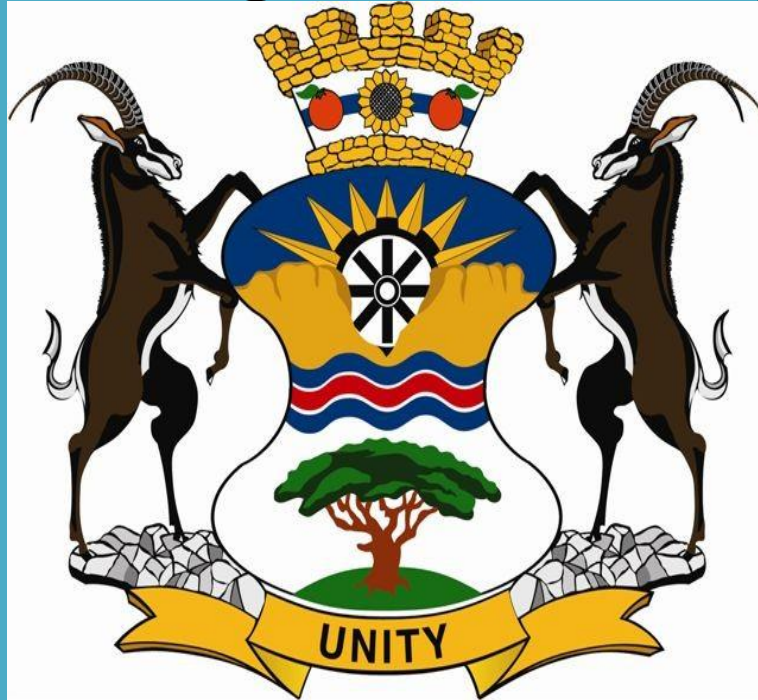


Rustenburg Local Municipality



DRAFT INTEGRATED DEVELOPMENT PLAN REVIEW 2015 – 2016

Executive Summary

Introduction

The Municipal Systems Act (No.32) of 2000 (MSA) requires that local government structures prepare Integrated Development Plans (IDPs). The IDP serves as a tool for transforming local governments towards facilitation and management of development within their areas of jurisdiction. The MSA identifies the IDP as the vehicle to be used in the achievement of these goals. In conforming to the Act's requirements the Rustenburg Local Municipal Council has delegated the authority to the Municipal Manager to prepare the IDP.

The Municipal Finance Management Act (Act no. 56 of 2007) secures sound and sustainable management of the financial affairs of the municipality and other institutions in the local spheres of government. It does this by ensuring that its developmental programmes are aligned to its budget, and in so doing the Rustenburg Local Municipality, through its integrated development planning process, therefore delivers in accordance with the community needs and priorities, whilst committing to the budgetary programmes as enacted by the Auditor- General.

Rustenburg Local Municipality's commitment to becoming a "World class city" will be the focal point of the 2012/13 – 2016/17 IDP, with a specific emphasis on the alignment of the Municipal Vision, strategy and implementation. The focus of the 2012/13 – 2016/17 IDP is on building a more inclusive developmental local government that would translate the Municipality's vision into action.

Background and Location of Rustenburg Local Municipality (RLM)

This Executive Summary provides a brief outline of the context, content, process outcomes and impact of the RLM's IDP.

The Rustenburg Local Municipality is a category B municipal council consisting of 38 wards. It is located in the eastern parts of the North West Province and is accessible to a number of major South African urban centres. These centres include Johannesburg and Tshwane, which are located approximately 120km from Rustenburg. Smaller centres surrounding Rustenburg are Madibeng, Mogale City and Zeerust in the Ramotshere Moilwa Local Municipality. Rustenburg is linked to the above urban centres through an extensive regional road network. The most notable of these are the N4 Freeway or Platinum Corridor, which links Rustenburg to Tshwane in the east and Zeerust to the west. The R24 links Rustenburg to Johannesburg in the south and the Pilanesberg to the north.

Rustenburg Local Municipality (RLM) is one of the five municipalities within the Bojanala District Municipality in the North West Province and is divided into 38 wards, with a total population of 581 000 people comprising of 319 000 males and 262 000 females. The municipality is reputed to be one of South Africa's fastest growing urban areas with an annual compound economic growth rate of 6% between 1996 and 2002. This significant growth is largely attributed to the impact of the world's four largest mines in the immediate vicinity of the town, namely, Anglo Platinum, Impala Platinum, Xstrata and Lonmin. Approximately 97% of the total platinum production occurs in Rustenburg, with the mining sector providing around 50% of all formal employment.

RLM Key Challenges and Opportunities

The strikes surrounding the mining industry has caused uncertainty in investors. Most of the mining employees are faced with retrenchments and this mean a loss of income that brings with a lot of repercussions. During the workshop the local stakeholders indicated their view on the local

strengths, weaknesses/limitations, and threats (SWOT) within the local municipality. The response given is indicated in Table 1 below.

From Table 1 it is observed that the strengths identified within the local municipality include its locational advantage (relative proximity to Pretoria and Johannesburg), high concentration of mining activities and the level of skills of some residents within the local municipality. On the other hand, a number of weaknesses and risks were identified for the municipality. These include a lack of availability to land, insufficient quality and quantity of water and electricity, a declining agricultural sector, the general level of education of most of the locals and a lack of interest (in participating to further develop the local economy) from the private sector.

The inputs provided by the local stakeholders are of critical importance as they provide an overview of the local municipality from a local point of view. These inputs guide the identification of opportunities that will further develop the existing strengths and mitigate the identified weaknesses and risks.

Expected from the RLM in the 2015/16 Financial Year

This financial year the RLM adopted the five key areas of performance in ensuring that they achieve their intended goals especially in the following areas:

- Municipal Infrastructure development and Basic Service Delivery
- Municipal Transformation and Organisational Development
- Sustainable Economic Development
- Municipal Financial Viability and Management
- Good Governance and Public Participation.

On the priority of Municipal Transformation and Organisational Development, the Office of the Director Corporate Support Services and the Office of the Municipal Manager identified the following issues:

- Alignment of organizational structure to the allocated powers and functions, implementation of the IDP and the City Development Strategy.
- The Appointment of Staff Especially filling of Critical Positions.
- Identify & overcome capacity constraints
- Scarce skills model implementation
- Staff Development

With regards to the priority Sustainable Economic Development, the Office of the Director Local Economic Development and the Office of the Municipal Manager identified the following issues:

- Diversification of the Economy
- Partnership formulation for service delivery

On the priority of municipal financial viability, the Department Budget and Treasury will be attending to the following objectives and outcomes:

- Operation Clean Audit
- Revenue Enhancement Programme
- Fraud and Corruption Plans and Committees

- Supply Chain Management Practices.

With regard to the priority of Good Governance and Public Participation, the Office of the Speaker; Office of the Executive Mayor - Unit IGR and Office of the Municipal Manager will pay attention to the following issues:

- Capacitating Ward Committees through Training
- Community Mobilization and Awareness Campaigns
- Ward Committee Support Programmes
- Community Development Workers Effectiveness
- The resuscitation of Mayoral and Premier's Imbizos.
- Regular engagements with other municipalities and stakeholders
- Strengthening of Intergovernmental Relations Forums
- Improving the Reporting Mechanisms and Processes
- Establishment of Appropriate Structures as Prescribed by the Legislation

Alignment between IDP and Budget

An IDP-based budget is essential in order to realize IDP objectives. The RLM's IDP and budget are aligned in terms of key performance areas, priorities, programmes and sector plans.

People-driven IDP and Budget Processes

Mayoral imbizo 2011/12 up to 2014 progress on implementation:

Most of the issues raised by the community touch on service delivery related matters in those wards where there is lack of services. In the more affluent wards, issues of maintenance became the order of the day. Most of the issues raised by communities were addressed with the few exceptions where it was not clear on the specifics of the issues raised. Furthermore other issues which might not have been attended to will be subjected to further scrutiny during the process of the area based planning. Other issues could have been addressed as they appear by virtue of calling the Municipality Call Centre. It therefore clearly shows that the Municipal Call Centre is not well popularized in the communities. Issues emanated from the Mayoral Imbizo in 2011 and in October 2014 can be categorized as such:

- Service delivery (Basic services: Water, electricity, sanitation and refuse removal)
- Sustainable livelihoods (sustainable human settlements, job creation, skills development, environmental conservation)
- Infrastructure development
- Economic development
- Social development (education, health and welfare services, sports facilities, parks, cemeteries, libraries)
- Spatial (land use management, town planning)
- Municipal financial and administrative capacity
- Governance and deepening democracy

The interactions that the Executive Mayor had with the communities, laid the foundation for a number of other engagements amongst other the meetings with key stakeholders such as the

Magosi as well as the Mining houses, notwithstanding other stakeholders such as provincial departments, etc. The outcomes of the meetings were categorized into short and long term issues.

The IDP and Budget process of the municipality are people-driven. The process is informed of the wards needs and priorities and public and stakeholder engagements due to planning and analysis by the wards. During the Mayoral outreach road show held in October 2014, the Executive Mayor consulted with communities of different wards in a clustered format where reassessment of issues and needs raised previously was done and re-ranking and re- prioritization was finalised.

Table of Contents

CHAPTER AND SECTION	CONTENT	PAGE NUMBER
EXECUTIVE SUMMARY	Introduction	2
	Background and Location of Rustenburg Local Municipality (RLM)	2
	RLM Key Challenges and Opportunities	2
	Expected from the RLM in the 2015/16 Financial Year	3
	Alignment between IDP and Budget	4
	People-driven IDP and Budget Processes	4
CHAPTER 1	Introduction and background	8
1.1	Profile of Each Ward in RLM	9
		11
1.2	Review of the IDP	12
1.3	Institutional arrangements	
		15
1.4	Process Overview	
		20
1.5	Situation Analysis	
		91
	1.1 Corporate Support Services	
		94
	1.2 Spatial, Land Use and Natural Features	
		100
	1.3 Local Economic Development	
		100
	1.4 Human Settlement	
		108
	1.5 Public Safety	
		111
	1.6 Community Development	
		123
	1.7 Rustenburg Rapid Transport	
		127
	1.8 Office of the Executive Mayor	
	1.9 Establishment of Alternative Service Delivery Mechanics	130
CHAPTER 2	Development Strategies	133
CHAPTER 3	Project and Implementation Plan	143

CHAPTER 4	Integration	188
CHAPTER 5	Financial Plan - Financially Accountable and Sustainable City	207
CHAPTER 6	Organizational Performance Management System	255

CHAPTER 1**1. INTRODUCTION AND BACKGROUND**

A detailed Situational Analysis of the Rustenburg Local Municipality is tabled in Chapter One. The issues and challenges covered in the chapter include the following:

- i) Population
- ii) Economy
- iii) Health
- iv) Natural Environment
- v) Public Transport
- vi) Food Security
- vii) Climate Change
- viii) Infrastructure Delivery
- ix) Spatial Form (Planning)
- x) Housing
- xi) Safety (Disaster Management)
- xii) Crime
- xiii) Human Capital Development
- xiv) Financial Management

The third generation of Integrated Development Planning was finalized in May 2012. The 2012/13 to 2016/17 IDP was approved per item 149 at a meeting held on 25 May 2012. The Municipal Systems Act compels municipalities to review their IDP annually.

The section 34 of the same Act 32 of 2000 is relevant for embarking on the review mentioned and prescribes that, a Municipal council –.

- **Must review** its integrated development plan – annually in accordance with an assessment of its performance measurements in terms of section 41; and
- To the extent that changing circumstances so demand; and
- **May amend** its integrated development plan in accordance with a prescribed process.

Section 29(1) prescribes that:

- The process followed by a municipality to review its integrated development plan, including its consideration and adoption of the draft plan, must:
- Be in accordance with a predetermined programme specifying timeframes for the different steps.

Section 28 of the Municipal Systems Act outlines the adoption of process as follows:

- (1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.

(2) The municipality must through appropriate mechanisms, process and procedures establish in terms of Chapter 4, consult the local community before adopting the process.

(3) A municipality must give notice to the local community of particulars of the process it intends to follow.

Section 29 of the same Act prescribes the process to be followed and the content of such a process plan.

The Council of the Rustenburg Local Municipality approved such a process plan per item 239 of 28th August 2012. This responds to Section 21 (1)(B) of the Municipal Finance Management Act(MFMA) which reads:

The Mayor of a Municipality must:

- b) at least 10 months before the budget year, table in the Municipal council a time schedule outlining key deadlines for:-
 - i) the preparation, tabling and approval of the annual budget;

The process plan referred to earlier addresses processes of IDP and budget preparation, tabling, approval, implementation, and lastly monitoring and evaluation.

1.1 Profile of Each Ward in RLM

Table 1-1 provides an overview of the RLM Ward Demarcation in 2011. The RLM is divided into 38 wards each including various areas.

