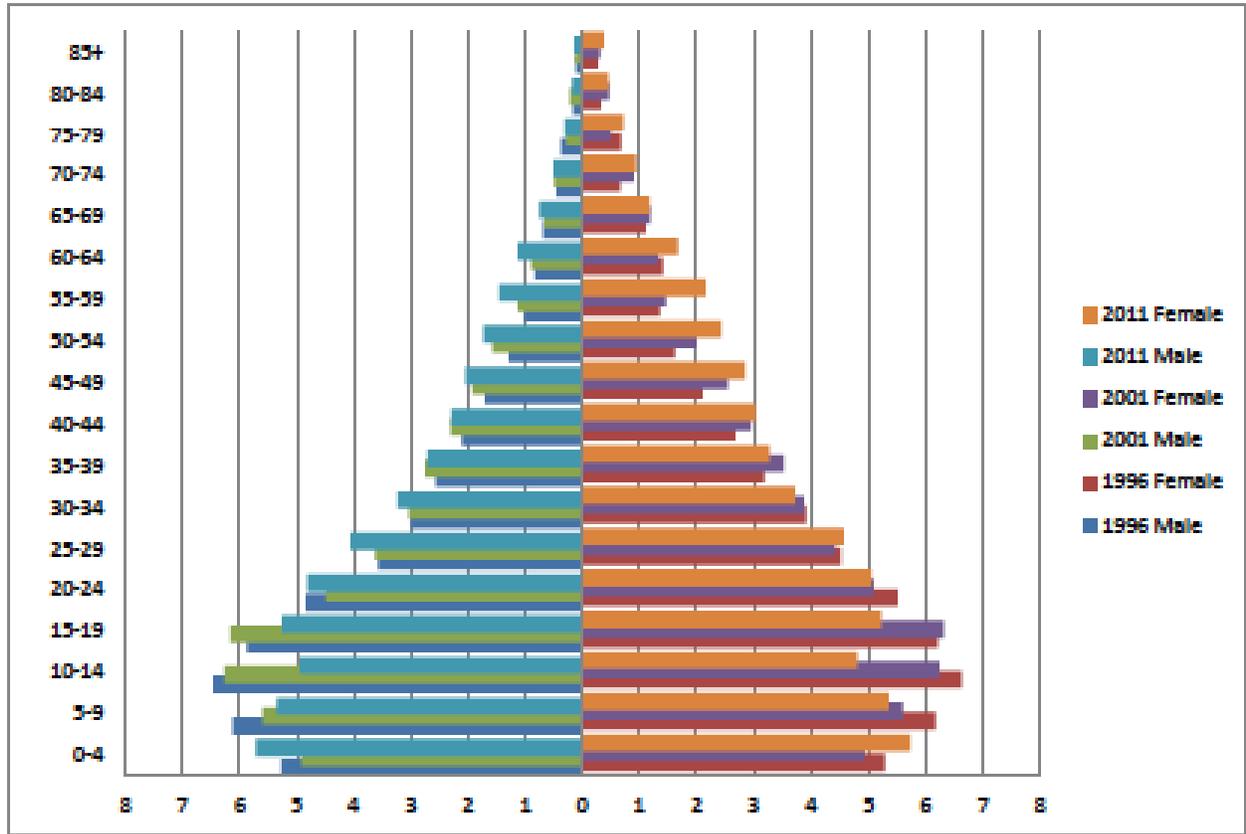
According to DBSA the expected average annual growth rate for the Thabo Mofutsanyana area is the following:

	Low HIV/Aids Scenario		High HIV/Aids scenario	
	Growth rate	Population	Growth Rate	Population
2001-2006	65%	946 183	45%	1006 949
2006-2011	34%	148 499	0,02%	120 535

Source: DBSA, 2001

It is clear that HIV/Aids will have a profound effect on society and planning for development.

Figure 4.1.1.4: Distribution of the population by age and sex, Thabo Mofutsanyane – 1996, 2001 and 2011



4.1.2 Population growth rates

Figure 4.1.2.1: Population growth rates by district municipality – 1996, 2001 and 2011

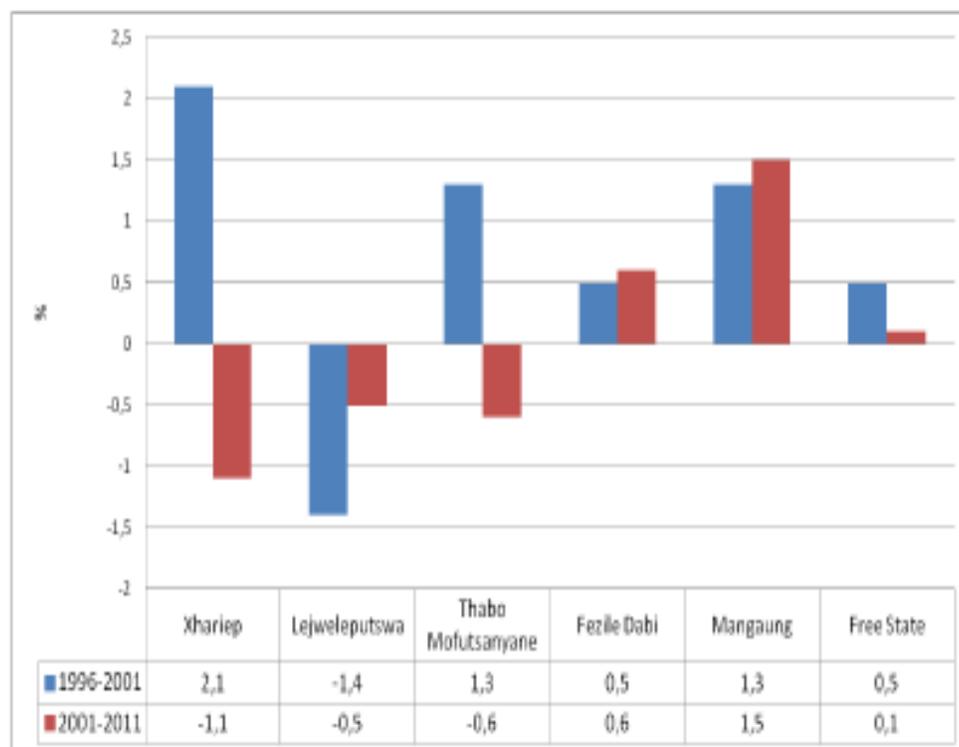
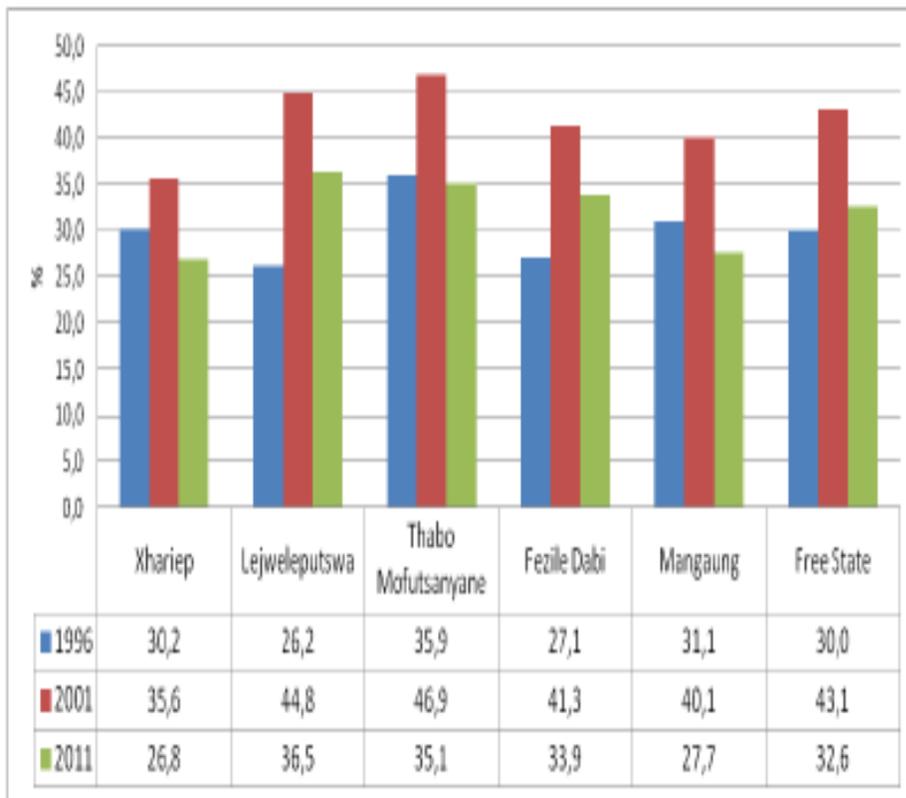


Figure 4.1.2.1 shows the population growth rate from 1996 to 2001 and 2001 to 2011 respectively. Results show that Free State grew by 0,5% in the period 1996–2001 and 0,1% in the period 2001–2011. Xhariep, Lejweleputswa and Thabo Mofutsanyane districts experienced a slowed growth in the period 2001–2011.

4.3 Labour market

4.3.1 Unemployment rate

Figure 4.3.1.1: Unemployment rate (official definition) by district municipality – 1996, 2001 and 2011



Trends in the unemployment rate as shown in Figure 4.3.1.1 suggest an increase between 1996 and 2001 and thereafter a decline across districts. Readers are requested to heed the disclaimer in the introduction to this publication.

4.4.6 Access to piped water

Figure 4.4.6.1: Distribution of households having access to piped water by district municipality – 1996, 2001 and 2011

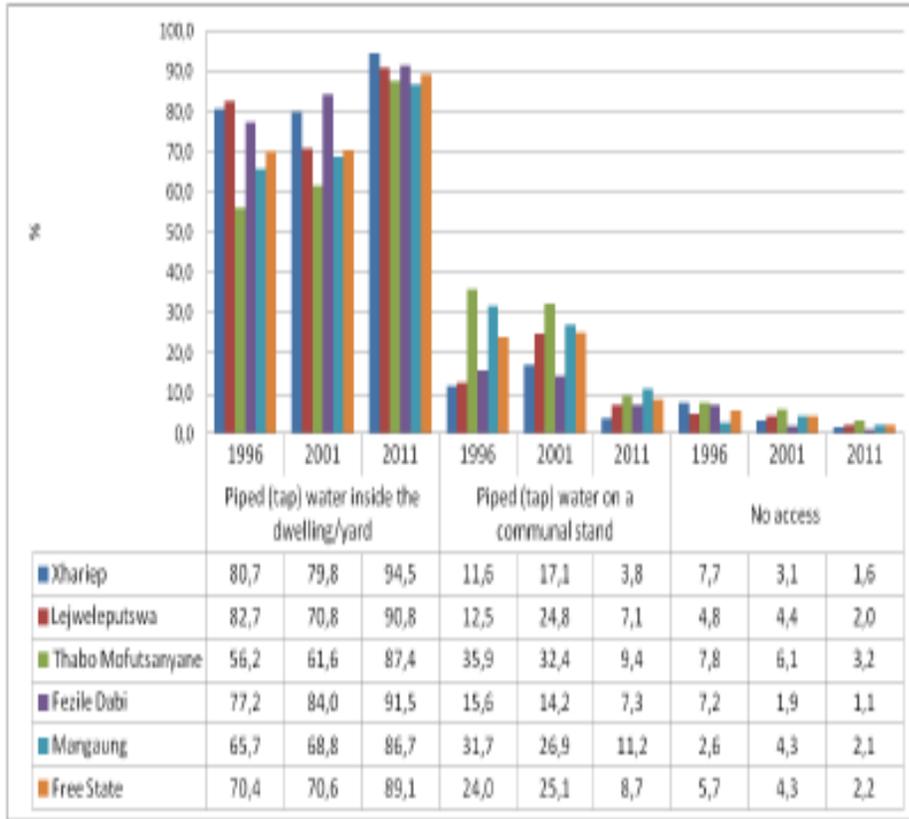


Figure 4.4.6.1 shows that the proportion of households with access to piped water inside the dwelling/yard has increased in all the five districts, corollary; the proportion of households with no access to piped water declined. Xhariep reported the highest proportion of households with access to piped water inside their dwellings/yard, followed by Fezile Dabi and Lejweleputswa (94,5%, 91,5% and 90,8% respectively).

4.4.7 Refuse disposal

Figure 4.4.7.1: Distribution of households by type of refuse removal and district municipality – 1996, 2001 and 2011

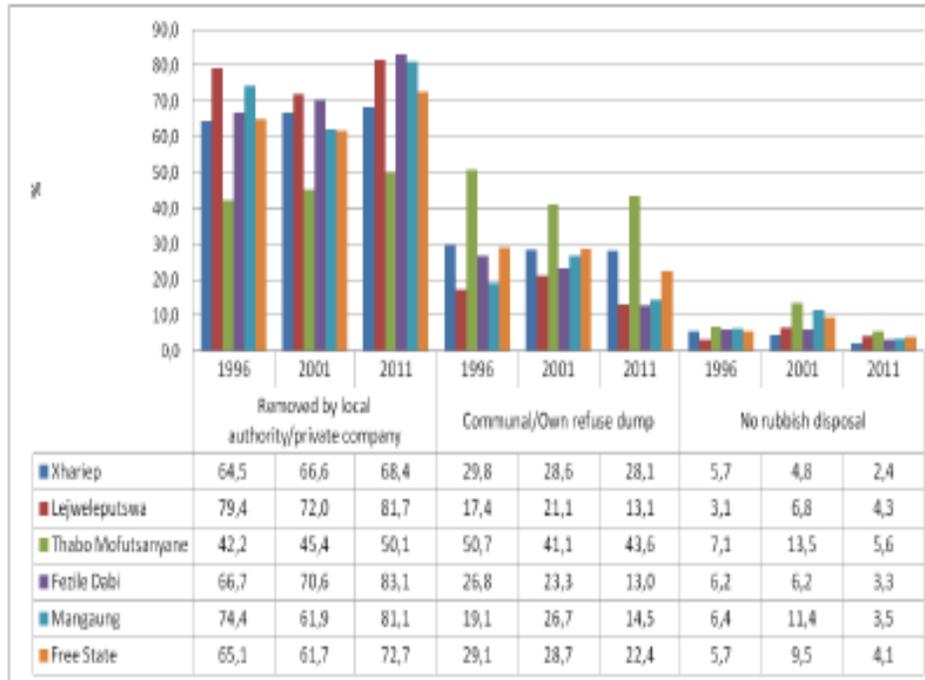


Figure 4.4.7.1 shows that Fezile Dabi, Lejweleputswa and Mangaung have the highest proportion of households whose refuse is removed by local authority/private company. Thabo Mofutsanyane district has the highest proportion of households reporting that they do not have refuse disposal facilities.