Table 1-1: Rustenburg Local Municipality Ward Demarcation, 2011

Ward	Councillor	Areas
1	Clr. J Mzizi	Phatsima, Boshhoek, Phokeng and Windsor
2	Clr S.B.M Mhlungu	Chaneng, Robega, Rasimone and Mafenya
3	Clr A.F Tsitsi	Lula, Mogono, Ratshwene, No 6 Hostel, Ralesobesobe
4	Clr J.L Sephai	Luka, Tau, Tlebebe and Photsaneng
5	Clr D.I Pitsoe	Phokeng, Kgale, Lemenong and Lenatong
6	Clr C.N. Morei	Phokeng, Masosobane, Salema, Sarone and Dithabeng
7	Clr P.M Motsoadi	Lefaragathe, Bobuantswa, Matlhatsi Marwabe
8	Clr G.J Mputle	Geelhout Park x 4,6,9, Tlhabane West
9	Clr G. Mutle	Bester, Tlhabane, Mokale, Masilo, Sefora, Mabalane, Kgabo, Phinda, Rakgogodi, Ncube, Sedikoe and Mabale
10	Clr M.J Willemse	Tlhabane, Mokwena, David, Sidzumo, Mothuka, Adam, Pilane, Rametsi, Moraka, Sechele, Morudi and Karlien
11	Clr Phistus Percy Tlhapi	Yizo Yizo, Jabula Hostel, Ou kasie and GG
12	Clr J.D Ngwato	Meriting Ext1; Ext2; Phase 1; 2 and 3
13	Clr A.P.M Phologane	Rustenburg North and Fox Lake
14	Clr G.J Du Plessis	Rustenburg x2, Leyds, Fatima Bayhat, Waterfall Ave and Boom St
15	Clr C.F Miny	Safarituine and Cashan x4 & 6
16	Clr M Haasbroek	Geelhout Park x4, Protea Park x1 & 2 and Van Zyk Hall
17	Clr A Malan	Rustenburg x4 & 8, Cashan x 1, 2 & 3, Safarituine x
18	Clr J.M Vosloo	Zinniaville, Rustenburg East and Ramochana
19	Clr E.B Mtjotja	Paardekraal x1 & 3, Chachalaza, Million Dollar, Biotekong x13
20	Clr D.L Coetzee	Biotekong x2, 8 & 16

21	Clr P Bothomane	Biotekong x4, 5 & 6
22	Clr L.P Maqwane	Popo Molefe, Siza and Sunrise Park
23	Clr V.N Makhaula	Kanana, Serutube, Mafika and Chachalaza
24	Clr T Makopo	Freedom Park, Impala Hostel and 2 Shaft Hostel
25	Clr W.M Mangweni	Maile and Monakato
26	Clr P.L Kgaladi	Tsitsing, Tlaseng Maile Ext, Tantana and Mogajane
27	Clr J Mashishi Ntsime	Lethabong
28	Clr R.P Molatlhegi	Lethabong
29	Clr D.S Motlhamme	Ikageng, Tlapa, Maumong, Rankelenyane, Makolokwe and Thekwane
30	Clr E.B Matabane	Modikoe, Barseba and Bethanie
31	Clr R.K Mothasedi	Karee Mine, Brampji, RDP, Benny, Stone House and Group 5 Skierlek
32	Clr A Ndlovu	Mmaditlhokwa, Big house, Marikana West, Omaraba, Zuurplat, Maramoseng and Dithabaneng
33	Clr M.M. Molefe	Phula Hostel, Nkaneng, Bleskop Hostel and Photsaneng
34	Clr M.A Ntshole	Central Deep, Mfidikoe, Zakhele and Entabeni
35	Clr N.J Putu	Kroondal, Ikemeleng, Phuane, Mastholela, Lekojaneng, Wi Dikweneng and Bayer
36	Clr P.H Tsienyanane	Rainbow, Rex, Monato, Sandfontein, Molote City, Modderfontein, Olifantshoek, Olifantsnek and Syferbult
37	Clr W Dlunge	Seraleng, Sondela, Paardekraal x 1 and Zinniaville
38	Clr S.M Motshegwe	Freedom Park Informal Settlement x13 Health Centre

1.2 Review of the Integrated Development Plan

The Integrated Development Plan (hereinafter referred to as the IDP) is the principal strategic planning document of the municipality. It is important, due to the fact that it ensures vertical and horizontal integration between projects, programmes and activities, both internally (between department or directorates) and externally (with other organs of state, traditional authorities and other stakeholders operating within the municipal boundary).

Legislation dictates that the IDP therefore gives character to service delivery in an integrated way and upholds sustainable, integrated communities, providing full cross sectoral services as communities cannot be developed in a disjointed manner. As a key strategic plan of the municipality, the priorities identified in the IDP must inform all financial planning and budgeting undertaken by the municipality.

1.3 Institutional Arrangements

The Council elected the Speaker, **Clr B.B Marekwa-Kodongo** in terms of section 36 of the Municipal Structures Act, act 117 of 1998, per item 292 of 25 Sept. 2012, to chair Council meetings and is also responsible to capacitate Councillors and Ward Committees.

The municipality operates within an Executive Mayoral System under the leadership of Executive Mayor **Clr M E Khunou**, who was appointed as per section 55 of Municipal Structures Act, act 117 of 1998, per item 99 of 01 June 2011. The council of RLM is constituted by 76 Councillors, with 38 wards and 38 proportional representative Councillors. The Mayoral Committee consisting of ten members. Ward Councillors chair ward committees which are responsible for discussing local concerns.

Clr. Happy Serongwane was elected as the Single Whip of the Council per item 293 of 25 September 2012. The party-political representation of Councilors is reflected in the **Table 1-2** below:

Table 1-2: Political Representation

POLITICAL PARTY	NUMBER COUNCILLORS	GENDER DISTRIBUTION	
		MALE	FEMALE
African Christian Democratic Party	1	1	-
African National Congress	54	33	21
Congress of the People	1	1	-
United Christian Democratic Party	1	1	-
Freedom front+	1	-	1
Independent	3	3	-
Democratic Alliance	15	10	5
SUB-TOTAL	76	49	27
TOTAL	76		

1.3.1 Council Committees

The council has established Committees in terms of Section 79 and 80 of the Municipal systems Act
Performance Audit Committee; Local Labour Forum; Municipal Public Accounts Committee

- Performance Audit Committee; Land Management Tribunal

Table 1-3: Section 80 Committees

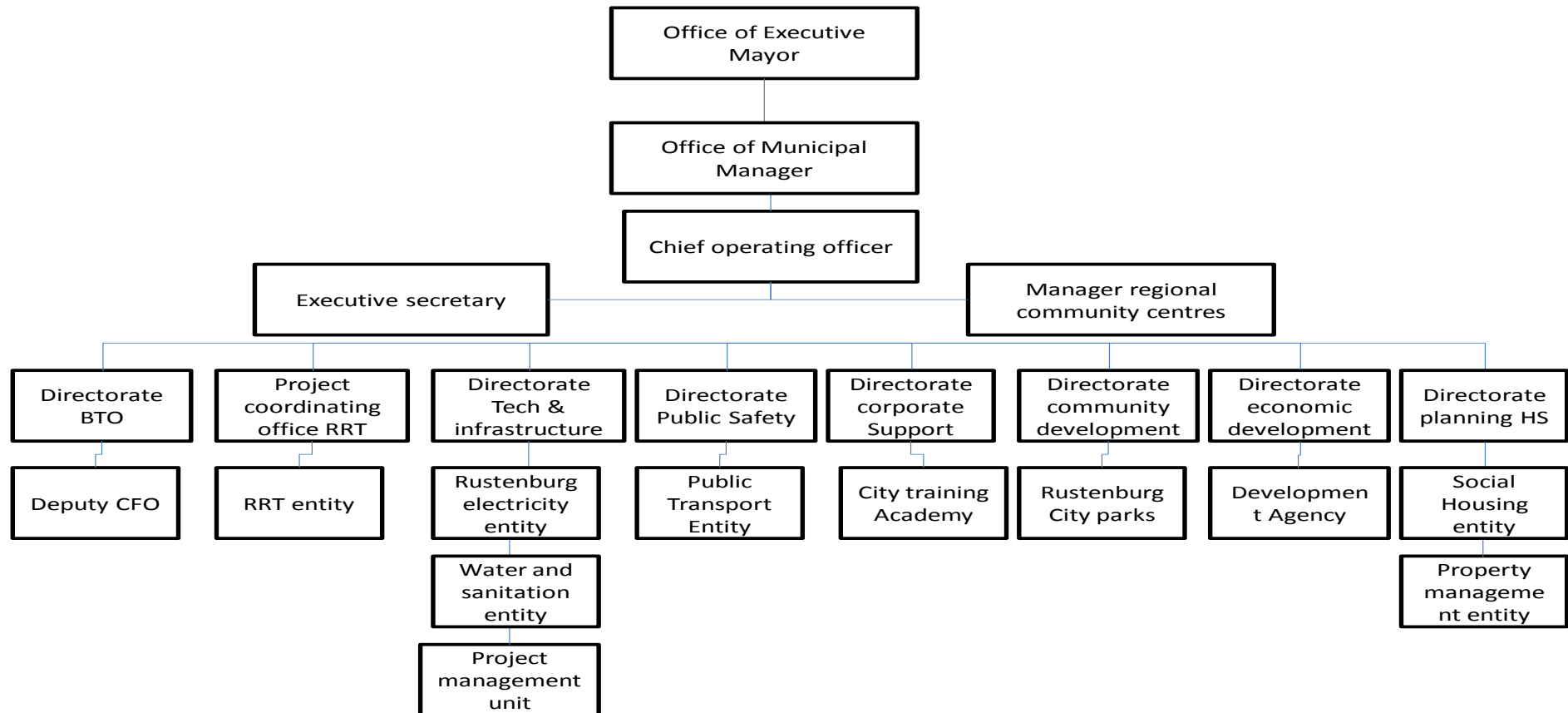
PORTFOLIO	CHAIRPERSON
1. Corporate Support Services.	Pitsoe, D I
2. Community Development.	Mpengu, M L
3. Public Safety.	Mhlungu, S B M
4. Planning, Transport and Human Settlement.	Matabage, A L
5. Budget and Treasury Office.	Kgaladi, P
6. IDP & Rural Development.	Lekoro, B F
7. Local Economic Development.	Mabale-Huma, SSK
8. Technical services.	Malebana-Metsing, PIR
9. Inter-Governmental Relations & Special Projects.	Coetsee, D L
10. Human settlement	Makhaula, VN

1.3.2 Administration

The Municipal Manager is the head of the Administration and Accounting Officer, supported by Line Function Directors and Managers. The overleaf diagram depicts the Top Management Structure of the RLM.

1.3.3 Top Management Structure

Diagram 1-1: Top Management Structure of Rustenburg Local Municipality



1.3.4 Allocated Powers and Functions

Table 1-4: Allocated Powers and Functions

Directorate	Powers from the Allocated Carried out	Performed/ Not Performed
Community Development	<ul style="list-style-type: none"> • Municipal Parks and Recreation • Cemeteries and Funeral Parlours • Local Amenities • Local Sports Facilities • Public Places • Cleansing • Municipal Abattoir • Fencing and Fences • Air Pollution • Solid Waste disposal 	P P P P P P NP NP P P
Public Safety	<ul style="list-style-type: none"> • Control of Public Nuisance • Fire Fighting • Municipal Public Transport (only with regard to taxis) • Traffic and Parking • Noise Pollution • Public Places • Licensing of Dogs • Municipal Airports • Pounds 	P P P P P P NP NP P
Planning and Human Settlement	<ul style="list-style-type: none"> • Municipal Parks and Recreation • Building Regulations • Public Place 	P P P
Technical and Infrastructure Development	<ul style="list-style-type: none"> • Municipal Public Works • Water • Sanitation • Street Lighting • Refuse Removal • Municipal Roads • Electricity Regulations • Storm Water • Fencing and Fences • Municipal Airports 	P P P P P P P P P NP
Local Economic Development	<ul style="list-style-type: none"> • Local Tourism • Street Trading • Licensing and control of undertakings that sells food to the public • Control of Undertakings that sells Liquor to the Public • Trading Regulations • Billboards and display of Adverts • Municipal Airports • Local amenities • Markets 	P P P NP P P NP P NP

Directorate	Powers from the Allocated Carried out	Performed/ Not Performed
Office of the Municipal Manager	<ul style="list-style-type: none"> Municipal Planning 	P

1.4 Process Overview

An IDP; Budget and PMS Process plan is a very important document to guide development and review processes related to IDP, Budget and Performance Management. These processes enhance integration and alignment between the IDP and Budget, thereby ensuring the development of an IDP-based budget. The said Process Plan was approved by council per **item 247 of the 26 August 2014**. The schedule which forms part of the process plan is reflected in Table 1-5 below.

Table 1-5: Activity Chart of the IDP Review, 2015-2016

PHASE	MONTH	DATE	REFERENCE	ACTIVITY/IES	RESOURCE PERSON
Preparation	July 2014	18	MSA57 (2)(a) (ii)	Finalization of Performance Agreements	PMS Manager
		29	MFMA Circular 13	Tabling of Top Layer SDBIP to Council for noting	PMS Manager
	August 2014	04 - 07	MSA57(4)	4 th quarter performance assessment (final)	PMS Manager
		11	MFMA	Make performance agreements public within 14 days after approval	PMS Manager
		22	MSA 45	Submission of the 2013/14 annual performance report to the PAC	PMS Manager
		26	MSA 34 & MFMA 21(a) (b)(i)(ii)(iii)(iv)	Tabling of The IDP, Budget and PMS Process Plan to Council for approval	IDP Manager
		29	MSA 46	Submission of the 2013/14 annual performance report to the office of the Auditor General	PMS Manager
Analysis	Sep. 2014	09		Budget Steering Committee revival and confirm internal & external consultation forums (consultation itinerary)	Executive Mayor
		12		Budget Steering Committee	CFO
		18	MSA 34	Stakeholder consultation	Accounting Officer Executive Mayor
		19	MSA 34	IDP Rep Forum Meeting: presentation of process plan	IDP Manager
	Oct. 2014	01 to 31	MSA 34	Stakeholder engagement process: wards visit - consultations and reviews , establish direction and policy,	Executive Mayor and municipal representatives

PHASE	MONTH	DATE	REFERENCE	ACTIVITY/IES	RESOURCE PERSON
				confirm priorities, identify other financial and non-financial budget parameters including government allocations to determine revenue envelope, and financial outlook to identify need to review fiscal	
		01 to 31		Internal Stakeholder engagement :one on one with directorates	Budget office
		15 - 18	MPR(Reg 28)	1 st quarter performance assessment	PMS Manager
		21	MSA 45	Submission of 1 st quarter performance assessment report to PAC	PMS Manager
		29		1 st Quarter Performance Report tabled to Council	PMS Manager
Strategies	Nov. 2014	07		strategies (Implementation of Imbizo programme)	Executive Mayor
		15	MSA	Review session on identification of projects in line with reviewed objectives and priorities	Directorates
		20	MSA 34	Engage with Provincial and National sector departments on sector service delivery priorities for alignment with municipality developments plans	Accounting Officer Executive Mayor
	Dec.2014	05	MFMA	Finalise first draft of the annual report including annual report of the entity incorporating financial and non-financial information on performance, audit reports and annual financial statements	PMS Manager
		05		Final submission of budget inputs from directorates	Directorates
		05	MFMA 54 (1)	Review implementation of the SDBIP, identify challenges, amend or recommend appropriate amendments	PMS Manager
		12	MSA 34	Multi-Stakeholder engagement: Presentation of 1 st quarter performance results	Municipal Manager Executive Mayor
		12	MSA 34	IDP Rep. Forum: Presentation of 1 st quarter assessment results	All Directorates
Projects Integration	January 2015	14 – 17		2 nd Quarter Performance Assessments	PMS Manager
		28	MFMA 72(1)(A)(iii)	Tabling of the previous year's annual report with details of corrective actions undertaken arising from the audit report	Executive Mayor

PHASE	MONTH	DATE	REFERENCE	ACTIVITY/IES	RESOURCE PERSON
		28	MFMA 72(1)(A)(ii)	Table mid-term performance and budget adjustments reports	Executive Mayor
		28	MFMA & MSA	Mid-year performance assessment report submitted to council, OAG, national and provincial treasury and the provincial Department of Developmental Local Government and Housing.	Accounting Officer
	Feb. 2015	4 -6		Annual review retreat	
		06	MSA	IDP/Budget steering committee: screening and first presentation-preliminary projects estimates	Accounting Officer
		07		Consideration of the annual report and conducting of public hearings	Municipal Public Accounts Committee
		12	MFMA	2 nd quarterly report to PAC	PMS Manager
		20		Submission of revised/ updated sector plans for inclusion in the IDP	Directorates
		24		Submission of 2nd quarterly report to Council	PMS Manager
		26		Review proposed national and provincial allocations to municipality to include into draft budget for tabling (Cluster Meetings	BPDM CFO
		26		Tabling of a revised budget through adjustment budget	CFO EM
	Mar. 2015	06	MSA	Joint IDP and Finance Portfolio committee	Accounting Officer
		20		Multi-Stakeholder engagement	Accounting Officer
		24		Tabling of the Amended SDBIP 2014/2015 to Council	PMS Manager
		24	MSA	Draft IDP tabled to council	Accounting Officer
		24	MFMA	Draft Budget and SDBIP presented to Council	CFO, Manager Strategy and Planning
			MFMA	Submission of Oversight report	Municipal Public Accounts Committee
			MFMA	Draft operating and capital budgets, oversight report presented to council, then submitted to OAG, national and provincial Treasury department and the DDLGH	Accounting Officer

PHASE	MONTH	DATE	REFERENCE	ACTIVITY/IES	RESOURCE PERSON
		26		National Treasury Mid – Term Review visit	Accounting Officer
Integration	April 2015	01		Draft IDP and Budget publicized for public comments	IDP Manager CFO
		07		IDP Rep. Forum meeting: Public comments invited in connection with the IDP and budget (workshop) Presentation of tariff policies	IDP Manager CFO CFO
		08	MSA 34	Stakeholder engagement	Municipal Manager Executive Mayor
		13 -17		3 rd quarter Performance reviews	PMS Manager
		17		Cash flow analysis and submission of any likely roll over to budget office (Work Session)	CFO
		24		Consider comments of the MEC on assessment of the draft IDP and incorporate programmes and projects of other spheres of government (Work session)	IDP Manager
		30	MSA	Feedback from communities for incorporation into the budget & IDP	IDP Manager CFO
Approval	May 2015	13	MFMA	3 rd quarterly report to the PAC	PMS Manager
		13		NT Benchmarking Exercise	Accounting Officer
		26	MSA	Final draft IDP review and Budget tabled for approval	IDP Manager AO and CFO
		26		Tabled annual budget with resolution, setting taxes and tariffs, with changes to IDP and budget related policies, including measurable performance objectives for revenue by source and expenditure by vote for approval of Council before start of budget year	Accounting Officer
	June 2015	1 st week	MSA MFMA 7	New tariffs published	CFO
		05	MSA & MFMA	Approved Budget and IDP published / advertised for public inspection	IDP Manager
		05	Circular: NT & MFMA	Approved budget, IDP and SDBIP submitted to National Treasury and MEC for Department of Developmental Local	CFO

PHASE	MONTH	DATE	REFERENCE	ACTIVITY/IES	RESOURCE PERSON
				Government and Traditional Affairs.	
		12	MSA 34	Multi-Stakeholder engagement	Municipal Manager Executive Mayor
		15	Circular: NT MFMA & MSA	MM's draft Performance Agreement submitted to the EM	PMS Manager
				Directors' Performance Agreements submitted to the MM	PMS Manager
		08	MSA 34	IDP Rep. Forum	IDP Manager & CFO
		23	MFMA	SDBIP Submitted for the Mayor's approval	PMS Manager
		28	MFMA	Approved service delivery and budget implementation plans publicised for information and monitoring purpose.	PMS Manager
		30	MFMA	<ul style="list-style-type: none"> - Submit annual budget reports to National & Provincial Treasuries plus District Municipality - Notify department of Local Government in the province about the budget approval - IDP, annual and adjustment budget, budget related policies, annual report, service delivery agreements, long term borrowing contracts published on Council website 	CFO IDP Manager CFO

1.5 SITUATIONAL ANALYSIS

1.5.1 Population

Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

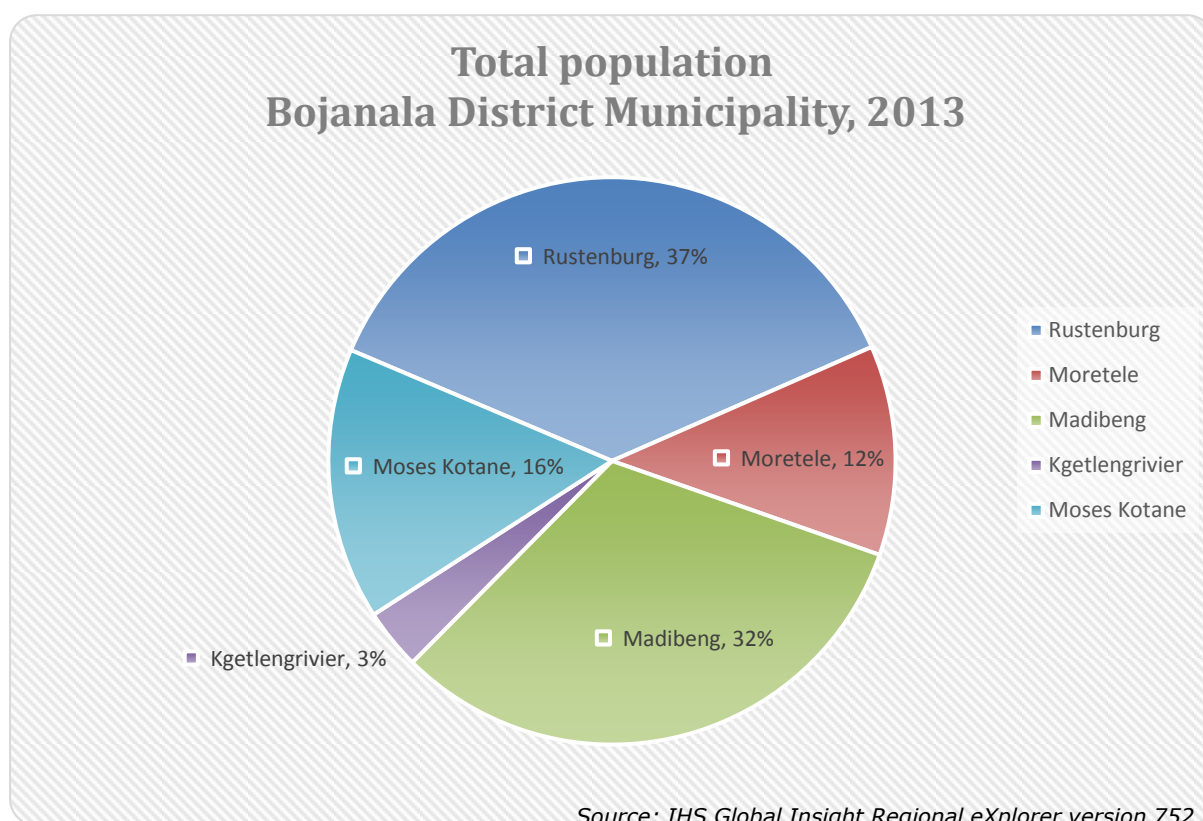
TABLE 1. TOTAL POPULATION - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2007-2013 [NUMBERS PERCENTAGE]

	Rustenburg	Bojanala	North-West	National Total	Rustenburg as % of district municipality	Rustenburg as % of province	Rustenburg as % of national
2007	483,000	1,360,000	3,480,000	48,800,000	35.4%	13.8%	0.99%
2008	498,000	1,400,000	3,530,000	49,400,000	35.7%	14.1%	1.01%
2009	513,000	1,430,000	3,580,000	50,000,000	35.9%	14.3%	1.03%
2010	531,000	1,470,000	3,640,000	50,800,000	36.2%	14.6%	1.05%
2011	549,000	1,500,000	3,690,000	51,500,000	36.5%	14.9%	1.07%
2012	566,000	1,540,000	3,750,000	52,200,000	36.8%	15.1%	1.08%
2013	581,000	1,570,000	3,810,000	53,000,000	37.0%	15.3%	1.10%
Average Annual growth							
2007-2013	3.15%	2.22%	1.31%	1.30%			

Source: IHS Global Insight Regional eXplorer version 752

With 581 000 people, the Rustenburg Local Municipality housed 1.1% of South Africa's total population in 2013. Between 2007 and 2013 the population growth averaged 3.15% per annum which is more than double than the growth rate of South Africa as a whole (1.30%). Compared to Bojanala's average annual growth rate (2.22%), the growth rate in Rustenburg's population at 3.15% was slightly higher than that of the district municipality.

CHART 1. TOTAL POPULATION - RUSTENBURG AND THE REST OF BOJANALA, 2013
[PERCENTAGE]



When compared to other regions, Rustenburg Local Municipality accounts for a total population of 581,000, or 37.0% of the total population, in Bojanala ranking as the most populous local municipality in 2013. The ranking in terms of the size of Rustenburg compared to the other regions remained the same between 2007 and 2013. In terms of its share Rustenburg Local Municipality was significantly larger in 2013 (37.0%) compared to what it was in 2007 (33.8%). When looking at the average annual growth rate, it is noted that Rustenburg ranked second (relative to its peers in terms of growth) with an average annual growth rate of 3.2% between 2007 and 2013.

Population projections

Based on the present age-gender structure and the present fertility, mortality and migration rates, Rustenburg's population is projected to grow at an average annual rate of 2.0% from 581 000 in 2013 to 642 000 in 2018.

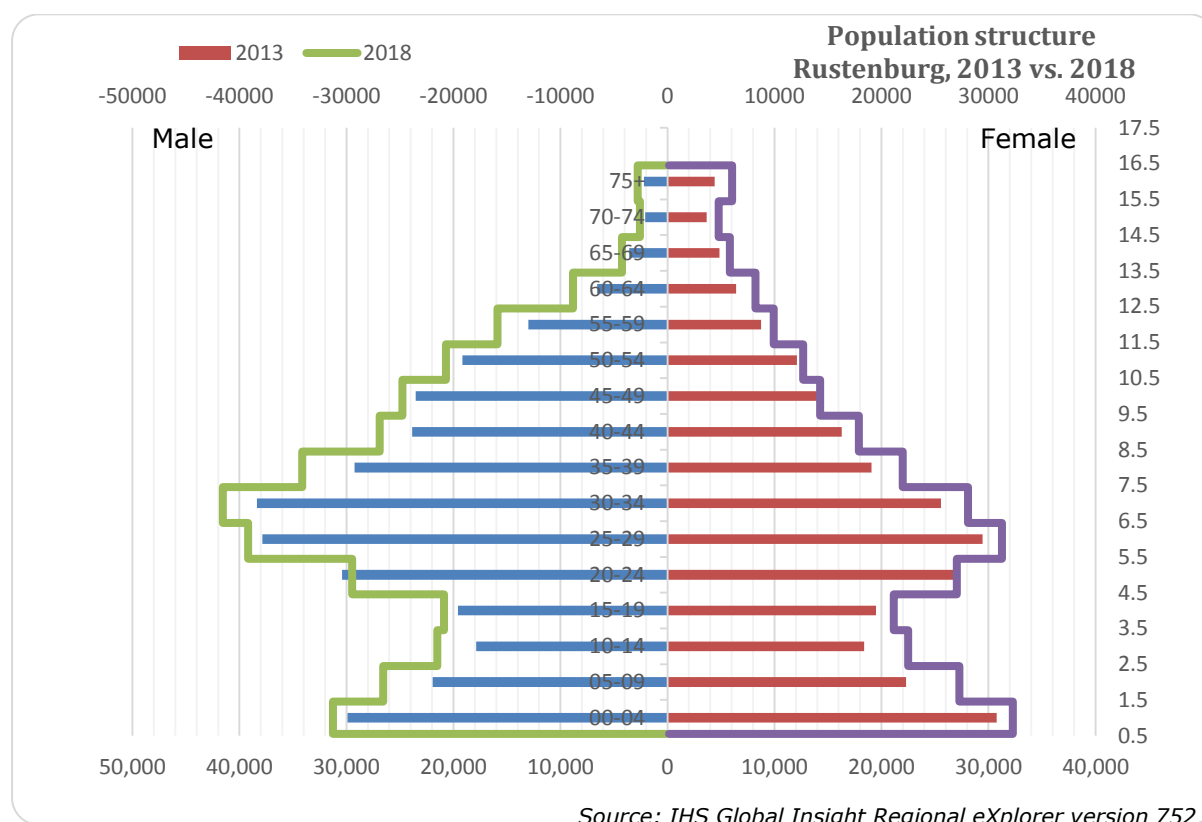
TABLE 2. POPULATION PROJECTIONS - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2013-2018 [NUMBERS PERCENTAGE]

	Rustenburg	Bojanala	North-West	National Total	Rustenburg as % of district municipality	Rustenburg as % of province	Rustenburg as % of national
2013	581,000	1,570,000	3,810,000	53,000,000	37.0%	15.3%	1.10%
2014	596,000	1,600,000	3,860,000	53,700,000	37.2%	15.4%	1.11%
2015	609,000	1,630,000	3,910,000	54,400,000	37.4%	15.6%	1.12%
2016	622,000	1,660,000	3,960,000	55,000,000	37.6%	15.7%	1.13%
2017	633,000	1,680,000	4,010,000	55,600,000	37.7%	15.8%	1.14%
2018	643,000	1,700,000	4,050,000	56,200,000	37.8%	15.9%	1.14%
Average Annual growth							
2013-2018	2.02%	1.62%	1.26%	1.19%			

Source: IHS Global Insight Regional eXplorer version 752

When looking at the population projection of Rustenburg Local Municipality shows an estimated average annual growth rate of 2.0% between 2013 and 2018. The average annual growth rate in the population over the projection period for Bojanala District Municipality, North-West Province and South Africa is 1.6%, 1.3% and 1.2% respectively and is lower than that the average annual growth in Rustenburg Local Municipality.