4.4.8 Toilet facilities

Figure 4.4.8.1: Distribution of households by type of toilet facility and district municipality – 1996, 2001 and 2011

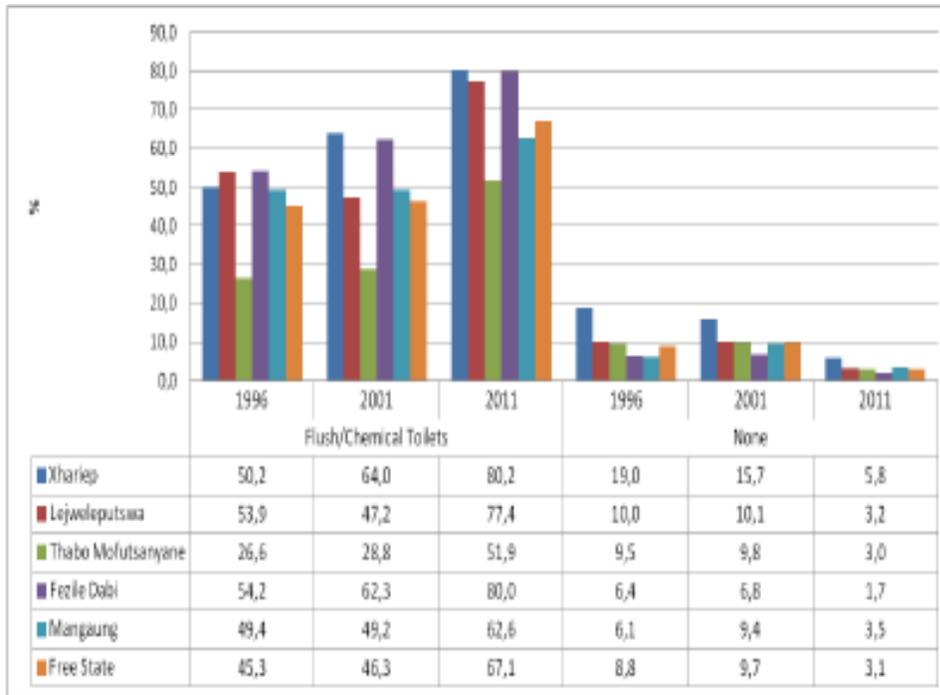


Figure 4.4.8.1 shows that the proportion of households with access to flush/chemical toilet increased in all districts; with Xhariep consistently having the highest proportion. The proportions of households with no access to toilet facilities decreased over time across the districts, Fezile Dabi has the lowest proportion of households with no access to toilet facilities.

4.4.9 Average household income

Figure 4.4.9.1: Distribution of average household income by district municipality – 2001 and 2011

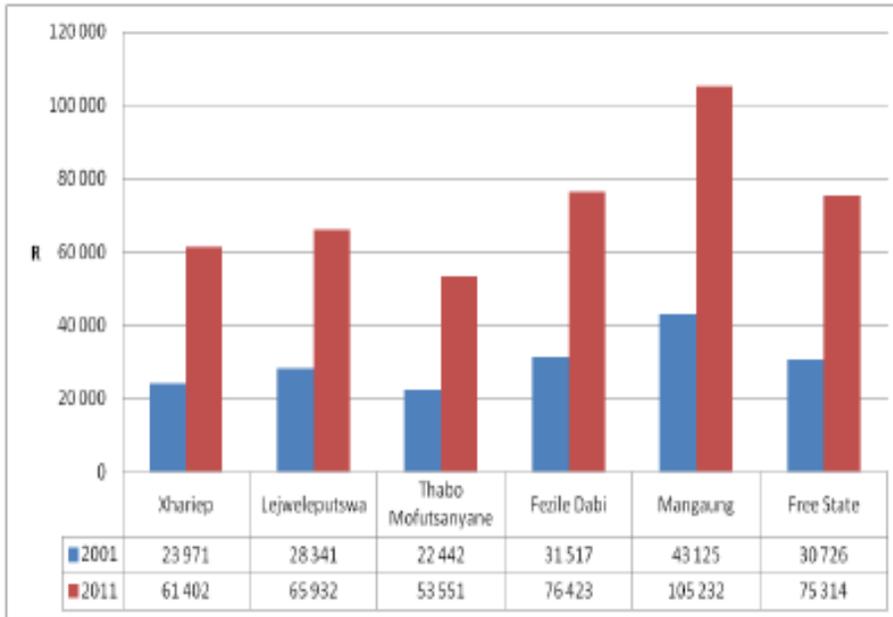


Figure 4.4.9.1 shows an increase in the average household income across districts. The average household income for Mangaung metropolitan municipality and Fezile Dabi district is higher than the provincial average.

4.4.10 Female headed households

Figure 4.4.10.1: Distribution of female headed households by district municipality – 1996, 2001 and 2011

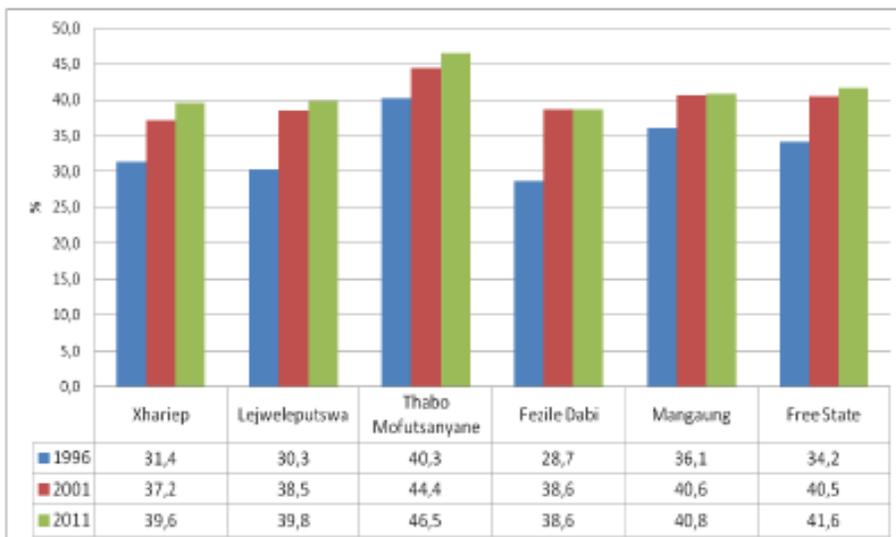


Figure 4.4.10.1 indicates an increase in the proportion of households headed by females. Mangaung and Thabo Mofutsanyane have the highest proportion of female headed households in the province.

4.4.11 Child headed households

Figure 4.4.11.1: Distribution of child headed households by district municipality – 1996, 2001 and 2011

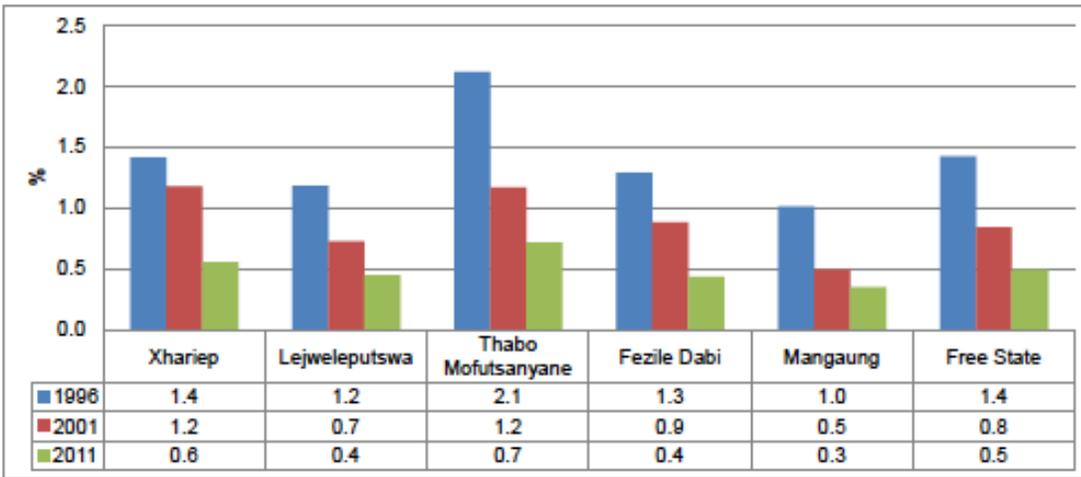


Figure 4.4.11.1 shows that the proportion of households headed by children has declined over the three epochs and across districts. As expected; the proportion of child headed households is consistently low. Xhariep and Thabo Mofutsanyane districts consistently have the highest proportion of child headed households.

DC19: Thabo Mofutsanyane	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	32 112	46 596	78 708	36 539	54 915	91 454	14 252	23 755	38 007
Some Primary	34 399	46 647	81 046	39 366	52 177	91 543	30 703	44 316	75 018
Completed Primary	12 544	16 971	29 516	12 900	17 005	29 906	9 464	12 640	22 105
Some Secondary	50 420	63 087	113 508	52 653	66 500	119 152	65 131	78 757	143 888
Grade 12/Std 10	21 397	22 803	44 200	31 923	35 390	67 313	47 542	55 951	103 492
Higher	8 804	9 793	18 598	10 482	12 570	23 051	14 995	18 781	33 776
Total	159 677	205 899	365 576	183 863	238 557	422 420	182 086	234 200	416 286

FS191: Setsoho	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	4 753	6 350	11 103	5 491	7 832	13 323	2 142	3 435	5 578
Some Primary	6 339	8 552	14 891	6 856	9 634	16 490	4 594	6 912	11 507
Completed Primary	2 641	3 471	6 112	2 657	3 721	6 378	1 878	2 739	4 617
Some Secondary	7 688	9 428	17 115	8 465	10 630	19 095	10 500	12 811	23 311
Grade 12/Std 10	2 787	2 602	5 389	4 623	4 793	9 416	6 944	7 530	14 473
Higher	1 443	1 391	2 834	1 464	1 670	3 134	2 089	2 346	4 435
Total	25 651	31 793	57 444	29 556	38 281	67 837	28 147	35 774	63 921

FS192: Dihlabeng	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	4 532	6 565	11 097	5 576	8 132	13 708	2 569	4 227	6 795
Some Primary	4 924	6 414	11 338	6 852	8 934	15 786	4 978	6 777	11 755
Completed Primary	1 959	2 493	4 453	2 401	3 202	5 603	1 690	2 088	3 777
Some Secondary	8 667	9 859	18 526	9 626	11 922	21 548	11 957	13 855	25 812
Grade 12/Std 10	4 376	3 914	8 290	6 841	6 696	13 537	10 058	10 130	20 188
Higher	1 916	2 026	3 942	2 083	2 388	4 471	3 627	4 470	8 097
Total	26 374	31 271	57 645	33 378	41 274	74 652	34 878	41 547	76 425

FS193: Nketoana	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	3 758	5 319	9 077	4 050	5 721	9 772	1 659	2 731	4 390
Some Primary	3 446	4 179	7 624	3 348	4 210	7 558	3 032	3 856	6 888
Completed Primary	1 102	1 232	2 334	992	1 161	2 153	854	1 007	1 861
Some Secondary	3 402	3 938	7 340	3 572	4 266	7 838	5 652	6 283	11 935
Grade 12/Std 10	1 466	1 488	2 954	1 994	2 128	4 123	3 436	3 602	7 038
Higher	700	765	1 465	724	756	1 480	1 087	1 208	2 295
Total	13 875	16 920	30 795	14 681	18 242	32 924	15 721	18 686	34 407

FS194: Maluti a Phofung	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	14 265	22 764	37 030	16 349	26 799	43 148	5 706	10 755	16 462
Some Primary	13 748	19 839	33 587	15 088	20 648	35 736	12 709	19 920	32 628
Completed Primary	4 952	7 237	12 189	4 654	6 126	10 780	3 381	4 664	8 044
Some Secondary	24 706	32 827	57 534	23 930	31 204	55 134	27 995	35 434	63 429
Grade 12/Std 10	10 448	12 520	22 968	14 610	17 770	32 380	21 106	28 660	49 766
Higher	3 783	4 542	8 325	4 845	6 166	11 011	6 180	8 451	14 641
Total	71 902	99 729	171 631	79 477	108 713	188 190	77 076	107 894	184 970

FS195: Phumelela	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	3 007	3 445	6 453	2 994	3 870	6 864	1 373	1 740	3 113
Some Primary	3 132	3 783	6 915	3 721	4 071	7 792	3 086	3 543	6 629
Completed Primary	735	887	1 622	891	1 024	1 915	787	854	1 641
Some Secondary	2 294	2 785	5 079	2 898	3 381	6 279	4 305	4 633	8 938
Grade 12/Std 10	917	1 034	1 951	1 633	1 878	3 510	2 569	2 765	5 335
Higher	358	429	787	586	742	1 328	817	979	1 796
Total	10 444	12 363	22 806	12 722	14 966	27 688	12 938	14 514	27 452