CHART 2. POPULATION PYRAMID - RUSTENBURG LOCAL MUNICIPALITY, 2013 VS. 2018 [PERCENTAGE]



The population pyramid reflects a projected change in the structure of the population from 2013 and 2018. The differences can be explained as follows:

In 2013, there is a significantly larger share of young working age people between 20 and 34 (32.4%), compared to what is estimated in 2018 (30.6%). This age category of young working age population will decrease over time.

The fertility rate in 2018 is estimated to be slightly higher compared to that experienced in 2013.

The share of children between the ages of 0 to 14 years is projected to be slightly larger (25.1%) in 2018 when compared to 2013 (24.3%).

In 2013, the female population for the 20 to 34 years age group amounts to 14.1% of the total female population while the male population group for the same age amounts to 18.3% of the total male population. In 2018, the male working age population at 17.2% still exceeds that of the female population working age population at 13.4%, although both are at a lower level compared to 2013.

Population by population group, Gender and Age

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

TABLE 3. POPULATION BY GENDER - RUSTENBURG AND THE REST OF BOJANALA DISTRICT MUNICIPALITY, 2013 [NUMBER].

	Male	Female	Total
Rustenburg	319,000	262,000	581,000
Moretele	89,800	97,900	188,000
Madibeng	267,000	236,000	503,000
Kgetlengrivier	28,500	25,700	54,200
Moses Kotane	119,000	124,000	243,000
Bojanala	824,000	746,000	1,570,000

Source: IHS Global Insight Regional eXplorer version 752

Rustenburg Local Municipality's male/female split in population was 121.7 males per 100 females in 2013. The Rustenburg Local Municipality has significantly more males (54.89%) relative to South Africa (48.60%), and what is typically seen in a stable population. This is usually because of physical labour intensive industries such as mining. In total there were 262 000 (45.11%) females and 319 000 (54.89%) males. This distribution holds for Bojanala as a whole where the female population counted 746 000 which constitutes 47.52% of the total population of 1.57 million.

TABLE 4. POPULATION BY POPULATION GROUP, GENDER AND AGE - RUSTENBURG LOCAL MUNICIPALITY, 2013 [NUMBER].

	African		White		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
00-04	28,200	27,200	2,070	2,180	301	305	182	206
05-09	20,300	19,800	1,670	1,810	232	188	133	194
10-14	16,500	15,900	1,600	1,670	166	160	119	145
15-19	17,600	17,300	1,670	1,920	154	169	97	156
20-24	24,500	27,900	1,840	2,080	244	268	135	194
25-29	26,500	34,500	2,480	2,720	248	321	180	336
30-34	22,900	35,100	2,100	2,630	279	304	268	333
35-39	16,700	26,400	2,010	2,200	189	225	196	354
40-44	13,800	21,300	2,120	2,110	158	214	157	222
45-49	11,700	20,900	2,090	2,250	139	188	96	153
50-54	9,880	16,900	2,040	2,000	109	121	76	83
55-59	7,020	11,200	1,560	1,610	86	98	99	80
60-64	5,100	5,300	1,120	1,120	70	53	137	96
65-69	3,720	2,660	942	823	47	35	150	60
70-74	2,780	1,400	732	598	32	17	119	70
75+	3,520	1,410	778	724	42	17	62	51
Total	231,000	285,000	26,800	28,500	2,500	2,680	2,200	2,730

Source: IHS Global Insight Regional eXplorer version 752

In 2013, the Rustenburg Local Municipality's population consisted of 88.75% African (516 000), 9.51% White (55 300), 0.89% Coloured (5 180) and 0.85% Asian (4 940) people.

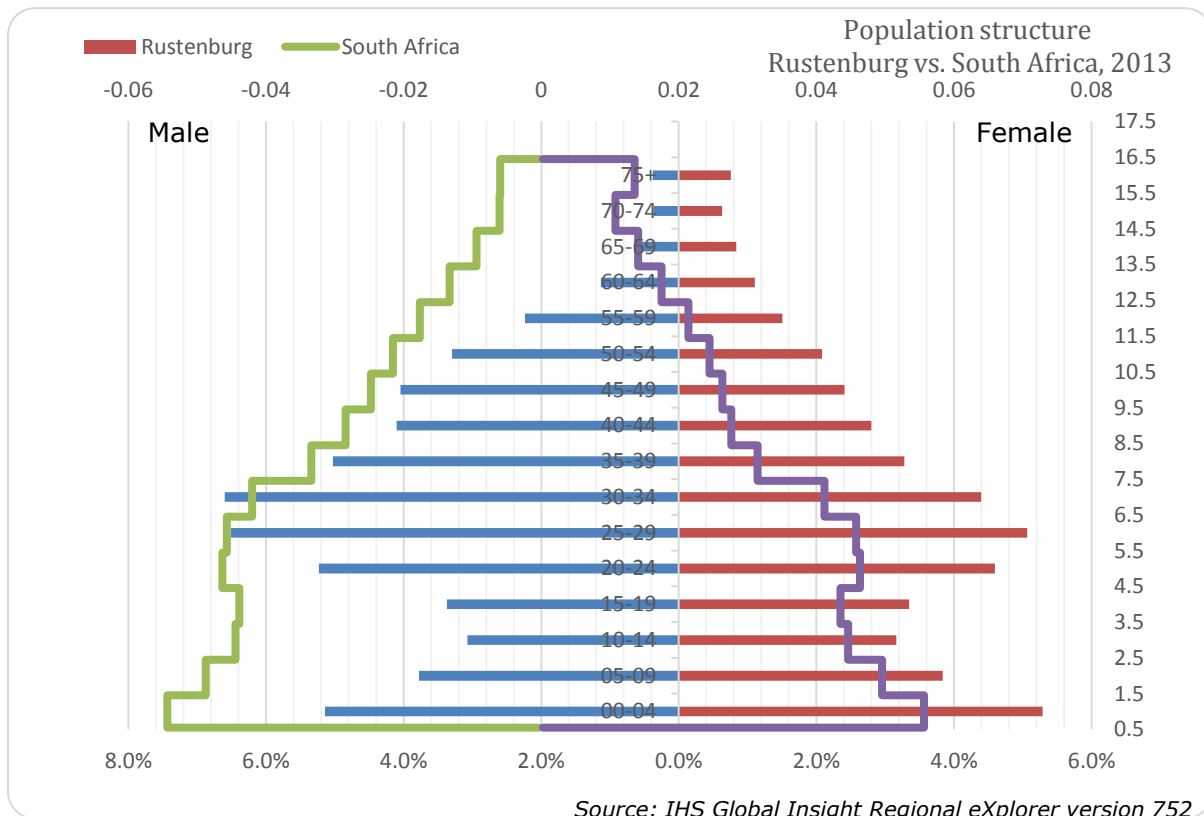
The largest share of population is within the young working age (25-44 years) age category with a total number of 220 000 or 37.8% of the total population. The age category with the second largest number of people is the babies and kids (0-14 years) age category with a total share of 24.3%, followed by the older working age (45-64 years) age category with 104 000 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 20 800 people, as reflected in the population pyramids below.

Population Pyramids

Definition: A population pyramid is a graphic representation of the population categorised by gender and age, for a specific year and region. The horizontal axis depicts the share of people, where the male population is charted on the left-hand side and the female population on the right-hand side of the vertical axis. The vertical axis is divided in 5-year age categories.

With the African population group representing 88.8% of the Rustenburg Local Municipality's total population, the overall population pyramid for the region will mostly reflect that of the African population group. The chart below compares Rustenburg's population structure of 2013 to that of South Africa.

CHART 3. POPULATION PYRAMID - RUSTENBURG LOCAL MUNICIPALITY VS. SOUTH AFRICA, 2013 [PERCENTAGE]



By comparing the Rustenburg Local Municipality's population pyramid with South Africa's differences. The most significant differences between the Rustenburg and South Africa are:

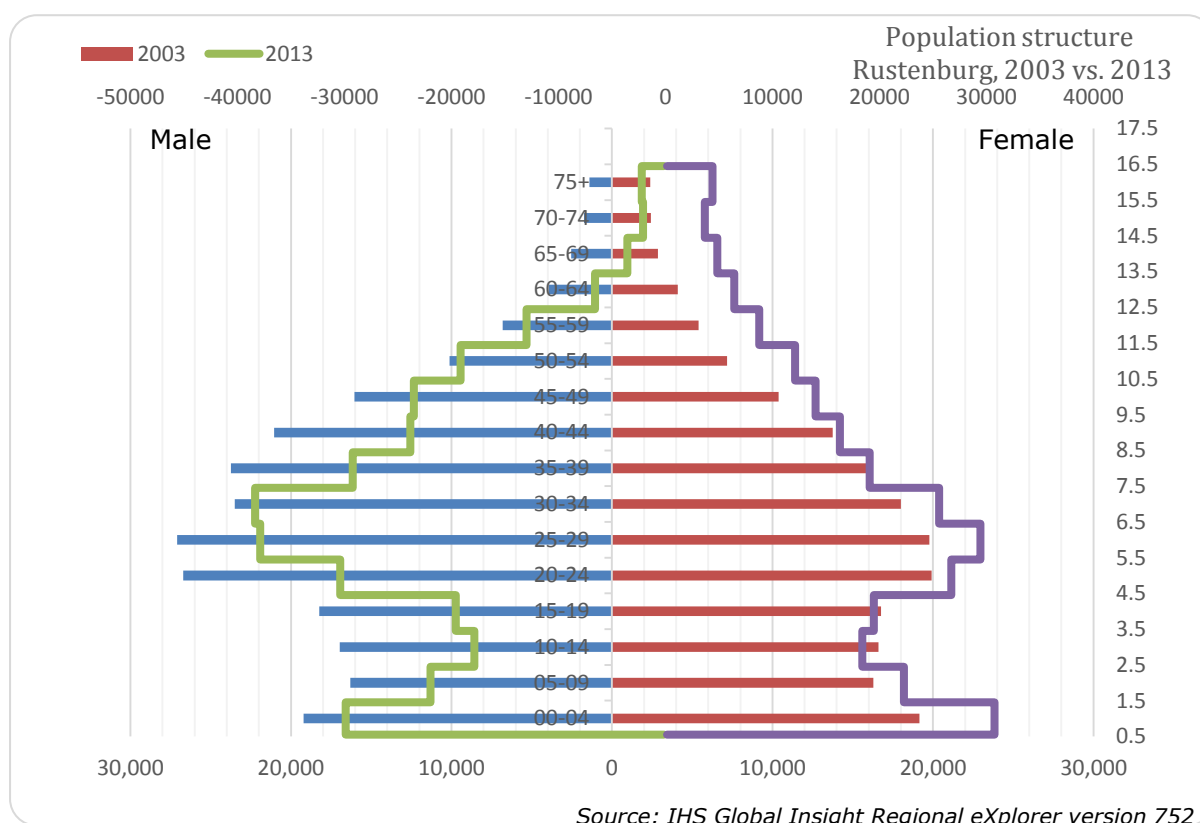
There is a significantly larger share of young working age people - aged 20 to 34 (32.4%) - in Rustenburg, compared to the national picture (26.7%).

The area appears to be a migrant receiving area, with many of people migrating into Rustenburg, either from abroad, or from the more rural areas in the country looking for better opportunities.

Fertility in Rustenburg is slightly lower compared to South Africa as a whole. Spatial policies changed since 1994.

The share of children between the ages of 0 to 14 years is significant smaller (24.3%) in Rustenburg compared to South Africa (29.7%). Demand for expenditure on schooling as percentage of total budget within Rustenburg Local Municipality will therefore be lower than that of South Africa.

CHART 4. POPULATION PYRAMID - RUSTENBURG LOCAL MUNICIPALITY, 2007 VS. 2013
[PERCENTAGE]



Comparing the 2007 with the 2013 population pyramid for Rustenburg Local Municipality, interesting differences are visible:

In 2007, there were a slightly smaller share of young working age people - aged 20 to 34 (31.7%) - compared to 2013 (32.4%).

Fertility in 2007 was significantly lower compared to that of 2013.

The share of children between the ages of 0 to 14 years is slightly larger in 2007 (24.5%) compared to 2013 (24.3%). Life expectancy is increasing.

In 2013, the female population for the 20 to 34 years age group amounted to 13.5% of the total female population while the male population group for the same age amounted to 18.1% of the total male population. In 2007 the male working age population at 18.3% still exceeds that of the female population working age population at 14.1%.

Number of Households by Population Group

Definition: A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. An individual is considered part of a household if he/she spends at least four nights a week within the household. To categorise a household according to population group, the population group to which the head of the household belongs, is used.

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa. In 2013, the Rustenburg Local Municipality comprised of 208 000 households. This equates to an average annual growth rate of 5.02% in the number of households from 2007 to 2013. With an average annual growth rate of 3.15% in the total population, the average household size in the Rustenburg Local Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2007 decreased from approximately 3.3 individuals per household to 2.8 persons per household in 2013.

TABLE 5. NUMBER OF HOUSEHOLDS - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2007-2013 [NUMBER PERCENTAGE]

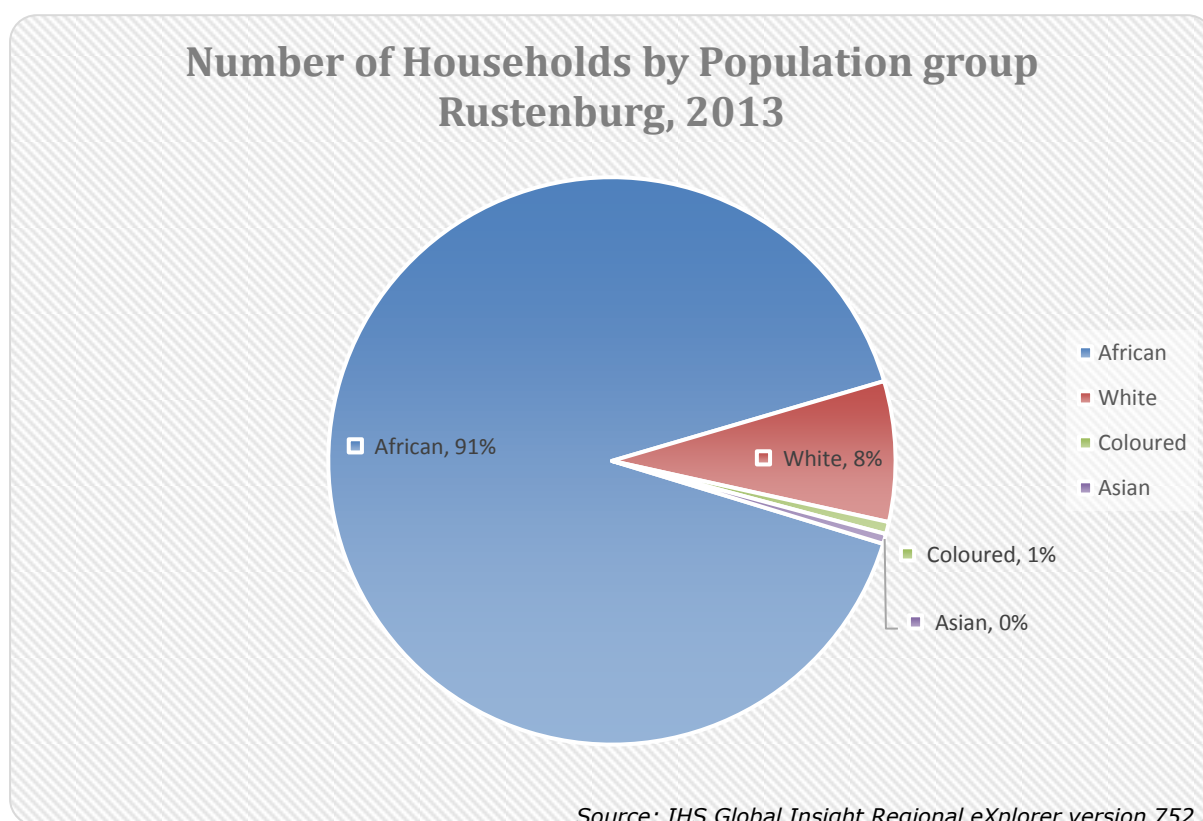
	Rustenburg	Bojanala	North-West	National Total	Rustenburg as % of district municipality	Rustenburg as % of province	Rustenburg as % of national
2007	163,000	424,000	1,030,000	13,700,000	38.4%	15.9%	1.19%
2008	175,000	450,000	1,070,000	14,100,000	38.8%	16.3%	1.24%
2009	184,000	469,000	1,090,000	14,300,000	39.2%	16.8%	1.29%
2010	190,000	481,000	1,100,000	14,500,000	39.6%	17.3%	1.32%
2011	197,000	493,000	1,110,000	14,600,000	40.0%	17.7%	1.35%
2012	202,000	504,000	1,130,000	14,900,000	40.1%	17.9%	1.36%
2013	209,000	518,000	1,150,000	15,100,000	40.2%	18.1%	1.38%
Average Annual growth							
2007-2013	5.02%	4.05%	2.36%	2.00%			

Source: IHS Global Insight Regional eXplorer version 752

Relative to the district municipality, the Rustenburg Local Municipality had a higher average annual growth rate of 5.02% from 2007 to 2013. In contrast, the province had an average annual growth rate of 2.36% from 2007. South Africa as a whole had a total of 15.1 million households, with a growth rate of 2.00%, thus growing at a lower rate than the Rustenburg.

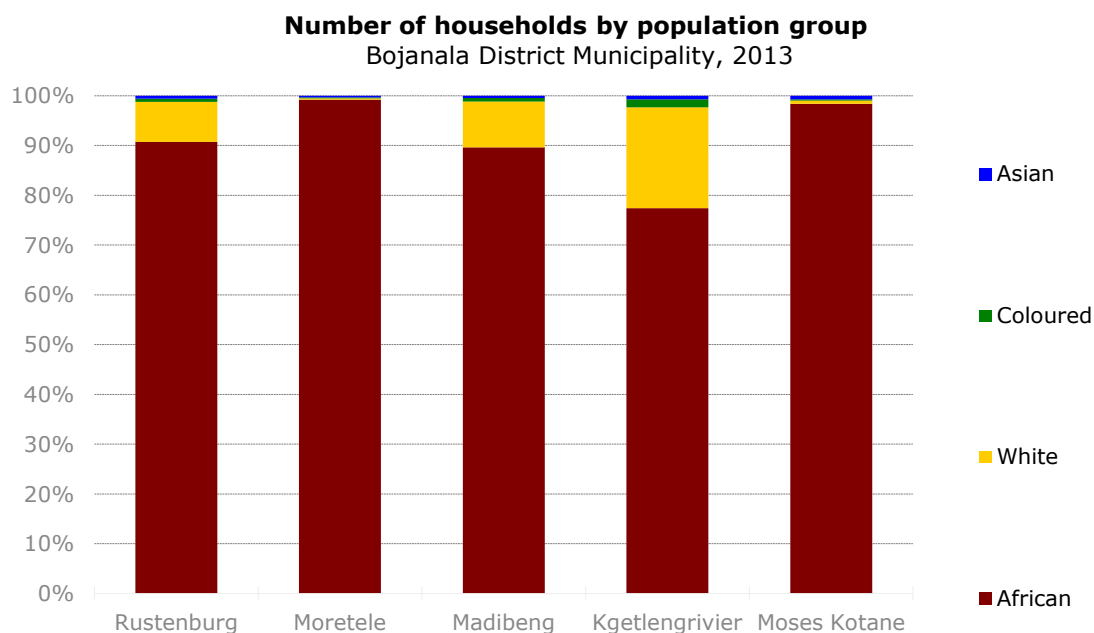
The composition of the households by population group consists of 90.7% which is ascribed to the African population group with the largest amount of households by population group. The White population group had a total composition of 8.0% (ranking second). The Coloured population group had a total composition of 0.7% of the total households. The smallest population group by households is the Asian population group with only 0.6% in 2013.

CHART 5. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - RUSTENBURG LOCAL MUNICIPALITY, 2013 [PERCENTAGE]



The growth in the number of African headed households was on average 5.54% per annum between 2007 and 2013, which translates in the number of households increasing by 78 900 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2007 and 2013 at 5.82%. The average annual growth rate in the number of households for all the other population groups has increased with 5.02%.

TABLE 6. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - RUSTENBURG LOCAL MUNICIPALITY AND THE REST OF BOJANALA, 2013 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 752

HIV+ and AIDS estimates

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately 10 years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

HIV+ and AIDS estimates are defined as follows:

The HIV+ estimates are calculated by using the prevalence rates from the HIV/AIDS model built by the Actuarial Society of Southern Africa (ASSA-2008). These rates are used as base rates on a provincial level. IHS slightly adjusted the provincial ASSA-2008 data to more accurately reflect the national HIV Prevalence rate per population group as used in the national demographic models. The ASSA model in turn uses the prevalence rates from various primary data sets, in particular the HIV/AIDS surveys conducted by the Department of Health and the Antenatal clinic surveys. Their rates are further adjusted for over-reporting and then smoothed.

TABLE 7. NUMBER OF HIV+ PEOPLE - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2007-2013 [NUMBER AND PERCENTAGE]

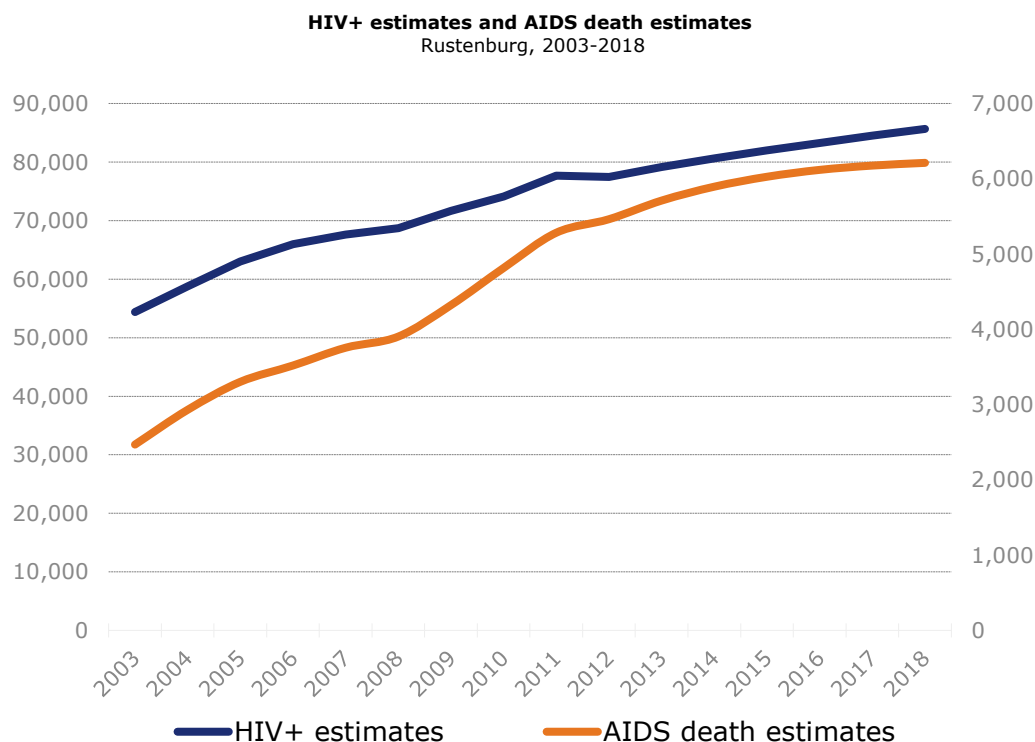
	Rustenburg	Bojanala	North-West	National Total	Rustenburg as % of district municipality	Rustenburg as % of province	Rustenburg as % of national
2007	67,600	181,000	428,000	5,090,000	37.3%	15.8%	1.33%
2008	68,700	183,000	435,000	5,190,000	37.6%	15.8%	1.32%
2009	71,700	189,000	440,000	5,270,000	37.9%	16.3%	1.36%
2010	74,100	194,000	444,000	5,350,000	38.2%	16.7%	1.39%
2011	77,700	201,000	449,000	5,420,000	38.6%	17.3%	1.43%
2012	77,500	199,000	452,000	5,470,000	38.9%	17.1%	1.42%
2013	79,100	202,000	455,000	5,530,000	39.2%	17.4%	1.43%
Average Annual growth							
2007-2013	3.82%	2.82%	1.86%	2.47%			

Source: IHS Global Insight Regional eXplorer version 752

In 2013, 79 100 people in the Rustenburg Local Municipality were infected with HIV. This reflects an increase at an average annual rate of 3.82% since 2007, and in 2013 represented 13.61% of the local municipality's total population. Bojanala District Municipality had an average annual growth rate of 2.82% from 2007 to 2013 in the number of people infected with HIV, which is lower than that of the Rustenburg Local Municipality. The number of infections in North-West Province increased from 379,000 in 2007 to 455,000 in 2013. When looking at South Africa as a whole it can be seen that the number of people that are infected increased from 2007 to 2013 with an average annual growth rate of 2.47%.

The lifespan of people that are HIV+ could be prolonged with modern ARV treatments. In the absence of any treatment, people diagnosed with HIV can live for 10 years and longer before they reach the final AIDS stage of the disease.

CHART 6. AIDS PROFILE AND FORECAST - RUSTENBURG LOCAL MUNICIPALITY, 2003-2018
[NUMBERS]



Source: IHS Global Insight Regional eXplorer version 752

Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 2470 in 2007 and 5710 for 2013. This number denotes an increase from 2007 to 2013 with a sadly high average annual rate of 8.74% (or 3240 people). For the year 2013, they represented 0.98% of the total population of the entire local municipality.

Economy

The economic state of Rustenburg Local Municipality is put in perspective by comparing it on a spatial level with its neighbouring locals, Bojanala District Municipality, North-West Province and South Africa.

The Rustenburg Local Municipality does not function in isolation from Bojanala, North-West Province, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

Gross Domestic Product by Region (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

Definition: Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

TABLE 8. GROSS DOMESTIC PRODUCT (GDP) - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2007-2013 [R BILLIONS, CURRENT PRICES]

	Rustenburg	Bojanala	North-West	National Total	Rustenburg as % of district municipality	Rustenburg as % of province	Rustenburg as % of national
2007	45.4	72.4	124.9	2,016.2	62.7%	36.4%	2.25%
2008	54.4	86.0	142.7	2,256.5	63.3%	38.1%	2.41%
2009	55.1	88.8	150.3	2,408.1	62.1%	36.7%	2.29%
2010	62.5	101.0	169.3	2,673.8	61.9%	36.9%	2.34%
2011	73.3	115.6	189.6	2,932.7	63.4%	38.7%	2.50%
2012	73.9	118.0	196.8	3,139.0	62.6%	37.6%	2.35%
2013	79.1	126.5	205.0	3,385.4	62.5%	38.6%	2.34%

Source: IHS Global Insight Regional eExplorer version 752

With a GDP of R 79.1 billion in 2013 (up from R 45.4 billion in 2007), the Rustenburg Local Municipality contributed 72.4% to the Bojanala District Municipality GDP of R 126 billion in 2013 increasing in the share of the Bojanala from 60.06% in 2007. The Rustenburg Local Municipality contributes 38.57% to the GDP of North-West Province and 2.34% the GDP of South Africa which had a total GDP of R 3.39 trillion in 2013 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2007 when it contributed 2.25% to South Africa, but it is lower than the peak of 2.50% in 2011.