FS196: Mantaopa	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	1 796	2 153	3 949	2 078	2 561	4 639	802	867	1 669
Some Primary	2 811	3 881	6 691	3 501	4 680	8 181	2 303	3 309	5 612
Completed Primary	1 155	1 652	2 807	1 305	1 771	3 076	875	1 289	2 164
Some Secondary	3 663	4 251	7 914	4 161	5 096	9 258	4 721	5 741	10 462
Grade 12/Std 10	1 403	1 246	2 649	2 223	2 125	4 348	3 429	3 263	6 692
Higher	604	641	1 245	780	847	1 627	1 195	1 318	2 512
Total	11 432	13 823	25 255	14 049	17 080	31 130	13 325	15 786	29 111

Table 4.4.9.1: Distribution of average household income by municipality – 2001 and 2011

Municipality	2001	2011
DC16: Xhariep	23 971	61 402
FS161: Letsemeng	28 853	60 360
FS162: Kopanong	22 633	66 507
FS163: Mohokare	19 793	58 258
FS164: Naledi	23 850	56 839
DC18: Lajwaleputswa	28 341	65 932
FS181: Masiomyana	20 171	51 271
FS182: Tokologo	41 140	52 234
FS183: Tswelopele	21 273	60 088
FS184: Matjhabeng	31 111	71 331
FS185: Nala	19 870	55 944
DC19: Thabo Mofutsanyane	22 442	53 551
FS191: Setsoto	19 101	50 225
FS192: Dihlabeng	31 320	79 650
FS193: Nketoana	21 164	57 743
FS194: Maluti a Phofung	20 087	42 643
FS195: Phumelela	20 107	52 839
FS196: Mantsopa	28 206	62 287
DC20: Fezile Dabi	31 517	76 423
FS201: Mophaka	31 535	71 627
FS203: Ngwathe	22 179	56 316
FS204: Metsimaholo	45 577	105 581
FS205: Mafube	20 866	53 586
MAN: Mangaung	43 125	105 232
Free State	30 726	75 314

ECONOMIC GROWTH

DEFINITION:

Economic growth refers to an increase in the capacity of an economy to produce goods and services, compared from one period of time to another. The growth of an economy is thought of not only as an increase in productive capacity, but also as an improvement in the quality of life to the people of that economy.

Economic Growth Rate refers to a measure of economic growth from one period to another expressed as a percentage. It thus follows that Economic Growth Rate is defined as the pace at which economic growth increases during a given interval.

The quantity most commonly used to measure economic growth rate is the growth in Gross Domestic product.

As economic growth is measured as the annual percent change of Gross Domestic Product, an investigation of Real Gross Value Added by Region (Real GVA-R) and Real Gross Domestic Product by Region (Real GDP-R) took place.

Gross Value Added (GVA) is a measure in economics of the value of goods and services produced in an area or sector of the economy. GVA is linked as a measurement to Gross Domestic Product (GDP).

The GDP-R is usually presented in nominal and real terms. Nominal GDP-R measures the value of the outputs of the region at current prices. Real GDP-R refers to the GDP-R at constant prices, measuring the value of an economy's output using the prices of a fixed base year. The Real GDP-R is thus useful in capturing real output growth since the inflationary effects have been removed.

District Municipality	Gross Value Added by Region (GVA-R)		Gross Domestic Product by Region (GDP-R)	
	Total GVA Constant 2005 prices (R1 000) 2010	Percentage (%) of Free State total	GDP-R Constant 2005 prices (R1 000) 2010	Percentage (%) of Free State total
Mangaung Metro	27 078 410	33.09	29 893 753	32.53
DC20: Fezile Dabi	26 022 394	31.80	29 930 206	32.57
DC18: Lejweleputswa	15 302 622	18.70	16 801 347	18.28
DC19: Thabo Mofutsanyana	10 810 333	13.21	12 305 304	13.39
DC16: Xhariep	2 629 265	3.21	2 969 617	3.23

District Municipality	Gross Domestic Product by Region (GDP-R) Constant 2005 prices (R1 000)			Average annual growth Constant 2005 Prices (Real Economic Growth Rate) (%)	Average 1996 - 2009
	2008	2009	2010		
DC20: Fezile Dabi	29 669 794	28 799 634	29 930 206	-2.93	3.93 3.72
Mangaung Metro	29 908 471	29 489 520	29 893 753	-1.40	1.37 2.81
DC16: Xhariep	2 947 940	2 883 699	2 969 617	-2.18	2.98 2.12
DC19: Thabo Mofutsanyana	12 186 022	1 217 602	12 305 304	-0.10	1.08 1.39
DC18: Lejweleputswa	16 850 481	1 656 542	16 801 347	-1.67	1.41 -0.65

Thabo Mofutsanyana district municipality respectively contributed 10 810 333 and 12 305 304 of the total GVA-R and GDP-R and was the fourth highest contributor of the GVA-R and GDP-R in relation with other district municipalities in 2010. The Real Economic Growth Rate of the district (1996 – 2010) with an average of +1.39% and was also the second lowest average in relation with other district and metro municipalities.

Maluti A Phofung local municipality respectively contributed R3 968 873 (000) GVA-R and R4 544 146 (000) GDP-R in 2010. It was the highest contributor of the GVA-R and GDP-R in the district followed by Dihlabeng, Setsoto, Mantsopa, Nketoana and then Phumelela. Maluti A Phofung also had +1.63% average Real Economic Growth Rate (1996 – 2010) and was the highest local municipality in the district.

Number of people living in poverty per local municipality

Local Municipality	Number of people in poverty	Percentage of people in poverty
FS194: Maluti a Phofung	155 056	43.72
FS191: Setsoto	77 799	56.57
FS192: Dihlabeng	76 867	49.03
FS195: Phumelela	34 731	60.78
FS193: Nketoana	28 202	47.53
FS196: Mantsopa	27 417	46.47

CONCLUSION

The number of population living in poverty in Thabo Mofutsanyana in 2010 was 400 072, representing a percentage of 48.53% people (Global insight, 2010) and was the highest in relation with other district and metro municipalities.

Maluti a Phofung was the local municipality in the district in 2010 with (155 056) the highest number of people living in poverty, followed by Setsoto with 77 799, Dihlabeng with 76 867, Phumelela with 34 731, Nketoana with 28 202 and Mantsopa with 27 471 people.

Priority Issues

Thabo-Mofutsanyana District Municipality has designed its priority issues to be in line with the National Development Plan, and the Free State Growth and Development Strategy.

INFRASTRUCTURE AND SERVICES	ECONOMIC DEVELOPMENT AND JOB CREATION
Water	SMME development
Sanitation	Tourism development
Electricity	Industrial Development
Waste management	AGRICULTURE and LAND DEVELOPMENT
Roads, streets, stormwater	Agricultural Development
Land development	Land Use Management
Transport, Safety and Security	Land reform and restitution
COMMUNITY SERVICES	INSTITUTIONAL DEVELOPMENT
Municipal Health	Institutional development
Environmental management	Corporate governance
Disaster management	GOOD GOVERNANCE AND COMMUNITY PARTICIPATION
Education	Development Planning
Arts and Culture	Community Participation
Sport	
	FINANCIAL VIABILITY

Clean Audit

Priority issues for the district are broad areas for development. The detail problems and needs within each of these statements are elaborated upon in the following section.

THE DIAGNOSTIC

THE PLAN



Current Realities

Each priority issue has been studied in-depth to get to the real or core issues that local municipalities have with the priority. Below the core issues of each priority issue is listed followed by a description of the trends and causes of problems experienced with the issues. It is clear from the description that priorities are closely linked and integrated. For the sake of order it was necessary to strategically group priority issues into development themes.

Infrastructure and Services

1.1.1 WATER

CORE ISSUES

The District Municipality is not a water authority despite its rural nature and topography. It does not receive Municipal Infrastructure Grant (MIG) and thus it is disabled to assist with bulk provision of water.

- Availability of funds from the MIG and RBG.
- Service payment levels at locals to maintain infrastructure is low.

- Service maintenance
- Available capacities both human and capital at locals
- Supply rivers polluted by waste and alien grass and trees..

TRENDS, PROBLEMS AND CAUSES

Majority of urban areas have individual erf connections. Rural areas are poorly serviced in terms of water and many farm workers have to walk long distances to a water source.

Bulk water in the district is in most areas sufficient except Phumelela, Nketoana, Maluti-a-Phofung and Setsoto. Supply systems are not always adequate. Water treatment facilities are very rudimentary in some areas where quality is not guaranteed to meet standards. Water quality has drastically improved in Maluti-a-Phofung, while declining in Nketoana Municipality. Small municipalities lack personnel, resources & finances to operate and maintain bulk & internal water supply systems effectively.

The challenge in terms of water for the municipality is to provide affordable services and infrastructure with the limited resources available. In some cases (especially rural areas) the distance to communities are too large to provide an affordable water network.

1.1.2 SANITATION

CORE ISSUES:

- Disparities in provision of sanitation due to topography
- Lack of sustainable and affordable systems
- Environmental risk
- Services maintenance

TRENDS, PROBLEMS AND CAUSES

Huge imbalance existed between previously advantaged and disadvantaged areas. 58% of all residents in Thabo Mofutsanyana District Municipality did not have an acceptable sanitation system (above VIP). The predominant system in the area was VIP and buckets, but in many instances VIPs cannot be provided due communities' rejection of same. The MIG injection for bucket eradication completely changed the situation since 2005. All municipalities except Mantsopa, and Nketoana reported that they have eradicated buckets.

A waterborne system is mostly acceptable and required although it is least feasible and affordable to provide. Low or zero water usage systems are acceptable by most communities and especially viable for rural areas.

The district municipality has provided VIP systems for rural areas in the past in cooperation with DWAF. There is a concern, however, that the investment is made in favour of farm owners and that farm workers do not benefit that much.

No regional sewerage treatment works exists and most towns have their own facilities, many of which require upgrading. Small towns lack personnel, resources & finances to operate and maintain bulk & internal sanitation systems effectively. Some purification systems are a threat to the environment and urgent attention need to be given to these.

ELECTRICITY DISTRIBUTION

- Service delivery in terms of municipal networks
- Farms owned by Black farmers not serviced well
- Maintenance of networks owned by local municipalities.

TRENDS, PROBLEMS AND CAUSES

Electricity is seen not as essential for survival, but it is regarded as an important service to alleviate poverty.

Eskom is the sole provider for the region, although there is not a uniform distribution service as most municipalities buy from Eskom and then provide it to the different communities. Electricity provision and distribution through the area is generally good with little shortcomings (70-80%.) There are still imbalances in the provision of electricity as there are previously disadvantaged areas without electricity.

Power failures are common, especially during thunderstorms, due to weak networks and limited infrastructure such as sub stations.

There is no electricity generating facilities operating at the moment, but Dihlabeng has completed its small scale water driven facility. A project to generate hydro-electricity is currently operational in the Axle River in Dihlabeng and will provide some electricity to Bethlehem. The District has resolved to provide solar energy, and solar projects where possible.

1.1.3 WASTE MANAGEMENT

CORE ISSUES:

- Management of dumping sites
- Management of waste
- Regional facility
- Unlicensed landfill sites

TRENDS, PROBLEMS AND CAUSES

Local Municipalities currently provide refuse collection and disposal services in all towns. Large towns were able to comply with legal requirements and standards but smaller towns mostly do not comply (waste disposal sites)

The Structures Act requires from a District Municipality to become responsible for regional waste management, but it is still uncertain what it entails. There are currently no regional waste disposal facilities and it is indicated that such a facility might be required in the near future. It will also be the district municipalities' responsibility to make sure that waste disposal facilities and the management thereof comply with legislation.

Recycling of waste is not done widely or on a large scale. In future it will be necessary to investigate and implement cost effective ways to recycle waste. Community projects have been established in each municipality with the assistance of the Department of Environmental Affairs.

1.1.4 ROADS, STREETS, STORMWATER

CORE ISSUES:

- Responsible authorities
- Availability of funds
- Road maintenance
- Stormwater planning

TRENDS, PROBLEMS AND CAUSES

The National and Provincial roads are considered the most important to maintain as it links provinces and serve an important role to distribute goods and services in the region. N5 route between Harrismith & Winburg, R26 Johannesburg to Bethlehem to Ficksburg is of great concern as these roads are in a poor condition, but they carry a large percentage of the traffic through the area. The provincial government is attending to the problem.

The primary road network (provincial primary, secondary & tertiary) is sufficient, but it is not well maintained. The condition of roads currently affects several services (i.e. education, health, safety as well as tourism). Especially rural areas and farm workers and farmers are suffering as a result of this. The road between Kestell and Reitz is in bad shape because of non maintenance.

There is uncertainty as to responsibility for road maintenance and traffic control in the area. The amalgamation of local authorities and the wall-to-wall municipalities has brought about changes in boundaries and responsibilities. At this stage it is not clear.

The provision of streets and stormwater in urban areas and the maintenance thereof have been widely neglected due to the declining budgets of municipalities and the low priority it was given over the past 5 to 6 years. The condition of streets is worsened by a lack of proper stormwater and sidewalks planning, especially in townships. Streets in townships were not designed for cars and it creates a problem due to the fact that more and more people own cars. The general feeling is that road construction methods should be used that will require lower maintenance costs, such as paving.

The realignment of the N3 and N5 in terms of the Harrismith logistics Hub will have a profound economic impact on the region and it is a request that the department reconsiders the plan to realign the roads.