TABLE 9. GROSS DOMESTIC PRODUCT (GDP) - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2007-2013 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2005 PRICES]

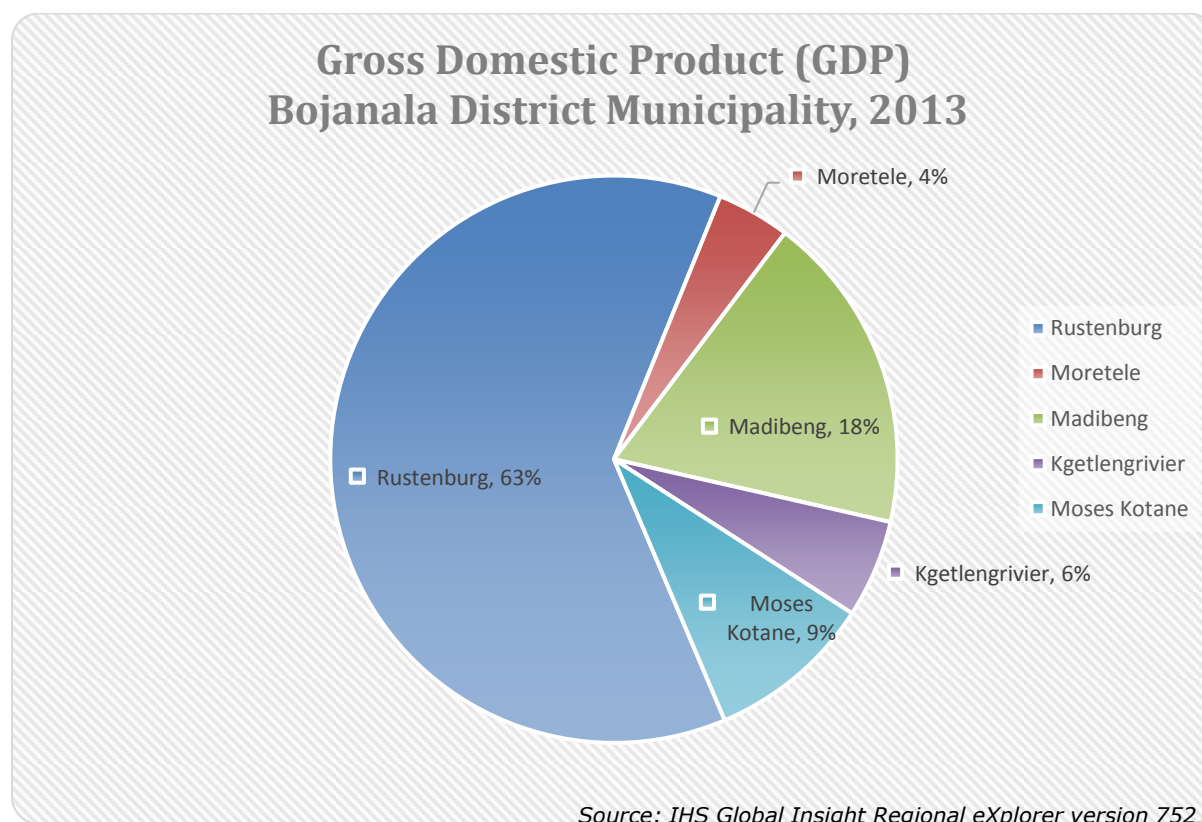
	Rustenburg	Bojanala	North-West	National Total
2007	5.3%	5.9%	4.6%	5.5%
2008	-0.2%	1.8%	1.9%	3.6%
2009	-4.8%	-3.8%	-2.6%	-1.5%
2010	4.4%	4.7%	3.3%	3.1%
2011	3.6%	3.5%	2.9%	3.6%
2012	-3.5%	-2.3%	-0.9%	2.5%
2013	1.8%	1.7%	1.5%	1.9%
Average Annual growth 2007-2013+	2.48%	3.04%	2.22%	3.40%

Source: IHS Global Insight Regional eExplorer version 752

In 2013, the Rustenburg Local Municipality achieved an annual growth rate of 1.85% which is a slightly higher GDP growth than the North-West Province's 1.46%, and is lower than that of South

Africa, where the 2013 GDP growth rate was 1.89%. Contrary to the short-term growth rate of 2013, the longer-term average growth rate for Rustenburg (2.48%) is significant lower than that of South Africa (3.40%). The economic growth in Rustenburg peaked in 2003 at 17.66%.

CHART 7. GROSS DOMESTIC PRODUCT (GDP) - RUSTENBURG LOCAL MUNICIPALITY AND THE REST OF BOJANALA, 2013 [PERCENTAGE]



The Rustenburg Local Municipality had a total GDP of R 79.1 billion and in terms of total contribution towards the Bojanala District Municipality the Rustenburg Local Municipality ranked highest relative to all the regional economies to total Bojanala GDP. This ranking in terms of size compared to other regions of Rustenburg remained the same since 2007. In terms of its share, it was in 2013 (62.5%) significantly larger compared to what it was in 2007 (60.1%). For the period 2007 to 2013, the average annual growth rate of 2.5% of Rustenburg was the fourth relative to its peers in terms of growth in constant 2005 prices.

TABLE 10. GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN BOJANALA DISTRICT MUNICIPALITY, 2007 TO 2013, SHARE AND GROWTH

	2013 (Current prices)	Share of local municipality	2007 (Constant prices)	2013 (Constant prices)	Average Annual growth
Rustenburg	79.07	62.51%	27.81	35.53	2.48%
Moretele	5.29	4.18%	2.33	3.46	4.02%
Madibeng	23.09	18.26%	8.80	13.34	4.24%
Kgetlengrivier	7.07	5.59%	2.57	3.02	1.63%
Moses Kotane	11.97	9.47%	4.06	6.15	4.23%

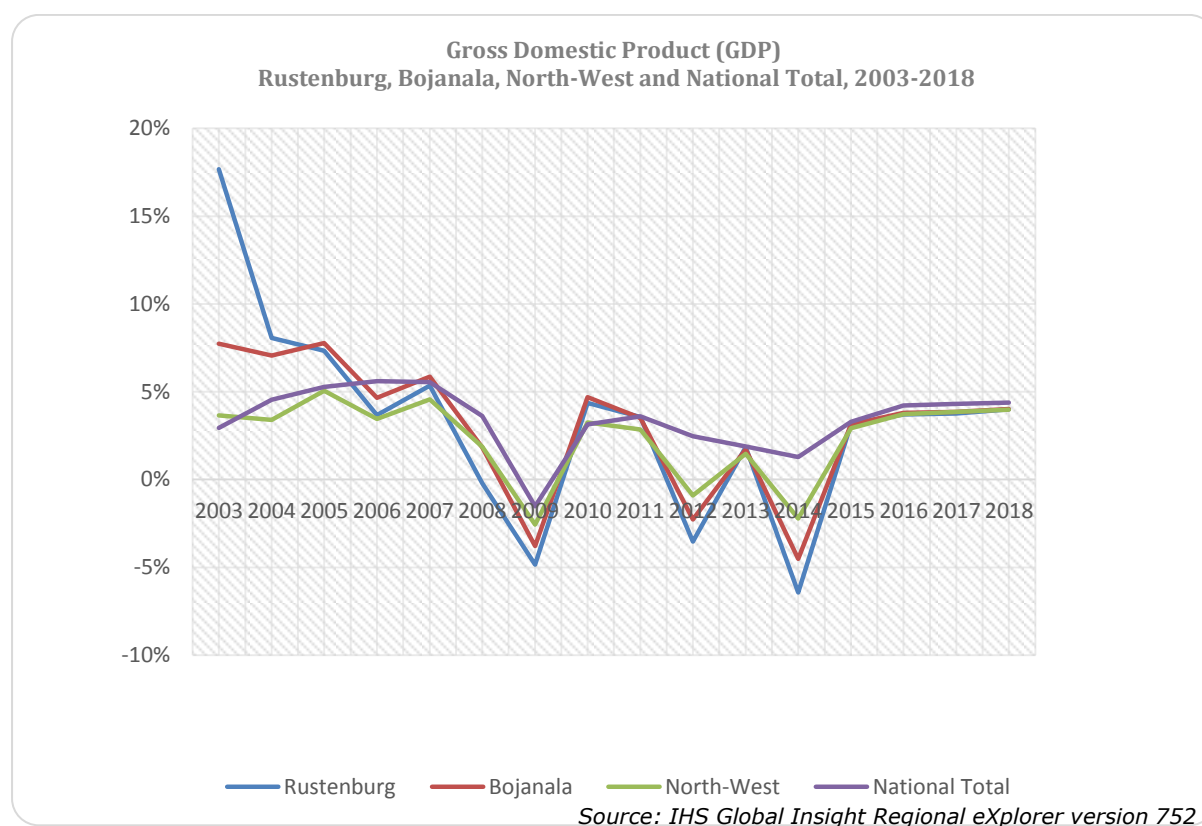
Source: IHS Global Insight Regional eXplorer version 752

Madibeng had the highest average annual economic growth, averaging 4.24% between 2007 and 2013, when compared to the rest of the regions within Bojanala District Municipality. The Moses Kotane local municipality had the second highest average annual growth rate of 4.23%. Kgetlengrivier local municipality had the lowest average annual growth rate of 1.63% between 2007 and 2013.

Economic Growth Forecast

It is expected that Rustenburg Local Municipality will grow at an average annual rate of 12.34% from 2013 to 2018. The average annual growth rate in the GDP of Bojanala District Municipality and North-West Province is expected to be 11.79% and 10.48% respectively. South Africa is forecasted to grow at an average annual growth rate of 9.41%, which is lower than that of the Rustenburg Local Municipality.

TABLE 11. GROSS DOMESTIC PRODUCT (GDP) - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2003-2018 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2005 PRICES]



In 2018, Rustenburg's forecasted GDP will be an estimated R 38.4 billion (constant 2005 prices) or 56.5% of the total GDP of Bojanala. The ranking in terms of size of the Rustenburg Local Municipality will remain the same between 2013 and 2018, with a contribution to the Bojanala District Municipality GDP of 56.5% in 2018 compared to the 57.8% in 2013. At a 1.56% average annual GDP growth rate between 2013 and 2018, Rustenburg ranked the fourth compared to the other regional economies.

TABLE 12. GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN BOJANALA DISTRICT MUNICIPALITY, 2007 TO 2018, SHARE AND GROWTH

	2018 (Current prices)	Share of district municipality	2007 (Constant prices)	2018 (Constant prices)	Average Annual growth
Rustenburg	141.5	64.05%	27.8	38.4	2.17%
Moretele	8.2	3.73%	2.3	4.1	3.81%
Madibeng	38.0	17.22%	8.8	15.2	3.72%
Kgetlengrivier	12.7	5.77%	2.6	3.1	1.31%
Moses Kotane	20.4	9.24%	4.1	7.1	3.77%

Source: IHS Global Insight Regional eXplorer version 752

Gross Value Added by Region (GVA-R)

The Rustenburg Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy.

Definition: Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Rustenburg Local Municipality.

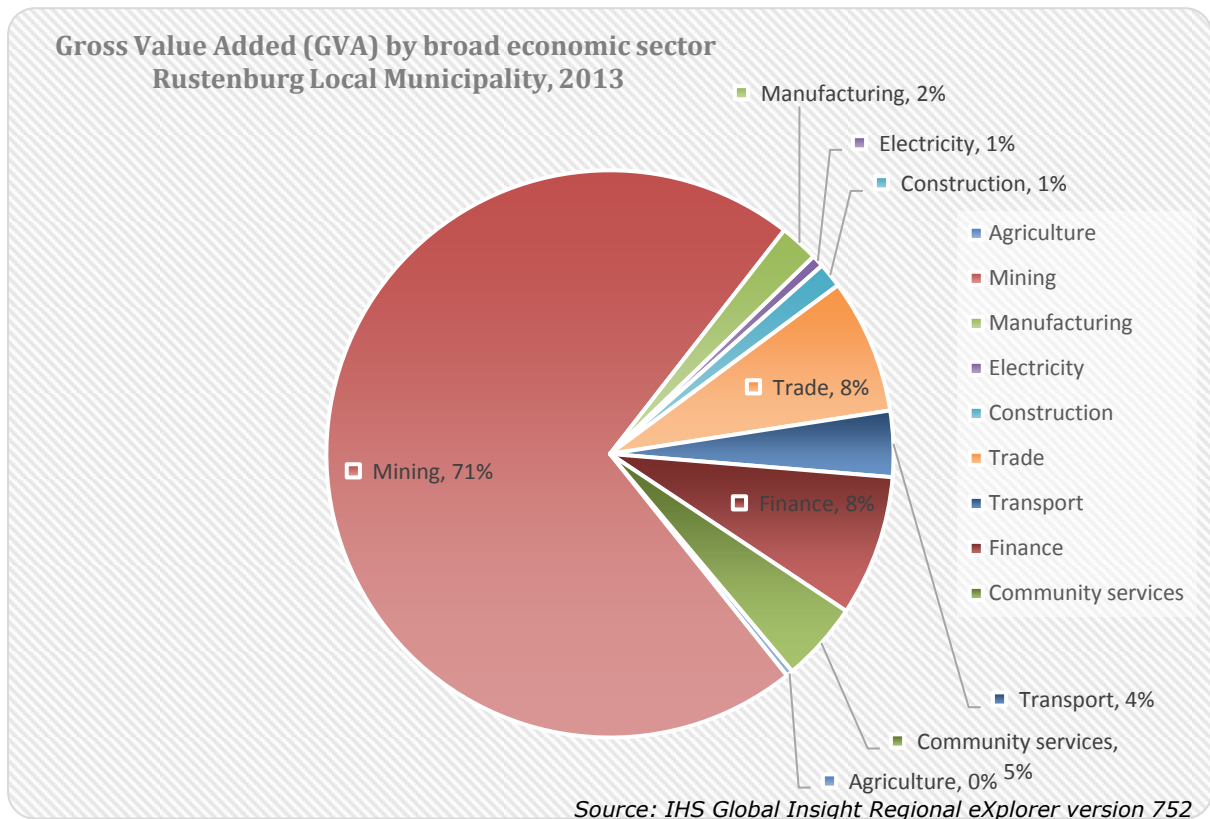
TABLE 13. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - RUSTENBURG LOCAL MUNICIPALITY, 2013 [R BILLIONS, CURRENT PRICES]

	Rustenburg	Bojanala	North-West	National Total	Rustenburg as % of district municipality	Rustenburg as % of province	Rustenburg as % of national
Agriculture	0.3	0.9	4.5	72.4	32.7%	6.4%	0.40%
Mining	52.2	68.6	78.7	279.7	76.2%	66.4%	18.67%
Manufacturing	1.6	3.4	6.1	350.3	47.4%	26.5%	0.46%
Electricity	0.5	1.4	2.9	92.2	36.9%	17.7%	0.55%
Construction	1.0	1.9	3.7	113.6	56.2%	28.5%	0.92%
Trade	5.6	11.2	19.7	502.4	50.5%	28.6%	1.12%
Transport	2.8	5.6	10.0	268.8	49.4%	27.6%	1.03%
Finance	5.9	11.9	22.6	652.2	49.7%	26.1%	0.90%
Community services	3.3	10.8	36.1	698.7	30.9%	9.2%	0.48%
Total Industries	73.3	115.5	184.1	3,030.3	63.5%	39.8%	2.42%

Source: IHS Global Insight Regional eXplorer version 752

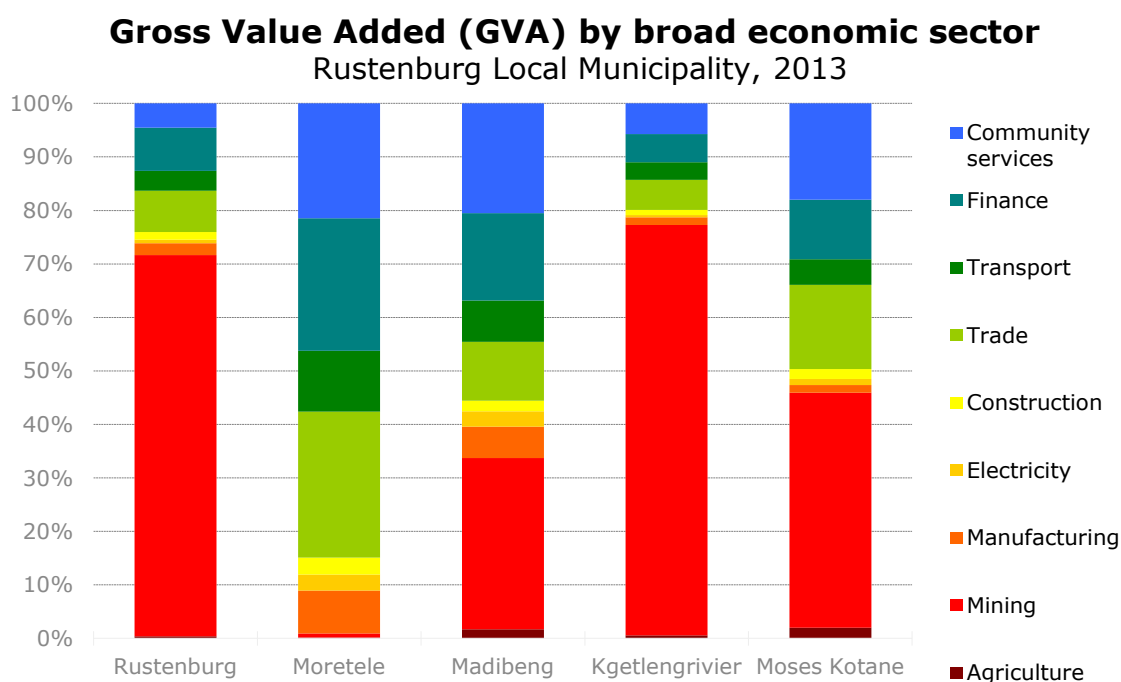
In 2013, the mining sector is the largest within Rustenburg Local Municipality accounting for R 52.2 billion or 71.3% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Rustenburg Local Municipality is the finance sector at 8.0%, followed by the trade sector with 7.7%. The sector that contributes the least to the economy of Rustenburg Local Municipality is the agriculture sector with a contribution of R 288 million or 0.39% of the total GVA.

CHART 8. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - RUSTENBURG LOCAL MUNICIPALITY, 2013 [PERCENTAGE COMPOSITION]



The community sector, which includes the government services, is generally a large contributor towards GVA. When looking at all the regions within the Bojanala District Municipality, it is clear that the Madibeng contributes the most community services towards its own GVA, with 38.39%, relative to the other regions within Bojanala District Municipality. The Madibeng contributed R 20.2 billion or 17.46% to the GVA of Bojanala District Municipality. The region within Bojanala District Municipality that contributes the most to the GVA of the Bojanala District Municipality was the Moses Kotane with a total of R 10.9 billion or 9.41%.

CHART 9. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - RUSTENBURG, MORETELE, MADIBENG, KGETLENGRIVIER AND MOSES KOTANE, 2013 [PERCENTAGE COMPOSITION]



Source: IHS Global Insight Regional eXplorer version 752

Historical Economic Growth

For the period 2013 and 2007 the GVA in the finance sector had the highest average annual growth rate in Rustenburg at 6.77%. The industry with the second highest average annual growth rate is the construction sector averaging at 6.51% per year. The electricity sector had an average annual growth rate of 1.06%, while the mining sector had the lowest average annual growth of 0.47%. Overall a positive growth existed for all the industries in 2013 with an annual growth rate of 1.63% since 2012.

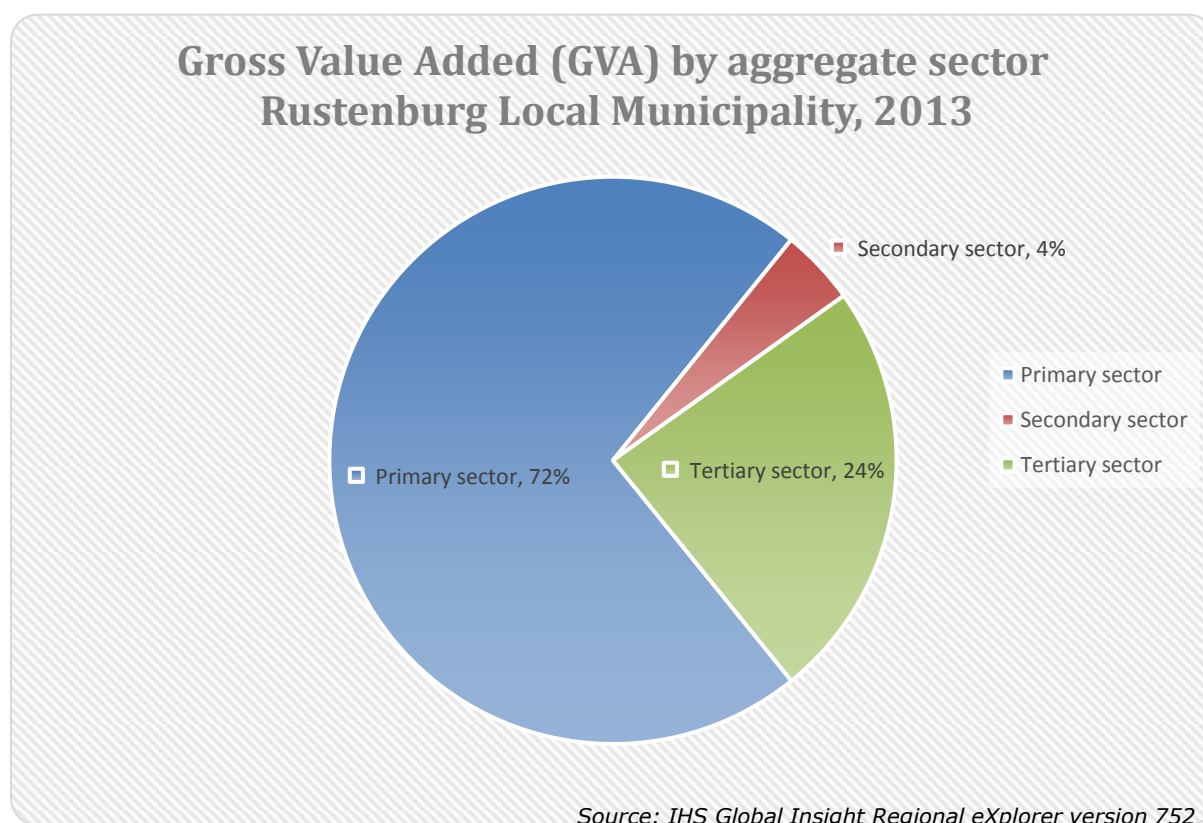
TABLE 14. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - RUSTENBURG LOCAL MUNICIPALITY, 2007, 2008 AND 2013 [R BILLIONS, 2005 CONSTANT PRICES]

	2007	2008	2013	Average Annual growth
Agriculture	0.16	0.18	0.18	1.50%
Mining	16.90	19.21	17.70	0.47%
Manufacturing	1.12	1.55	1.76	4.60%
Electricity	0.14	0.17	0.15	1.06%
Construction	0.29	0.49	0.55	6.51%
Trade	2.17	2.90	3.27	4.19%
Transport	1.65	2.13	2.45	4.00%
Finance	2.30	3.67	4.43	6.77%
Community services	1.53	1.84	1.99	2.69%
Total Industries	26.26	32.15	32.49	2.15%

Source: IHS Global Insight Regional eXplorer version 752

The primary sector contributes the most to the Gross Value Added within the Rustenburg Local Municipality at 71.6%. This is significantly higher than the national economy (11.6%). The tertiary sector contributed a total of 24.0% (ranking second), while the secondary sector contributed the least at 4.3%.

CHART 10. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - RUSTENBURG LOCAL MUNICIPALITY, 2013 [PERCENTAGE]

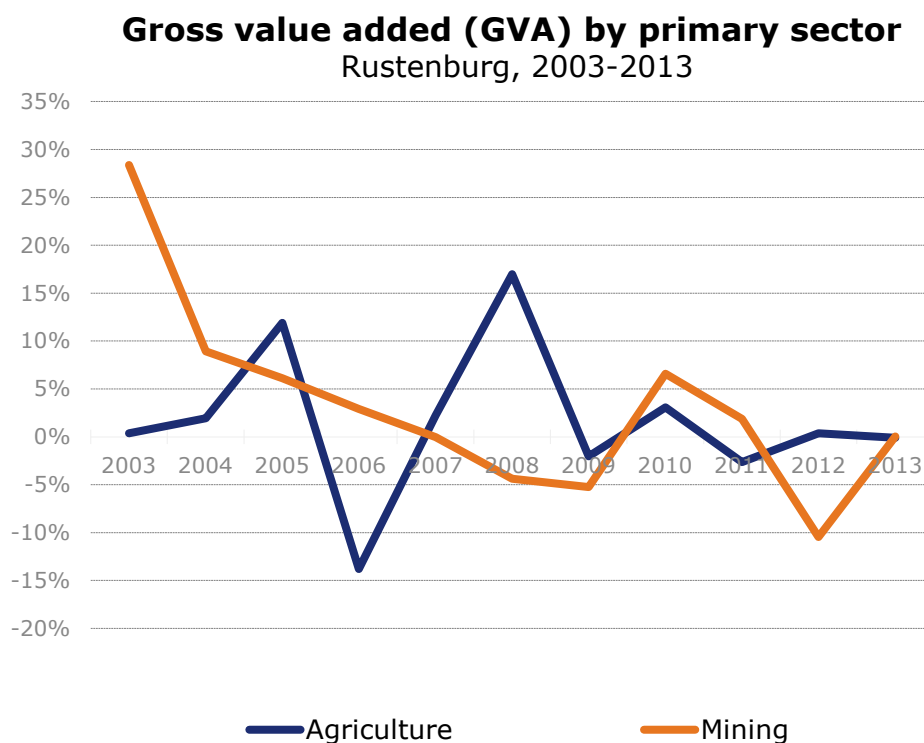


The following is a breakdown of the Gross Value Added (GVA) by aggregated sector

1.1.1.1 Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both of these sectors in Rustenburg Local Municipality from 2007 to 2013.

CHART 11. GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR - RUSTENBURG, 2003-2013
[ANNUAL PERCENTAGE CHANGE]



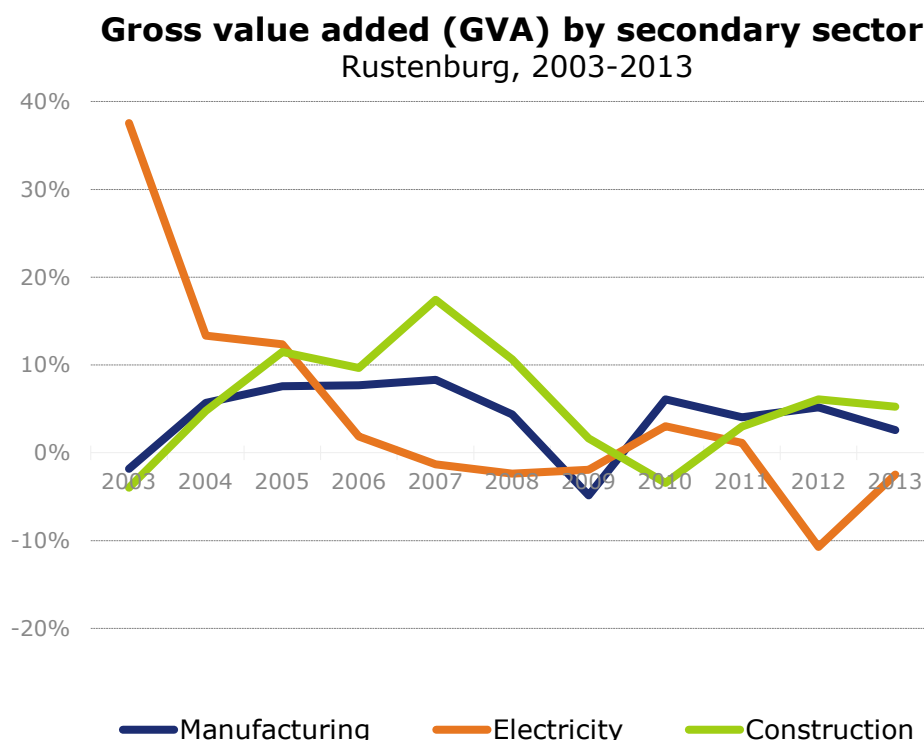
Source: IHS Global Insight Regional eXplorer version 752

Between 2003 and 2013 the agriculture sector experienced the highest positive growth in 2008 with an average growth rate of 17.0%. The mining sector reached its highest point of growth of 28.4% in 2007. The agricultural sector experienced the lowest growth for the period during 2006 at -13.8%, while the mining sector reaching its lowest point of growth in 2012 at -10.5%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

1.1.1.2 Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Rustenburg Local Municipality from 2003 to 2013.