1.1.5 HOUSING

CORE ISSUES:

- Influx and rural housing conditions
- Land and ownership
- Services infrastructure provision
- Role of the Local and District Municipalities in human settlement
- Criteria for housing provision

- Incomplete housing structures

TRENDS, PROBLEMS AND CAUSES

Most urban areas experience a drastic housing backlog due to influx from rural areas. The provision of housing closely links with the provision of services and places tremendous financial pressure on local municipalities. Suitable land for new development area is often a serious problem. Local Municipalities struggle to maintain their revenue base due to non-payment of services. The result is that municipalities cannot afford to expand their services.

Informal settlements are sometimes situated in areas, which are difficult to upgrade (i.e. flood areas and private property). This makes it costly and also leads to uncertainty and unhappiness. There have been some discrepancies in the past with the allocations of subsidies. Strict control over the allocation of subsidies is necessary and qualification for subsidies should be made very clear to all. It was felt that the district municipality should play a coordinating role in the allocation of housing subsidies.

The housing situation of rural farm workers is cause for serious concern and is often the reason for influx to urban areas. The housing needs of farm workers are directly linked to ownership. There is still not a uniform solution to the problem and continuous negotiations and talks should be held between local authorities, farmers and farm workers.

1.1.6 CEMETERIES

CORE ISSUES:

- Provision of more cemeteries and lack of land
- Proper care of cemeteries
- Paupers burials
- Increased death numbers

TRENDS, PROBLEMS AND CAUSES

At most towns the existing facilities are not sufficient for the medium to long term. There is also not a regional cemetery that can be used by anyone in the district. Cemeteries in townships not sufficient for short term and new areas for cemeteries should be allocated urgently.

In many cases fencing of cemeteries is needed to limit vandalism.

Paupers' burials are increasing and placing a financial burden on municipalities. The District has been shown to be the area where the greatest number of death occurs, but not due Aids.

1.1.7 TELECOMMUNICATION

CORE ISSUES:

- Provision of service in less developed areas
- Non functioning of mobile handsets in some areas

TRENDS, PROBLEMS AND CAUSES

Telephone services are available to most people in some form (Telkom or cellular). Most new residential areas have not yet been serviced with telephone lines from Telkom. In general it is not such a high priority as many people have access to telephones in the form of cellular. The District has resolved to use wifi services for its benefit and communities around its headquarters.

The lack of telephones on farms for farm workers is a problem when emergencies arise. The cellular network in rural areas is also not enough to overcome this problem, as the cellular network does not yet cover many areas.

AGRICULTURE AND RURAL DEVELOPMENT

1.1.8 LAND DEVELOPMENT

CORE ISSUES:

- Proper planning
- Town planning schemes
- Eradicating discrepancies of the past

TRENDS, PROBLEMS AND CAUSES

In most cases land is available for further development, but in some cases municipality will need to obtain more land. Suitable land will be identified through the IDP process.

Standardized town planning schemes are needed for each municipality to combat haphazard planning. Buffer zones still exist in many towns and physical constraints make it difficult to integrate former black and white areas.

Most municipalities do not have new policies on land development yet

1.1.9 AGRICULTURAL DEVELOPMENT

CORE ISSUES:

- Local processing and SMMEs
- Decline in agricultural sector
- Small scale farming
- Skills development
- Marketing

TRENDS, PROBLEMS AND CAUSES

Thabo Mofutsanyana District (Eastern Free State) is regarded as one of the most fertile areas in the Free State and consequently one of the most productive agricultural areas. The agricultural sector does, however, experience serious financial strain with high production costs. Natural and other disasters contribute to the poor state of the sector. Another detrimental factor is the poor state of roads and transportation with trains is limited.

The sector is still dominated by white farmers, but the government and commercial farmers are putting in an effort to build capacity with previously disadvantaged people. Funds to buy land for emerging farmers are often not enough to also fund equipment and tools. The slow pace of land reform hampers the inclusion of black farmers within the sector. Although support is available, emerging farmers experience a problem in accessing information and support from the Department of Agriculture. People need on the ground training and constant monitoring. It was felt strongly that farms should only be sold to people that are really interested in farming and strict criteria should be

used to identify emerging farmers. Support programmes that will be to the mutual benefit of commercial and emerging farmers should be investigated and implemented.

Recent commonage and small scale farming developments proved not to be successful due to lack of commitment, management and other skills. Commonages are in many instances too big for effective management and the management structures for commonages are not functioning properly due to a number of reasons.

Agri-processing is virtually non-existent, especially on a large scale, although the region has a good potential in relation to future markets.

Farm lay-offs result in influx into towns and has an economic and social impact on towns. It leads to higher unemployment and higher dependency on civil services provided by the municipality. Farm lay-offs are in many instances caused by uncertainty with labour laws as well as the decline in the agricultural sector.

1.1.10 LAND REFORM

CORE ISSUES:

- Lack of proper programme
- Emerging farmers
- Management of commonages

TRENDS, PROBLEMS AND CAUSES

Almost all the land in Qwa-Qwa rural is state owned or tribal land. The land is not managed well as there is no leadership or coordination from Department of Land Affairs and Rural Development or the Department of Agriculture.

There are very few emerging farmers in the Thabo Mofutsanyana area and they are finding it difficult to improve their positions. Commonages are not managed well and unsustainable practices have a detrimental effect on the commonages. It is felt that support in managing commonages is available, but there is no land to increase the commonages.

Land Reform projects should be economically sustainable and targeted at people that want to make a success of it.

JOB CREATION AND TOURISM Development

1.1.11 TOURISM DEVELOPMENT

CORE ISSUES:

- Marketing
- Training
- Financial assistance

TRENDS, PROBLEMS AND CAUSES

The Eastern Free State very well known for several tourist attractions and destinations and are also well known for a wide variety of annual festivals. Tourism mostly focuses on the environment and attractive scenery with the focus of most tourist attractions on eco tourism and adventure tourism. The marketing of the area should be improved.

Previously disadvantaged people are not generating income from tourism yet. Very little training has been provided to also accommodate cultural tourism and to promote the informal market. Disadvantaged peoples' awareness of tourism and how to exploit the market is poor.

The District Municipality has very limited capacity in terms of personnel and funds to provide the support for these people to get involved in the tourism sector. People have the skills, but funding and training to produce good quality products lack. Another problem people face is that resources such as clay have been exhausted. Furthermore, products and services are not marketed.

The overall feeling is that a good marketing campaign that focuses on cultural tourism should be undertaken, but first structures on ground level should be organized. The marketing strategy should involve local people. Free State Tourism has rebranded the tourism routes in the province, and the District falls under the Eagles Route and part of the Cheetar Route, The Eagles Route is described as 'Every bit as majestic as the eagles that glide over the Northern Drakensburg peaks, the Eagle Route is a little piece of heaven for tourists. Whether you're in the mood for a quiet retreat in the countryside or an invigorating taste of local life and culture, you'll find the Eagle Route in the Thabo Mofutsanyane district a true feast for the senses. Spanning the Free State's southern border with Lesotho, the route runs from Ficksburg to Harrismith through some of the

most picturesque landscape in the country - including the famous 'Cherry Region'. Along the way it takes in majestic mountain views, interesting historical monuments, pristine nature reserves and fascinating towns. Whether you're an outdoor enthusiast or a culture vulture, there's plenty to see and do: from dinosaur fossils, rock paintings and arts & crafts to ski slopes, horse trails, hot air ballooning and 4X4 trips.

The towns to explore on the Eagle route are:

- Ficksburg
- Fouriesburg
- Clarens
- Phutaditjhaba
- Bethlehem

The Cheetah route begins at Ladybrand –Mantsopa Local Municipality and it described thus' **LADYBRAND**, your last stop on the Cheetah Route, is a fascinating agricultural town with a colourful history. Step back into the past with a visit to The Stables, a great rock shelter used by the Boers to stable horses during the Basotho War of 1858. Another natural landmark is the Cave Church (also known as the Rose Chapel), a hollow sandstone outcrop that was Anglican missionaries' first place of worship in the area. It is also an important pilgrimage site for Africanist churches who bring offerings to the ancestors here. The nearby Modderpoort (Lekhalong la Mantsopa) and the grave of the legendary BaSotho prophetess Anna Mantsopa Makhetha are another must. The township of Manyatseng, situated on Ladybrand's northern outskirts, was where a number of Basotho nationals from Lesotho took refuge a few years ago when violence erupted in neighbouring Lesotho. If you fish, try the well-stocked 2ha Amohela Ho Spitskop dam and adjacent deep water quarry for rainbow trout, black bass and carp. If you're lucky, you'll be able to catch the unforgettable Vintage Tractor Fair at nearby Clocolan. Clocolan is also where you'll find the prestigious Prynnsberg Heritage Home, Highlands Essential Oils, the Angora Rabbit Farm and the Ben Nevis Cherry Wine Farm – the only cherry wine-producing farm in the eastern Free State.

1.1.12 INDUSTRIAL DEVELOPMENT

CORE ISSUES:

- Marketing

- Incentives
- Financial assistance
- Local development projects

TRENDS, PROBLEMS AND CAUSES

The region does not have a strong industrial base but it does, however, have excellent potential and infrastructure to improve its economic base. The reasons why there are a limited number of significant industries is the general lack of incentives from Local Municipalities, the lack of proper infrastructure (limited research has been done) and the over-subsidization of the past has made the attractiveness of the area in comparison with other areas closer to markets less.

Another problem is that the area is not marketed as a potential industrial core. Again it is because of a lack of incentives and limited investigations in what the need of industries and the potential of the area are.

The establishment of the Harrismith Logistics Hub will inject the required growth of industries and marketing of the area,

The establishment of the Thabo-Mofutsanyana DM development Agency funded by the IDC as a driver of economic development in the region will assist in the problem areas identified.

1.1.13 SMME DEVELOPMENT

CORE ISSUES:

- Marketing
- Training
- Financial assistance and markets
- Spatially based business development
- Local development projects

TRENDS, PROBLEMS AND CAUSES

The region has a strong SMME base and excellent potential and infrastructure to improve its economic base. The reasons why there are a multitude of SMMEs is that they are being registered for the sole purpose of being business. No training takes place in those instances, and most are sole traders. The co-operatives movement will be encouraged and trained. Business will be directed to these form of entities. Mining will also be supported by this District as it will create a number of jobs. The EPWP will be encouraged in infrastructure projects as this has been shown to create jobs.

The establishment of the Thabo-Mofutsanyana DM development Agency funded by the IDC as a driver of economic development in the region will assist in the problem areas identified. The services Seta together with other SETAs has already embarked on training SMMEs in the region.

Social and Community Development

1.1.14 HEALTH CARE, AND MUNICIPAL HEALTH SERVICES

CORE ISSUES:

- Financial constraints
- Accessibility of health services
- Pilot area for National Health Insurance
- Proper coordination
- Uninformed communities
- Community campaigns

TRENDS, PROBLEMS AND CAUSES

The existing regional facilities (level 2 hospitals) are situated in Bethlehem and Phuthaditjhaba respectively. The third one in Mantsopa(Ladybrand) is under construction. The Manapo hospital in Qwa-Qwa has been nominated as a pilot site for the National Health Insurance. This will greatly assist in setting standards for other hospitals. Urban areas are mostly serviced by clinics and health care centers, whilst rural areas are serviced by mobile clinics. There are 69 Primary Health Care Clinics in the district. In most small towns a 24-hour service is not available. Altogether, there are 18 functioning mobile clinics providing basic primary health care services at weekly to monthly intervals at more than

1000 points throughout the district. The mobile clinic service is still not adequate, as it does not cover all areas, e.g. Marquard.

Animal health care is also of great concern especially in townships where animals such as cattle and sheep are kept in people's erven.

Serious illnesses such as HIV/AIDS affect the lives of many people. Not all towns have ARV centres. In many instances people are still reluctant to talk about the disease and its effects.

Uncertainty about responsibility and merger of staff – not certain about boundaries - lack of standard geographical information (GIS) that can be used to track down accidents

1.1.15 DISASTER MANAGEMENT

CORE ISSUES:

- Lack of sufficient funds
- No functional District Disaster Management Centre.

TRENDS, PROBLEMS AND CAUSES

Very few municipalities have plans in place and some have proper disaster management plans. Municipalities do not receive funds for disaster management any more from the provincial government and do not have the funds in their own budget to make provision for it. Furthermore it is difficult for municipalities to plan in isolation. An integrated approach headed by the district municipalities where all role players can get involved should be followed. The Disaster Management Plan prescribed by legislation will have to be formulated as soon as possible as the District framework already exists.

1.1.16 EDUCATION AND TRAINING

CORE ISSUES:

- Financial constraints
- Current level of education
- Illiteracy
- Entrepreneurship development

- Skills Development
- Bursaries

TRENDS, PROBLEMS AND CAUSES

Although there are many high level skilled people in the district, but lack formal employment. The lack of a relevant career guidance path leads to limited practical experience and relevance for school leavers. The quality of education in the district varies from school to school, but the majority of schools achieve low pass rates yearly

Existing tertiary facilities are situated in Bethlehem, Harrismith and Phuthaditjhaba. The Maluti FET College anticipates to open a satellite in Ficksburg. Most courses are practically orientated and students struggle to practice what they have learned since employers have not fully played their role in practical provision. The Office of the Premier, the District Executive Mayor and some SETAS notably the Services SETA are assisting in this regard.

There exists a high level of illiteracy amongst community members, particularly amongst adults. There is limited access to ABET programmes although these courses are provided all through the area. Another cause for concern is that there are very limited opportunities for formal training as far as entrepreneurship development is concerned. The opportunity to develop a private tourism school in Clarens exists.

The lack of cooperation between tertiary institutions and the private sector for practical experience for students (internship) should be addressed. It should be compulsory to institute a proper workplace skills development plan.

Municipalities through the office of the Executive Mayors/Mayors offer limited bursaries to deserving students. This is supplemented by the Office of the Premier. Business in the District should contribute.

There is a need for a database of skills that are available in the district and for information centres where people can access information on job opportunities.

1.1.17 ENVIRONMENTAL MANAGEMENT AND CARE

CORE ISSUES:

- Health conscious community
- Increased levels and concentration of waste and pollution
- Rapid urbanization and migration patterns

- Conversion of natural habitats and degradation of the ecosystem
- Conservation areas
- Environmental capacity building, training, awareness and empowerment.
- Waste removal

TRENDS, PROBLEMS AND CAUSES

Eastern Free State area is rich in natural resources and is seen as one of the most beautiful parts of the country. A large number of environmentally sensitive areas (i.e. dams, rivers etc.) exist which should be protected at all costs. Unfortunately there is currently very little coordination between different government departments involved with environmental management. Municipalities have not yet taken any responsibility to make people aware of their own responsibility to combat environmental threats.

A number of environmental risks exist. They include:

- High levels of air pollution around towns caused by wood and coal fires.
- Cutting down of trees also decrease natural air filters.
- Uncontrolled dumping of refuse and littering further contributes towards pollution.
- The poor management of sanitation systems poses a serious health and environmental risk.
- Overgrazing causes erosion, especially commonages cause a great problem
- Veldt fires damages biodiversity and leads to erosion and air pollution.
- Damage to habitat and biodiversity
- Protection of heritage sites
- Climate and air quality
- Overuse of normal electricity, and slow conversion to solar/natural energy use
- Role of women, and youth in environmental management and development.

To sufficiently combat pollution and care for the environment people should adopt a culture of caring for the environment and making use of sustainable ways to earn a living.

1.1.18 SAFETY AND SECURITY

CORE ISSUES:

- Traffic management
- Traffic control
- Centralised control room

TRENDS, PROBLEMS AND CAUSES

The highest levels of crime are experienced in townships. The safety of farmers and farm workers are a concern. Stock theft is a major problem, especially along the border of Lesotho.

In most towns CPF's are established, but the community is not aware of the new legislation regarding the Community Policing Forums. The involvement of the community in combating crime is very important and should be encouraged through various mechanisms that include the CPF.

There is confusion about powers of local and provincial traffic officials. Local officers patrol provincial/national roads, but fines are paid to the provincial office and the local municipality is not remunerated.

1.1.19 SPORTS AND RECREATION

CORE ISSUE

- Proper facilities
- Access to facilities
- Community Games
- Database of sport codes

TRENDS, PROBLEMS PRINCIPLES

Not all communities have access to sport and recreation facilities. In many cases the facilities are dilapidated and not well maintained. A variety of sports activities should be catered for.

1.1.20 WOMEN, CHILDREN, YOUTH, AND THE CHALLENGED

CORE ISSUE

- Proper care facilities
- Access to government services
- Violence against women, children and the vulnerable
- Drugs and alcohol abuse by youth
- Teen pregnancy
- Database of all needing social services

TRENDS, PROBLEMS PRINCIPLES

Not all communities have access to government facilities that provide social services.. In many cases the facilities are dilapidated and not well maintained. Budgetary constraints have negatively affected care facilities for the aged and challenged. Youth have turned to alcohol and drugs, and there has been an increase in violence against women and children. Aids is no more a big problem as in past years. ARVs are now freely available, and the number to be taken has been reduced from 3 to 1. Youth unemployment in the district is addressed by the provision of education at the FGET colleges, and in service being provided by the municipalities and sector departments. A database of all services should be updated.

1.1.21 ARTS AND CULTURE

CORE ISSUES:

- Proper planning
- Database of performers

- Community awareness programmes
- Initiation schools which are illegal

TRENDS, PROBLEMS AND CAUSES

Not all towns have arts and culture services close at hand. In almost all the municipalities the museums where they exist are in a poor condition as limited money is available for maintenance and replacement of old equipment. A lack of funds for arts and culture services is a big problem.

The District Municipality is involved in organising cultural events. They can play an important role in coordinating arts and culture and the proper management of resources.

The death of inmates at initiation schools schools is a problem, however the District is involved in ensuring that all schools are compliant with legislation.

1.1.22 TRANSPORT

CORE ISSUES

- Public Transport Facilities
- Co-ordination of transport services
- National road traffic through towns
- Integrated Transport Plan
- Rail Transport where it was discontinued.

TRENDS, PROBLEMS AND CAUSES

Taxi's fulfill most of the need for public transport within the district. A bus service (Maluti Bus Service) only runs in certain parts of the district, mainly between Bethlehem, Harrismith and Qwa-Qwa. The government's plans with the taxi industry might bring about changes in the transport industry

In many towns taxi ranks do not have sufficient facilities. The taxi ranks are also in many cases not ideally situated. Some of the smaller towns are dependant on traffic passing through on national roads, but this also causes problems such as damaging of streets, spread of diseases and

overnighting of large trucks in streets. Public participation and participation of the taxi industry is crucial when transport planning is done.

A comprehensive transport plan should be formulated as prescribed by the National Transport Act for each district municipality.

Good Governance and Community Participation

1.1.23 INSTITUTIONAL CAPACITY AND MANAGEMENT

CORE ISSUES:

- Training in new laws, policies
- Legal Compliance
- HR development programmes including skills development and competency requirements
- Communication with communities and their participation in municipal issues.
- Inter-municipal relationships, intergovernmental relations and shared services

TRENDS, PROBLEMS AND CAUSES

A skills development audit has been done and a programme for further development of the skills of municipal workers is being implemented.

Programmes are underway to improve the IT System of all municipalities in the Free State and possibly link all municipalities via the same system. The Provincial Government leads this programme.

Communication between the local and district municipalities are good although it can still improve. High hopes are placed on the IDP process to come up with solutions to many problems. One of the key areas where improvement is needed is the co-ordination with government departments and service providers.

The district municipality will play an important role to ensure the effective participation of all role players in the planning process.

The view (image) communities have of municipalities are not always positive. A culture of participative governance is slowly being established, but it will take time to establish community participation structures in such a way that it is representative of and informative for communities. Community Development Workers have been employed in all local municipalities, and these have been strengthened by the establishment of ward committees in all wards. The incentive provided to ward committees assists in this regard.

A delegation system has been approved to avoid blurred roles and responsibilities. The challenge is to find the responsibilities and role that the district municipality can play without duplicating provincial

government functions within the local government structure and to build capacity in the district municipality to fulfil this new role. SALGA and other state departments especially the AG, and treasury assist the District in matters of good governance.

In terms of oversight, all municipalities have functional oversight committees. The District provides a shared service for Nketoana and Phumelela local municipalities. The District has already established the Municipal Public Accounts Committee. The District provides shared audit committee services for Phumelela, Nketoana and Setsoto municipalities.

Intergovernmental relations are important to the District. The IGR Forum has been established, and District based Mayors Forum, Municipal Managers, and IDP and PMS managers forum meet. The District participates in the M&E, IGR, and both MECLOGA and TECHNICAL MECLOGA.

The Performance Management System Framework has been adopted by Council, and an electronic PMS is to be procured.

1.1.24 CLEAN AUDITS AND IMPROVED REVENUE BASE

CORE ISSUES:

- Internal capacities of Local and District Municipalities to raise own funding
- Operation Clean Audit 2014
- Internal control systems
- IT related issues

TRENDS, PROBLEMS AND CAUSES

The revenue base of Thabo Mofutsanyana amounts was approximately R34-36 million per year. The levy system has been abolished, thus the erosion of the revenue base. Levy replacement grant is not enough to cover the District needs. The Municipal Infrastructure Grant is not allocated to the District anymore.

The District has attained an unqualified audit with matters of emphasis in the past two years. This positive trend has to be replicated to all locals especially Phumelela and Maluti-a-Phofung.

Internal control system and lack of IT security have been found to be lacking by the Auditor General.

SECTION C: VISION

VISION

To create integrated, self-reliant and sustainable communities throughout the Thabo Mofutsanyana highlands, with financially viable, participative and developmental local municipalities.

SECTION D: MISSION

MISSION

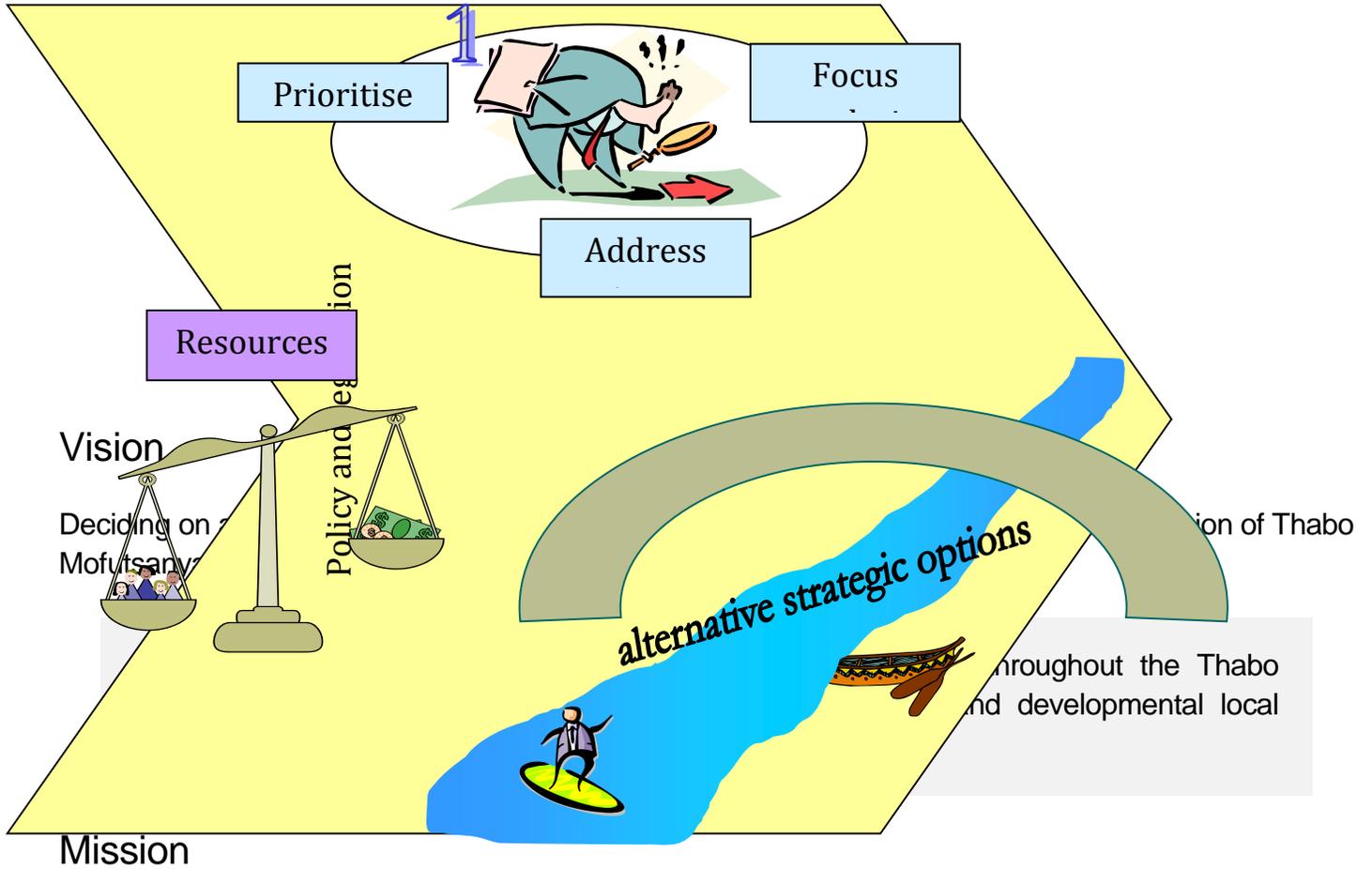
Continuously improving and developing living conditions of our communities by providing efficient and effective bulk services and create a conducive environment for business opportunities and job creation.

SECTION E: STRATEGIC OBJECTIVES

The development direction that the municipality will follow over the next five years

Introduction

This is the most important chapter as it contains the vision and development objectives of the municipality. In other words what the municipality want to achieve over the next five years. It also contains the how part. The strategies of the municipality are listed in this chapter. The chapter contains the following:



Continuously improving and developing living conditions of our communities by providing efficient and effective bulk services and create a conducive environment for business opportunities and job creation.

Core values

- Integrity
- Transparency

- Commitment
- Co-Operation
- Openness Consultation
- Responsiveness
- Effective Communication
- Corporate governance
- Social responsibility
- Services delivered in line with Batho Pele principles
- High level of professionalism, integrity and objectivity

Objectives and Strategies

Objectives are phrased for each priority issue in a way which describes the envisaged situation related to the priority issue within a five-year period. The objectives inform/guide the strategies. Strategies can be defined as the ways (how) to achieve objectives. Projects are a temporary set of measures/interventions that translate the strategy into practice. Objectives related to infrastructure will be problematic to achieve due to the District not having any MIG allocation for the present MTF.

SECTION F: DEVELOPMENTAL STRATEGIES

The policy framework for the development objectives and strategies

Introduction

Strategy decisions of a municipality have to be informed by two sides: Firstly by the local context, i.e. by the municipality's priority issues, its vision and objectives, and secondly by national and provincial policy and strategy guidelines.

During a district level workshop where the municipalities within Thabo Mofutsanyana participated together with key government departments and service providers these national and provincial policy and guidelines were scrutinized together with the local priority issues. The result of this was guidelines that will be able to inform local decisions on strategies. These guidelines are an important integration tool within the IDP process. It leads the municipalities of Thabo Mofutsanyana and government departments to move in the same direction and by doing so optimizing the use of resources and limiting the possibility of duplication.

Although these guidelines are not legally binding, by not taking them into account when deciding on strategies, you run the risk of not qualifying for funding for further projects should these be in contrast to the guidelines.

There are five crosscutting issues for which strategic guidelines have been formulated. Under each of these issues the national and provincial policy and legislation to be considered have been listed. Following that is the localised strategic guidelines for the specific issues. These two categories should be read and used in conjunction with each other. No national or provincial policy can be discarded in favour of a local situation; they should serve to compliment each other.

Spatial Strategic Guidelines

1.1.25 National Policy Documents

- Development Facilitation Act, Chapter 1
- The Housing Act
- The Housing White Paper
- Green paper on Development and Planning
- National Environmental Management Act
- National Spatial Development Perspective

Localised Guidelines

The following is a set of principles/guidelines that are incorporated within the strategies of the municipality:

- Formalize informal areas for urban development.
- Rural development should be classified in 2 groups (tribal land users and farm workers) and the active participation by tribal and farm communities should be encouraged.
- Discourage illegal occupation of land, without compromising development of new settlements.
- Focus should be on implementation of plans (IDP) and not only on planning.
- Before building houses or allocating housing subsidies, serviced land should be made available. This will lead to more effective and sustainable housing development.
- The estimated population density on erven should be taken into consideration when services are provided.
- Protect jobs on farms by providing incentives for rural development to discourage urbanization.
- Commonages must be managed well with support and guidance by municipalities. Clear guidelines must be set out for the use of the commonage and the users should receive training before they can make use of the commonage.
- Maintenance of the existing road network should be priority.
- Maintain and protect the natural environment and develop it effectively and in sustainable manner.
- HIV/AIDS impacts on land development in various ways and should be taken into account in all strategies. Cemeteries should be carefully planned. The district municipality can take leading role with regard to burials.
- Identify suitable land for waste management on a regional basis.

Strategic Guidelines for Poverty Alleviation and Gender Equity

1.1.26 National and Provincial Policy Documents

- Constitution, sections regarding basic needs and gender equity
- Reconstruction and Development Programme
- White Paper on Local Government
- SALGA Handbook on “Gender and Development”
- Poverty Eradication Strategy of the Free State

1.1.27 Localized Guidelines

Each municipality experience similar and different local poverty situations and gender related problems. These problems should be targeted with the strategies for the IDP.

1.1.28 Specific Population Groups to be targeted

- Historically disadvantaged people
 - Farm workers
 - Youth and Women (also boys and men)
 - Disabled people
- Child headed households
- Single parent headed households

1.1.29 Strategic Guidelines

- Involve disadvantaged groups at the planning stage to ensure full ownership of projects/development/transformation.
- Community profile: establish a directory of organizations and vulnerable people at ward level.
- When disadvantaged people receive ownership of land a conscious effort must be made to ensure access to sustainable methods of production.

- Engage with farmers' unions/merging associates to enable involvement of all role players in agriculture development.
- Involve tribal authorities in planning and projects.
- Cluster similar organisations/projects to use resources better.
- Consciously develop skills (overcome illiteracy by using art form as communication).
- Provide support to disadvantaged people with tender applications and simplify the process to promote access to tenders.
- Community mobilization e.g. street committee, networking.
- Illegal immigrants should be dealt with and planned for together with other areas and SADEC.
- Implementation of free basic water.
- Focused targeting.
- Intervention based on well-researched information.
- Allocate funds over longer periods (upfront funding).
- Appropriate support and monitoring and capacity programs.
- Integrated approach (multi sectoral).
- Strengthen local partnerships.
- Contextualise intervention (local context).

Strategic Environmental Guidelines

1.1.30 National Policy Documents

- National Environmental Management Act, Chapter 1 principles
- Local Agenda 21
- National and Provincial Environmental Management Plans

1.1.31 Endangered or Degraded Resources in the District

Air quality are threatened by

- Industries that pollute air
- Wood, coal used as energy source
- Township establishment

Water quality are threatened by

- Storm water pollution
- Grey water
- Solid waste pollution
- Graveyards

Biodiversity are threatened by

- Veldt fires
- Housing development
- Unsafe agricultural practices
- Quarries

1.1.32 Locations That Requires Sensitive Management

Clarence – tourism potential

Golden Gate – national park

Platberg – wetland conservation

Fika Patso, Metsi Matso, Sterkfontein and Saulspoort dams

Cultural heritage sites

Archeological sites

Land for settlement below flood line

1.1.33 Economic Activities Which Need Special Attention with Regard to Environmental Impact

Quarrying (sand stone)

Township development

Agricultural development

Industries (tannery)

Trout dam (front fishing)

Waste Management (illegal dumping)

Unsafe working conditions

1.1.34 Risks of Environmental Disasters

Floods (settlement in flood line)

Veldt fires

Drought

HIV/AIDS

Alien species (e.g. eucalyptus trees)

1.1.35 Additional Principles

Municipalities should control subdivision of farmland so that it will not impact negatively on natural resources.

District Municipality should be environmentally sensitive by helping to raise environmental awareness among communities and guide them in adhering to the National Environmental Management Act Principles.

Strategic Guidelines for Local Economic Development

1.1.36 National Policy Documents

- Local Government: LED Policy guidelines
- NSDP
- Local Economic Development Policy Paper

Strategic Guidelines

1.1.37 Focal Economic Sectors and Geographical Areas for Promotion

- Tourism (eco-tourism) – Clarens, Qwa-Qwa, Bethlehem, Ficksburg, Fouriesburg, Harrismith, Kestell, Reitz and Memel
- Agriculture (agricultural products and agri-businesses)
 - Whole area of Thabo Mofutsanyana
 - Fruit production: Ficksburg
 - Horticulture: Reitz, Bethlehem, Clarens
- Agro-packaging: Reitz
- Industries – Qwa-Qwa, Tsiame, Harrismith, Bethlehem
- Land reform – major economic sectors to address ownership (land tenure) with focus on poverty alleviation and gender sensitivity

1.1.38 Basic Principles for promotion

Labour intensive techniques

Use of SMME's in projects such as repairing roads

Create a database of SMMEs in each municipality

Create district markets

Promote involvement of women

Good marketing strategies

Improve knowledge: empowerment through training

Maintenance of infrastructure (roads, water, sanitation)

Manage the spread of HIV

Major Promotion Instruments

Funds

Resources (capacity, skills, human resources, facilities) and entrepreneurship

Accessible infrastructure

Institutions and policies (local government and other government departments)

Stability, security and safety

1.1.39 Major Target Groups/Beneficiaries

SMME's

Women

Farm workers

Emerging Farmers

Commonage users

Established / existing business

Investors locally and from overseas

1.1.40 Additional Principles

Local Municipalities should act as agents for local communities to apply for funds. Funds should only be distributed through local municipalities. A condition for LED projects should be proper after care and monitoring facilitated by the local municipality with assistance from the district municipality.

All development efforts of other organs of state or private organisations should go through municipalities.

Institutional and Performance Management Strategic Guidelines

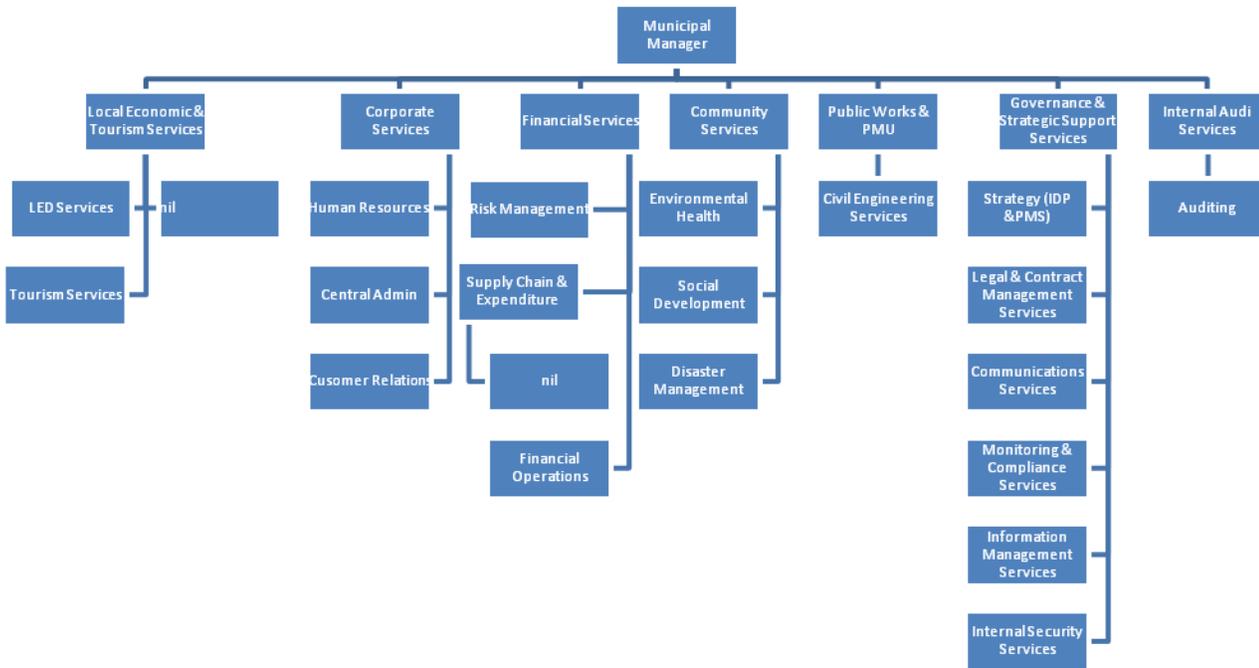
1.1.41 National Policy Principles

- Municipal Finance Management Act
- Municipal Structures Act

- Municipal Systems Act

Strategic Guidelines

- Appointments should be in line with Skills Development and Systems Act
- Clear communication and sustainable monetary system.
- Co-ordination on all levels with the national and provincial departments and district and local municipalities.
- Strategies must make provision for alignment, co-ordination and integration mechanism.
- Sustainable and consistent structures at all levels of departments.
- All projects and strategies should make provision for adequate participation, advice and decision making at all levels.
- Initiating managerial reform
- Performance to be in line with the SBDIP



Thabo-Mofutsanyana District Municipality Organogram

IDP OBJECTIVES AND STRATEGIES

Priority Issue	Objective	Outcomes	Strategy
Water	To ensure that adequate water is available in order that all rural and urban communities have access to potable water, which is provided on at least RDP standards and at affordable rates.	Increase the percentage of access to potable water on at least RDP standards	Build capacity at the district municipality to fulfill its role as a bulk services provider
			Assist local municipalities to provide an effective and affordable service to their community (urban and rural)
			Apply to funding agencies for funds and grants.
Sanitation	To provide an acceptable and affordable sanitation system for the entire region (VIP or waterborne)	Healthy living conditions for all; Increase access to basic sanitation	To ensure that the sanitation infrastructure of the entire region has sufficient capacity and functions properly.
			Apply to funding agencies for funds and grants.
Electricity	To have a reliable electricity distribution system throughout the region for both rural and urban areas.	Equal access to electricity by all	Lead municipalities to adopt a uniform approach to deal with electricity through the energy forum
			Encourage municipalities to make use of different sources of energy that is cost effective and environmentally friendly
			Encourage service providers to get involved in the integrated planning of the district
			Encourage local municipalities to address the needs of farming communities, especially farm workers, farmers, and provide funding thereof

Priority Issue	Objective	Outcomes	Strategy
Waste Management	To ensure that waste management services at all local municipalities meet the legal and environmental requirements and are managed to appropriate standards	All legal requirements in terms of waste management are met.	Advise local municipalities on appropriate measures to control health risks at solid waste dumping sites.
			Assist local municipalities to control health and environmental risks in the management of solid waste
Roads, Streets, Stormwater	To provide overall planning and provision of streets and stormwater systems for all municipalities within the region in phases over the next 5 years.	Well maintained and safe roads throughout the district	See to it that a proper stormwater, and roads plan for all towns and townships are developed. Provide paving and tar in major streets.
			Build the capacity of the district municipality in infrastructure development.
			Use community based public works programme methods for procurement, planning, construction and maintenance
	To have an effective national, primary and secondary road system that is well maintained.	Safe and maintained road networks	Share resources of provincial department - money, equipment
			Facilitate the establishment of public private partnerships to maintain roads
			Apply for funding from different sources (National, Provincial – grants, MIG, District Municipality/ Farmers, License fees/Local municipalities)

Priority Issue	Objective	Outcomes	Strategy
			Establish a forum for the 4 spheres of government for planning of roads and Stormwater and sorting out responsibilities
			Maintain priority roads
			The construction and upgrading of roads should take into consideration the cost of maintenance – paving of roads
Housing	Co-ordinate and facilitate all housing requirements and funding allocations properly	All people have access to safe formal housing	Develop a database on housing and update it continuously
			Apply for accreditation from the Department of Housing
			Establish a of Housing Forum at District level
			Assist local municipalities to establish housing support centers within communities
			Assist to speed up the process of securing land tenure and addressing the land restitution problem.
Cemeteries	Cemeteries in all municipalities are adequate for future needs and are well maintained	Sufficient and suitable land have been provided for cemeteries	Facilitate and advise local municipalities on the provision and maintenance of cemeteries through the Spatial Development Framework

Priority Issue	Objective	Outcomes	Strategy
Rural Development	Land is developed on the basis of integrated planning and participation by all relevant role players	Effective and sustainable development and use of land	Ensure that the principles of the DFA are adhered to when planning decisions are taken
			Ensure proper communication between community, national and provincial departments and the municipality
			Ensure that all areas and communities are represented in planning activities
Telecommunication	Improve access to communication	Enhanced communication	Facilitate the provision of community telecommunication infrastructure and upgrade infrastructure where necessary.
Municipal Health Services including Environmental Management and care	To provide a comprehensive Municipal Health and Environmental Management Service to the community of TMDM.	Comprehensive Municipal Health and Environmental management services rendered to the community of TMDM.	To ensure microbiological and chemical food security in the informal and formal sector.
			To ensure that drinking water as well as water for used for recreational purposes are safe with special emphasis on rural and under-serviced areas
			To ensure atmospheric safety by minimizing exposure of the community to harmful radiation, air and noise pollution
			To promote improvement of sheltering (housing) to improve living conditions regarding ventilation etc.
			To ensure biological security with regard to vector control, poisonous vegetation and infectious diseases

Priority Issue	Objective	Outcomes	Strategy
			To facilitate the improvement of sanitation conditions in the community
			To prevent unintentional intoxication or pollution of soil, water and food resources by pesticides, household and any other chemicals
			To ensure that one Environmental Health Practitioner is available per 15 000 of the population of Thabo Mofutsanyana District Municipality
Education and training			
	Improve the level of education and skills of the community	Communities are able to compete in the global market	Facilitate the use of SETAs in all areas
			Improve the level of service of existing FETs, learning institutions and schools
			Create public awareness on adult basic education programmes
	Schools achieve high pass rates in all grades throughout the district		Facilitate the establishment of a district level forum consisting of local government, the Department of Education and school bodies that can look at all education issues
			Establish the District Bursary fund for the needy children that perform well in the school

Priority Issue	Objective	Outcomes	Strategy
			Encourage the implementation of a skills development strategy with all SETAs, FET, and the University
Environmental Management and Care	Thabo Mofutsanyana district area has a clean and healthy environment	Clean and healthy environment	Reduce the use of wood and coal as an energy source and encourage people to make use of alternative sources of energy
			Promote the implementation of alternative sanitation systems that are cost effective, use less water, are not detrimental to the environment
			Encourage ecologically viable commonages.
			Encourage municipalities to ensure that all communities are educated in terms of the prevention of all forms of pollution and preservation of natural resources.
Safety and Security	Thabo Mofutsanyana is crime free area	Investor friendly area	Encourage local municipalities to participate in drawing safety plans
	The SAPS is involved in all municipal planning activities		Encourage the involvement of the SAPS in municipal planning activities.
	Improve the relationship between farmers and farm workers		Make people aware through Farmers unions, public meetings, mass media to be tolerate– educate farmers and farm workers on better human relations

Priority Issue	Objective	Outcomes	Strategy
	Reduce the number women and children abused and raped.	Safe communities	Mobilise communities and resources to fight against women and child abuse and rape
	Improve traffic policing and safety conditions on all roads	Safe Roads	Organize Road Safety Awareness Programmes
			Coordinate planning for emergency services
Transport	A properly coordinated public transport system exist in the district	Public transport are accessible and properly coordinated	Engage with the provincial department to clarify roles and responsibilities with regard to public transport
			Develop a Integrated Transport Plan for the district
			Regulation of taxi industry
			Proper taxi ranks are provided in all areas
Sports and Recreation	Proper sport and recreation facilities are available to all communities	Improved quality of life; Culture of sportsmanship	Improve existing sports facilities
			Provide a variety of sport and recreation facilities for staff and communities
			Encourage private institutions to organize sports and recreation events in Thabo Mofutsanyana
Disaster Management	Proper contingency plans for disasters at local municipal level as well as at district	Disasters have a minimum impact on the	Coordinate disaster management planning
			Make provision for disasters within the municipal budget

Priority Issue	Objective	Outcomes	Strategy
	level are in place.	community	<p>Ensure training of communities in terms of assistance during disaster</p> <p>Create awareness of the dangers of fire fighting and other disasters and procure firefighting equipment.</p> <p>Capacitate the municipalities to cope with fire fighting</p> <p>Create a culture of pride about our veldt and grass.</p>
Rural Development	All adult residents should have access to ownership of land.	The number of informal settlements decrease	Assist in speeding up the land claim processes
		Security of tenure for all	Facilitate the process of transferring state owned land to relevant communities/authorities.
			Inform communities on different programmes of the Department of Rural Development
	Farm workers have security of tenure		Engagement of farmer's union and farm workers to comply with relevant legislation
			Facilitate a process whereby farm workers have access to housing, electricity and land ownership.
Agricultural Development	Stimulate the agricultural development of the region through the	Enhance economic growth; Sustainable	Encourage local municipalities to make municipal land available at affordable rates for small-scale and emerging farmers.

Priority Issue	Objective	Outcomes	Strategy
	production of unique and value adding products and to ensure the development of small-scale and emerging farmers.	livelihoods; Decrease unemployment	<p>Identify groups, and co-operatives for agriculture projects</p> <p>Establish private public partnership for marketing of produce</p> <p>Encourage establishment of value-adding business, industries</p> <p>Promote permaculture and organic production to produce unique products for the area</p> <p>Co-ordinate meetings between agriculture extension officers, emerging farmers and commercial farmers to share knowledge and experience and to build ties</p> <p>Facilitate resolve of conflicts between emerging and commercial farmers and/or beneficiaries of projects.</p>
	A significant number of small-scale and emerging farmers (of which at least 30% must be women and 5% disabled people) received training and have become effective commercial farmers.		<p>Co-ordinate training of emerging farmers by the Department of Agriculture</p> <p>Assist farm workers to have access to training from the department</p> <p>Facilitate establishment of mentorship programmes for emerging farmers</p> <p>Coordinate the monitoring and facilitating of agriculture projects and make sure that assistance is rendered with the sustainable of the projects with the help of the provincial department.</p>

Priority Issue	Objective	Outcomes	Strategy	
	Sustainable community gardens exist throughout Thabo Mofutsanyana		Encourage the establishment and maintenance of community gardens	
Tourism Development	Tourist attractions and facilities meet and maintain industry standards tourism is promoted on a regional level.	Enhance economic growth; Sustainable livelihoods; Decrease unemployment	Identify a set of standards for tourist attractions and facilities and monitor it	
			Capacitate the department of tourism in TMDM to enforce the standards and policies set by the tourism body	
	Tourist routes are established		Establish tourist attraction routes	
	Ensure the effective marketing of the region for tourism supported by all role-players.			Create and awareness (culture) for tourism in the region with local people
				Make maximum use of technology to market the area
				Focus on the areas cultural heritage when marketing the area
				Develop a comprehensive marketing strategy through the tourism body
				Encourage local municipalities to establish tourism offices
Ensure the strengthening and further growth of current festivals in the region			Strengthen tourism networks with other regions	
			The district should support local festivals by attending festivals and making use of them to market the area	

Priority Issue	Objective	Outcomes	Strategy
	Strengthen the efforts of previously disadvantaged people in tourism development by creating opportunities for them especially within cultural tourism.		Sell products produced locally by disadvantaged people at various shows and exhibitions around the country
			Train people in producing good quality arts and crafts and in business skills so that they will be able to market their products
			See strategy 3.1
Industrial Development	To broaden the industrial base/capacity of the district	Enhance economic growth; Sustainable livelihoods; Decrease unemployment	Coordinate industrial development efforts of local municipalities
			Distribute information on training courses available and financial institutions that can fund upcoming industries
			Investigate the possibility of developing a regional cargo airport
			Improve access to entrepreneurship training facilities by 10%
Corporate Governance, Good Governance, and Community	Maintain the institutional capacity to implement the IDP and accompanying programmes effectively and	Integration of all departments and spheres of government;	Create a corporate culture, identity and vision
			Streamline the organogram in terms of the IDP
			Place and appoint personnel

Priority Issue	Objective	Outcomes	Strategy
y Participatio n	efficiently	Coherent and cooperative public service	Develop an employment policy for employment equity, placement policy, basic conditions of employment and skills development plan.
	Create a responsive and accountable administration	Team work	Build team spirit
		Knowledgeable staff	Orientate staff on all legislation governing the activities of the district
		The IDP to guide all planning	Make the IDP a working document for all staff
		Clean Audit reports, or opinions	Engender strict financial discipline to root out corruption practices that may occur in the absence of discipline
		Measurable KPIs are attained	Install a PMS tool for the entire District
		Transparent Government	Encourage and Promote Community involvement through ward committees, and CDWs
Financial Vioability	Effectively manage the finances of the District and development necessary measures for full accountability and reportimng.	Increased income	To increase the revenue base of the District by meeting all creteria for grant funding.
			To supplement the existing revenue base of the District Council by exploiting new potential source of income.

Priority Issue	Objective	Outcomes	Strategy
		To meet the requirements of clean audit	To ensure that the District Council in conjunction with all municipalities applies an effective debt collection , income collection, and effective reporting systems.
Safe IT Environment	Safe IT systems are in place	Foolproof IT systems, and good polcies	To install own protected servers, and develop policies

Infrastructure
Safety and
Security

Projects for 2013/2014

- **Electricity**
- Six High mast lights (Lusaka) - R1million
- 150 Solar Lights - R4 million
- Fifty Solar lights (Memel)
- Hundred Solar lights QwaQwa
- Installation of Solar Home System and Solar Street Lights in the farming areas for fifty houses and rural areas in Maluti-A-Phofung –R 1.3m

- **Roads**
- De-built(Rehabilitation) - R2 million
- Lusaka (Rehabilitation) - R2 million
- Lindley -2KM-Road paving - R8 million
- Ladybrand road -R4 million
- Rural Roads Maintenance(Rehabilitation)-Maluti-A-Phofung-R1million
- Qholaqwe-roll over-1,5 km -R7 million
- Arlington-roll over -R961 000
- **Sanitation**
- Outfall Sewer (Memel) - R6.5Million
- **Sport Facilities**
- Rehabilitation of athletic tracks in Charles Mopeli – R 12 million
- Design and Revamping of Petrus steyn Sports facility- R 22 million
- Design and Revamping of Intabazwe Sports facility – R 22 million
- Reshaping and installation of goal Post of the Tseki sports field –R 200 000.00
- All sports facility an application has been submitted to National Lottery for **funding except for Tseki Sports Field.**

Social Development	Health Council
	District Aids Council
Social Development	
	World Aids Day
	Moral Regeneration
	Health and Hygiene Education Programmes
	Food and Water Safety Project
	Greening and Arbor Day Projects
	Air Quality Management Plan
Sports, Arts And Culture	OR Tambo Games
	SAMSA Games
	Arts and Culture Council
	TMDM Heritage Documentary
	Artist Database
Children, Youth, Women and Disability	Disability Plan
	Youth Council
	Women Day Celebrations
	16 Days of Activism
	Youth Month Celebrations
Disaster	Disaster Management Plan
	Disaster Risk Management Plan

Management	Disaster (veld, structural, chemical and fire floods) campaigns
Financial Viability	Support to Local Municipality -GRAP
	Preparation of Financial Statement
	Revenue enhancement
SMME's and Cooperatives Support	Co-operatives Start Up Projects
	Informal Trading Support
	District LED SUMMIT
	LED Strategy
	Waste Recycling Project
	Sandstone mining/beneficiation project
Tourism Support	Tourism Marketing
	Tourism Promotion
	District Tourism Expo
Agriculture and Rural development	Agricultural Sector Plan
	Rural Roads Maintenance(Rehabilitation)-Maluti-A-Phofung-R1Million
	Installation of Solar Home System and Solar Street Lights in the farming areas for fifty houses and rural areas in Maluti-A-Phofung –R 1.3m
	Team-Mate Management System

Municipal Manager	Credible IDP
	E-PMS Management System
	ICT Management and Programming
Corporate Services	Telephone System
	Employee Wellness Programme
	Time Management System
	Protective Clothing
	Legal Services
	Procurement of vehicles
	Furniture Procurement
	Photocopy machines
	Hygiene provision contract
Mayoral Social Intervention	Communication and Marketing
	Poverty Alleviations and Campaigns
	Mayoral Bursaries
Speakers office Programmes	Councillor Capacity Building
	Public Participation
	ID, and voter registration campaign

EXECUTIVE SUMMARY BUDGET

The application of sound financial management principles for the compilation of the district wide financial plan is essential and critical to ensure that the district remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The district business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 64, 66 and 67 were used to guide the compilation of the 2013/2014 MTREF.

The main challenges experienced during the compilation of the 2013/2014 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity bulk infrastructure;
- The need to re-priorities projects and expenditure within the existing resource envelope given the cash flow realities and the cash position of the municipality;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – the municipal allocation relating to infrastructure grant associated with capital investment has been withdrawn (Municipal Infrastructure Grant), thus limit the functions of the District in relation to bulk infrastructure investment for the budget year 2012/2013 MTREF and beyond; and
- Availability and/or affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2013/2014 MTREF:

- The 2012/2013 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2012/2013 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- An upper limit of R9 million was set for the following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:

- Consultant Fees;
- Employee wellness programme;
- Training programmes;
- Bursary fund;
- Youth Development Programme;
- Information Technology and Communication;
- Audit fees, and
- SMME Development.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2012/2013 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2012/2013 MTREF

	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2014/15
DETAILS	'000	'000	'000	'000
Total Operating Revenue	131,092	86,856	93,357	104,375
Total Operating Expenditure	125,447	107,446	90,159	100,883
Surplus / (Deficit) for the year	5,644	(20,590)	3,198	3,492
Contribution to Capital Exp.	0	(5,000)	(3,500)	(3,608)
NET Surplus / (Deficit) for the year	5,644	(25,590)	(302)	(116)

Total operating revenue has decrease by 34 per cent or R44 million for the 2013/2014 financial year when compared to the 2012/2013 Adjustments Budget. For the two outer years, operational revenue will increase by 7.5 and 12.5 per cent respectively, equating to a total revenue growth of R17.3 million over the MTREF when compared to the 2013/2014 financial year.

Total operating expenditure for the 2013/2014 financial year has been appropriated at R86 million and translates into a budgeted deficit of R20,5 million, when compared to the 2012/2013 Adjustments Budget, operational expenditure has decrease by 14.5 per cent in the 2013/2014 budget and by -16 per cent and increase by 11.5 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R3.1 million and R3.4 million. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The operating deficit of R25,5 million after contribution to capital for 2013/2014 MTREF will be off-set against accumulate surplus / or investment reserves of R33,5 million and the deficit of the two outer year cumulative R418,000 will also be off-set against accumulated reserves.

The contribution to capital amount to R5 million for 2013/2014 MTREF and decrease to R3.5 and R3.6 million respectively over the two outer years 2014/205 and 2015/2016. The contribution relates to the following capital line items:

- Disaster Management Equipment R2.5 million
- Furniture and Equipment R1 million
- Vehicles R1.5 million

1.1 Operating Revenue Framework

For Thabo Mofutsanyana District Municipality to continue improving the quality of services provided to its citizens and the support to its local municipality within the district it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty.

The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the District and continued economic development;
- Efficient revenue management;
- The wide district financial recovery plan;

The following table is a summary of the 2013/2014 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	Current year 2012/2013		2013/14 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjustment Budget	2013/14	2014/15	2015/16
	'000	'000	'000	'000	'000
R thousand					
<u>Revenue by Source</u>	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-
Rental of facilities and equipment Interest earned - external investment	-	-	-	-	-
	1,534	2,134	1,560	1,630	1,720
Operating grants	80,565	84,065	84,421	91,727	102,655
Other revenue	2,393	43,893	875	-	-
Transfers recognised to operation	-	-	-	-	-
Gain on disposal of PPE	-	-	-	-	-
Total Revenue (Excluding capital transfers and contribution)	84,492	131,092	86,856	93,357	104,375

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Operating grants and transfers forms a significant percentage of the revenue basket for the municipality. Operating grants and transfers totals R84,421 million in the 2013/2014 financial year and steadily increases to R91,727 million by 2014/2015 and R102,655 by 2015/2016 respectively. Note that the year-on-year growth for the 2013/2014 financial year is 2 per cent and then flattens out to 7.5 and 11.5 per cent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3 Operating Transfers and Grant Receipts

Description	Current year 2012/2013		2013/14 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjust ment	2013/14	2014/15	2015/16
	'000	'000	'000	'000	'000
RECEIPTS:					
<u>Operating Transfer and</u>					
National Government:					
Local Government Equitable Shares	76,578	76,578	81,281	87,537	98,062
Financial Management Grant	1,250	1,250	1,250	1,250	1,250
Municipal System Improvement Grant	1,000	1,000	890	934	967
EPWP Incentive Grant	1,737	1,737	1,000		
Provincial Government:					
Infrastructure Grant		4,500			
Other Grant Providers:					
Total Operating Transfer and Grants	80,565	84,065	84,421	91,727	102,655

1.2 Operating Expenditure Framework

The Municipality's expenditure framework for the 2013/2014 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the Municipal Financial Management Act;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2013/2014 budget and MTREF (classified per main type of operating expenditure):

Table 4 Summary of operating expenditure by standard classification item

Description	Current year 2012/2013		2013/2014 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjustment Budget	2013/14	2014/15	2015/16
	'000	'000	'000	'000	'000
R thousand					
<u>Expenditure By Type</u>					
Employee related costs	39,043	40,770	41,576	43,904	46,294
Remuneration of councillors	7,743	8,666	8,272	8,727	9,251
Finance charges	57	57	60	63	67
Bulk purchases	-	-	900	900	900
Depreciation	-	900	800	843	889
Transfers and grants	5,379	45,972	29,500	9,000	15,000
Other expenditure	31,148	29,083	26,338	26,721	28,483
Loss on disposal of PPE	-	-	-	-	-
Total Expenditure	83,370	125,447	107,446	90,159	100,883

The budgeted allocation for employee related costs for the 2013/2014 financial year totals R41,5 million, which equals 39 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.35 per cent for the 2013/2014 financial year. An annual increase of 6.1 and 5.9 per cent has been included in the two outer years of the MTREF.

As part of the Municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards. As part of the planning assumptions and interventions all vacancies were originally removed from the budget and a report was compiled by the Corporate Services Department relating to the prioritization of critical vacancies within the Municipality. The outcome of this exercise was the inclusion of R8 million in the 2013/2014 financial year relating to critical and strategically important vacancies. In addition expenditure against overtime was not budgeted in the prior years including the current and two outer years.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality’s budget. Notwithstanding, the above facts the Councillors projected increase has been estimated at 5 per cent in the 2013/2014.

Due to the increasing legislative compliance requirement contracted services has been identified as one component that is increasing at cost for the Municipality. As part of the compilation of the 2013/2014 MTREF this group of expenditure was critically evaluated and Head of Department had to motivate for this service to be included in the budget. In the 2013/2014 financial year, this group of expenditure totals R2.8 million and has escalated by just 38 per cent. For the two outer years it has decrease by an average 25 per cent decline.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 6.5 per cent for 2013/2014 and curbed at 6.4 and 6.1 per cent for the two outer years, indicating that significant cost savings have been already realised.

The following table gives a breakdown of the main expenditure categories for the 2013/2014 financial year.

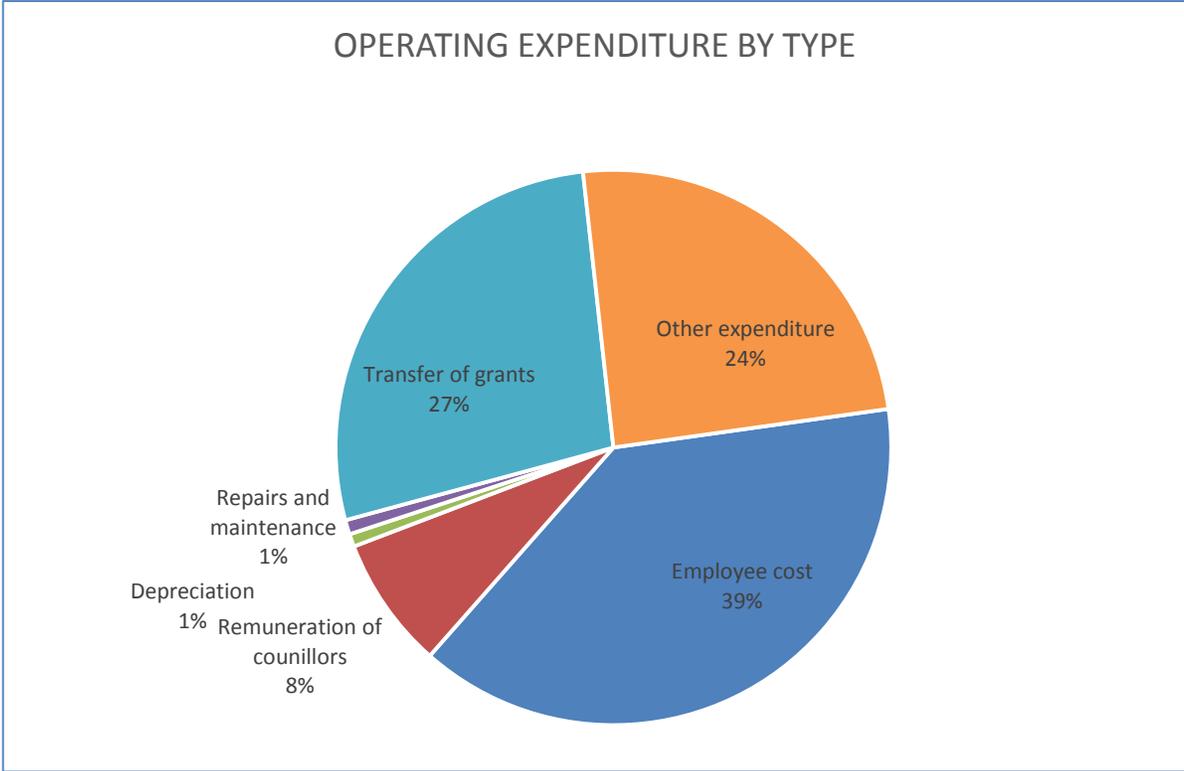


Figure 1 Main operational expenditure categories for the 2011/12 financial year

1.3 Grants and subsidies transfers

Table 1A 2013/2014 Medium-term budget summary

For 2013/2014 MTREF an amount of R29,5 million has been appropriated for the development of infrastructure on behalf of local municipalities and in the outer years this amount has been appropriate at R9 million and R15 million respectively for each of the financial years.

The Medium Term Revenue and Expenditure Framework Budget 2013/2014 is hereby submitted.

Part 2 – OVERVIEW OF THE IDP AND BUDGET PROCESS

Overview of the annual budget process

Section 53 of the MFMA requires the Executive Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Executive Mayor.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

Budget Process Overview

In terms of section 21 of the MFMA the Executive Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2010) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Executive Mayor tabled in Council the required the IDP and budget time schedule on August 2012. Key dates applicable to the process were:

- **August 2012** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets,

the economic realities and to set the prioritisation criteria for the compilation of the 2013/2014 MTREF;

- **November 2012** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **January 2013** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2013** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **February 2013** - Council considers the 2012/2013 Mid-year Review and Adjustments Budget;
- **February 2013** - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2013/2014 MTREF is revised accordingly;
- **March 2013** - Tabling in Council of the draft 2013/2014 IDP and 2013/2014 MTREF for public consultation;
- **April 2013** – Public consultation;
- **April 2013** - Closing date for written comments;
- **May 2013** – finalisation of the IDP and MTREF 2013/2014, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **May 2013** - Tabling of the 2013/2014 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2013/2014 MTREF, based on the approved 2012/2013 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2013/2014 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2012/2013 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

Financial Modelling and Key Planning Drivers

As part of the compilation of the 2013/2014 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2013/2014 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2012/2013 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Investment possibilities
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 64, 66 and 67 has been taken into consideration in the planning and prioritisation process.

Community Consultation

The draft 2013/2014 MTREF as tabled before Council on March 2013 for community consultation was published, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

The local municipality representative and Ward Committees were utilised to facilitate the community consultation process as from April 2013, and included six public briefing sessions. The applicable dates and venues were published in all the local newspaper. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during the consultation process, including the specific targeting residents affected including ratepayer associations. Individual sessions were scheduled with organised business to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where

relevant considered as part of the finalisation of the 2013/2014 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

COMMUNITY INPUTS-NKETOANA

- Roads
- Bucket Eradication
- Sports field
- Rental stock for revenue
- Live stock problem
- Water reticulation for projects

COMMUNITY INPUTS-PHUMELELA

- Youth Centre problem
- Fire station-Farmers problem-Fence at the station
- Water
- Redistribution of funding in different centres.

COMMUNITY INPUTS-DIHLABENG

- Agency
- Copies
- LED Summit
- Water pipe-Bulk
- Farm Workers programme
- Monitoring of District projects-Foufibusburg Hall
- Youth Development Officers-Youth Centres-NYDA
- How the District funds the LM
- Youth Centre
- Disaster Funding-increase
- Mantsopa-Budgeting process-Centre
- IDP on STATS
- Skills audit in IDP
- LED Strategy-See David and Vanqa

CORRECTIONAL SERVICES DEPARTMENT

Parole and probation.-monitoring of same-intergration in society
Programmes-

- Restorative Justice-inmate and victim-dialogue-peace-2013-2014
- Need for sport and recreational facilities and events
- Crime awareness campaigns-40 schools presently-need for support
- No funding for these projects-CAN MUNICIPALITIES ASSIST.

SPORTS ARTS RECREATION DEPARTMENT

- Senior citizens games
- Indigenous games

- Sports leaders in every towns-2 coaches
- 193 sporting equipment in schools
- Disabled sport
- OR THAMBO games
- Rural Sport-Leagues in farms
- Sport Councils and capacity building.

Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the required service of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);

- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2013/2014 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 5 IDP Strategic Objectives

2012/2013 Financial Year	2013/2014 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to Batho Pele principles through a caring, accessible and accountable service	4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service
5. Good governance, Financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure municipal capacity to achieve set objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities.

Thabo Mofutsanyana Capital Projects for 2013/2014

1. Electricity Projects

- Six High mast lights (Lusaka) - R1million
- 150 Solar street Lights for R 4 million
- Fifty Solar lights allocated for Memel in Phumelela Municipality
- Hundred Solar lights allocated for Maluti-A-Phofung Municipality

2. Roads Projctcs

- De-built road (Rehabilitation) - R2 million
- Lusaka road (Rehabilitation) - R2 million
- Lindley Road paving (2km) - R8 million
- Ladybrand Road Paving(fifth street) - R4 million

NB:Roads approved during budget adjustment in 2012/13

- Qholaqhwe Road Paving (1,5km) – R 7million
- Arlinton Road Paving (0,18km)– R 961 000.00

3. Sanitation Project

- Construction of a sewerage pump station, outfall sewer and rising main in Memel/Zamani - R6.5million

4. Sport Facilities

- Rehabilitation of athletic tracks in Charles Mopeli – R 12 million
- Design and Revamping of Petrus steyn Sports facility- R 22 million
- Design and Revamping of Intabazwe Sports facility – R 22 million
- Reshaping and installation of goal Post of the Tseki sports field –R 200 000.00

NB: All sports facility an application has been submitted to National Lottery for funding except for Tseki Sports Field.

5. Rural Roads Maintenance(Rehabilitation)-Maluti-A-Phofung-R1million

6. Agriculture and Rural Development

- Installation of Solar Home System and Solar Street Lights in the farming areas for fifty houses and rural areas in Maluti-A-Phofung –R 1.3