CHART 12. GROSS VALUE ADDED (GVA) BY SECONDARY SECTOR - RUSTENBURG, 2003-2013
[ANNUAL PERCENTAGE CHANGE]



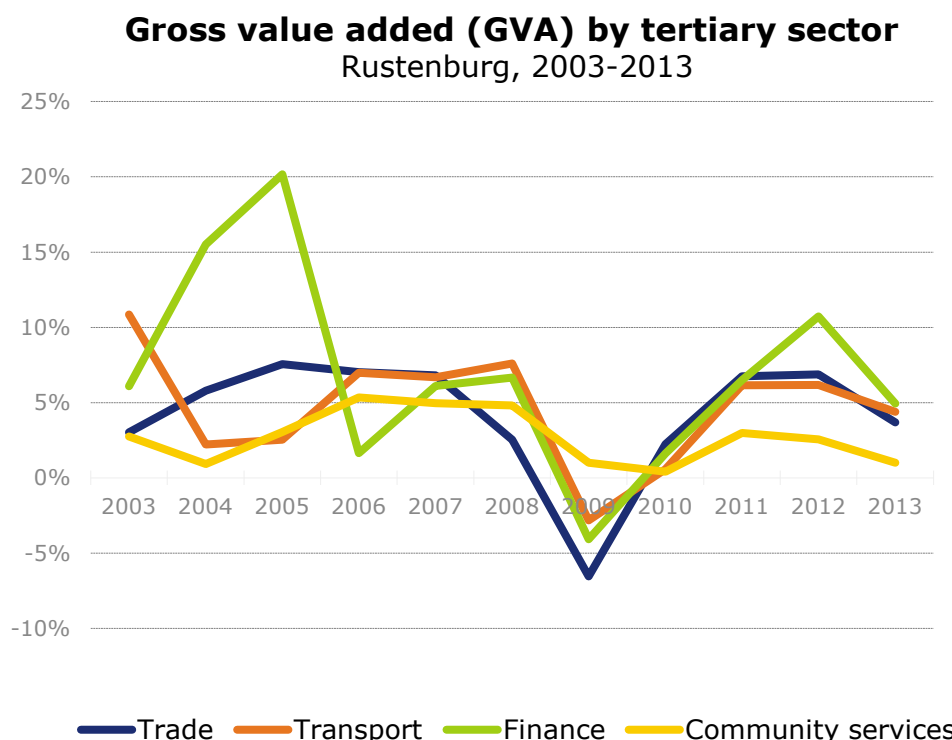
Source: IHS Global Insight Regional eXplorer version 752

Between 2003 and 2013 the manufacturing sector experienced the highest positive growth in 2007 with a growth rate of 8.3%. It is evident for the construction sector that the highest positive growth rate also existed in 2007 and it experienced a growth rate of 17.4% which is higher than that of the manufacturing sector. The manufacturing sector experienced its lowest growth in 2003 of -4.8%, while construction sector reached its lowest point of growth in 2007 with a -4.0% growth rate. The electricity sector experienced the highest growth in 2003 at 37.6%, while it recorded the lowest growth of -10.7% in 2012.

1.1.1.3 Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Rustenburg Local Municipality from 2007 to 2013.

CHART 13. GROSS VALUE ADDED (GVA) BY TERTIARY SECTOR - RUSTENBURG, 2003-2013
[ANNUAL PERCENTAGE CHANGE]



Source: IHS Global Insight Regional eXplorer version 752

The trade sector experienced the highest positive growth in 2005 with a growth rate of 7.6%. The transport sector reached its highest point of growth in 2007 at 10.8%, while the finance sector experienced the highest growth rate in 2005 when it recorded growth of 20.2%. The finance sector recorded the lowest growth rate in 2009 with -4.1% growth rate, while the Trade sector also had the lowest growth rate in 2009 at -6.5%. The community services sector, which largely consists of government, experienced its highest positive growth in 2006 with 5.4% and the lowest growth rate in 2010 with 0.4%.

Sector Growth forecast

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2005) so the emphasis moves from historical growth rates to national-level industry growth rates.

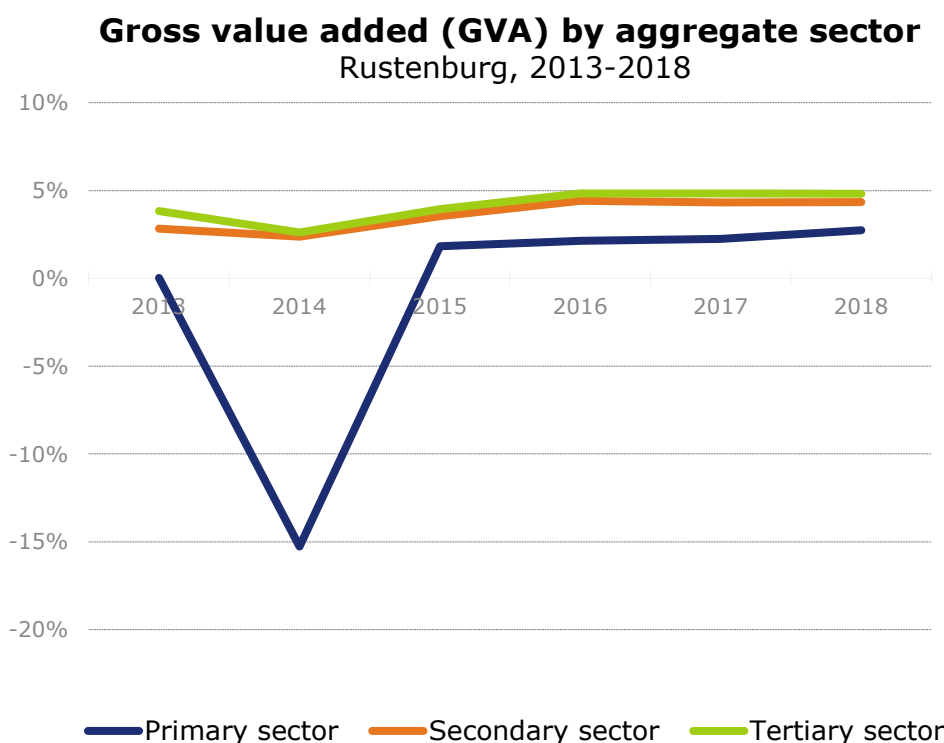
TABLE 15. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - RUSTENBURG LOCAL MUNICIPALITY, 2013-2018 [R BILLIONS, CONSTANT 2005 PRICES]

	2013	2014	2015	2016	2017	2018	Average Annual growth
Agriculture	0.18	0.18	0.18	0.19	0.19	0.20	1.61%
Mining	17.70	14.97	15.25	15.57	15.92	16.36	-1.57%
Manufacturing	1.76	1.81	1.88	1.97	2.06	2.15	4.08%
Electricity	0.15	0.15	0.16	0.17	0.17	0.18	3.20%
Construction	0.55	0.56	0.57	0.60	0.62	0.64	3.05%
Trade	3.27	3.34	3.44	3.58	3.72	3.87	3.40%
Transport	2.45	2.53	2.65	2.79	2.93	3.08	4.70%
Finance	4.43	4.58	4.80	5.07	5.36	5.66	5.00%
Community services	1.99	2.01	2.06	2.14	2.23	2.32	3.07%
Total Industries	32.49	30.13	30.99	32.06	33.19	34.44	1.17%

Source: IHS Global Insight Regional eXplorer version 752

The finance sector is expected to grow fastest at an average of 5.00% annually from R 4.43 billion in Rustenburg Local Municipality to R 5.66 billion in 2018. The mining sector is estimated to be the largest sector within the Rustenburg Local Municipality in 2018, with a total share of 47.5% of the total GVA (as measured in current prices), growing at an average annual rate of -1.6%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of -1.57%.

TABLE 16. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - RUSTENBURG LOCAL MUNICIPALITY, 2013-2018 [ANNUAL GROWTH RATE, CONSTANT 2005 PRICES]



Source: IHS Global Insight Regional eXplorer version 752

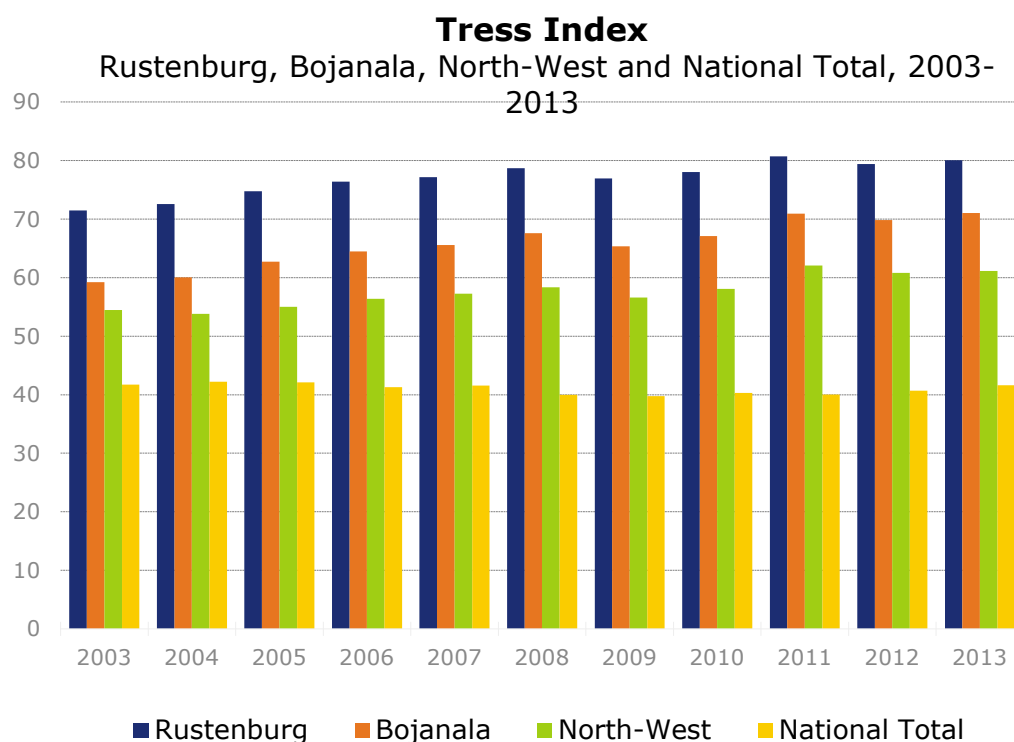
The Primary sector is expected to grow at an average annual rate of -1.53% between 2013 and 2018, with the Secondary sector growing at 3.80% on average annually. The Tertiary sector is expected to grow at an average annual rate of 4.21% for the same period.

Based on the typical profile of a developing country, we can expect faster growth in the secondary and tertiary sectors when compared to the primary sector. Also remember that the agricultural sector is prone to very high volatility as a result of uncertain weather conditions, pests and other natural causes - and the forecasts presented here is merely a long-term trend rather than trying to forecast the unpredictable weather conditions.

Tress Index

Definition: The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region.

CHART 14. TRESS INDEX - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2003-2013 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 752

In 2013, Rustenburg's Tress Index was estimated at 80.1 which are higher than the 71 of the district municipality and higher than the 71 of the province. This implies that - on average - Rustenburg Local Municipality is less diversified in terms of its economic activity spread than the province's economy as a whole.

The Rustenburg Local Municipality has a very high concentrated mining sector.

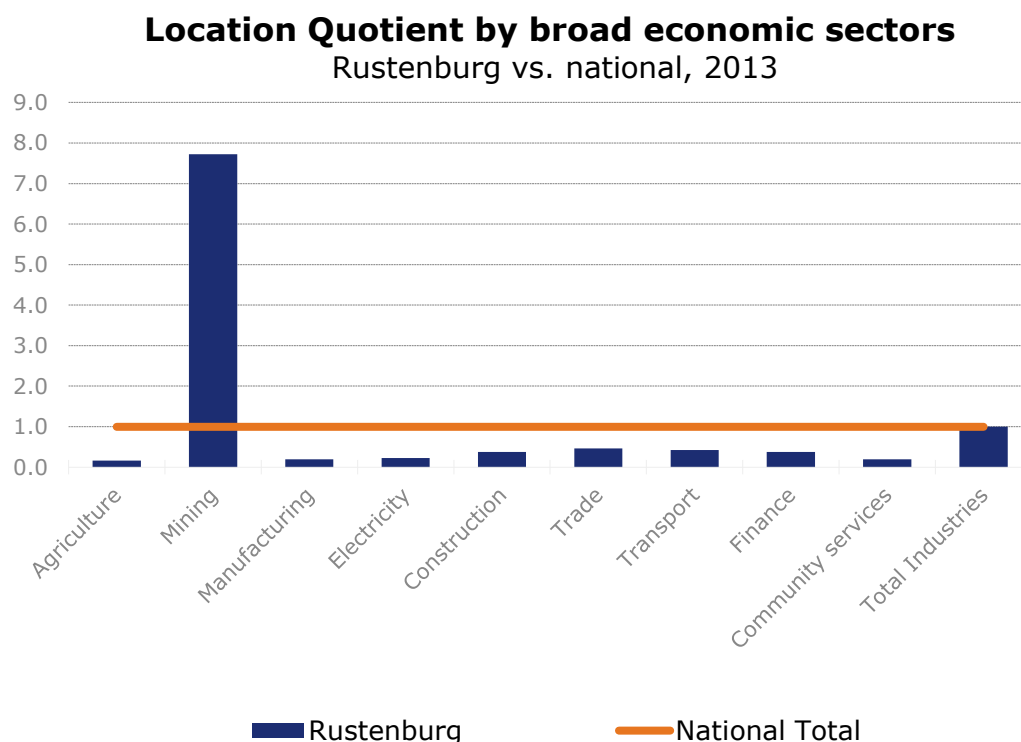
The more diverse an economy is, the more likely it is to create employment opportunities across all skills levels (and not only - for instance - employment opportunities that cater for highly skilled labourers), and maintain a healthy balance between labour-intensive and capital-intensive industries. If both economic growth and the alleviation of unemployment are of concern, clearly there need to be industries that are growing fast and also creating jobs in particular the lower skilled categories. Unfortunately, in practice many industries that are growing fast are not those that create many employment opportunities for unskilled labourers (and alleviate unemployment).

Location Quotient

Definition: A specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same good. The location quotient is one way of measuring this comparative advantage.

If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy. The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.

CHART 15. LOCATION QUOTIENT BY BROAD ECONOMIC SECTORS - RUSTENBURG LOCAL MUNICIPALITY AND SOUTH AFRICA, 2013 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 752

For 2013 Rustenburg Local Municipality has a very large comparative advantage in the mining sector. The Rustenburg Local Municipality has a comparative disadvantage when it comes to the agriculture and manufacturing sector which has a very large comparative disadvantage. In general mining is a very concentrated economic sector. The entire Rustenburg Local Municipality-economy is centred around the mines in the area, with an LQ of 7.72. There are no other sectors except for the mining sector with a comparative advantage. All other sectors have a disadvantage - with the agriculture sector reporting the lowest score at 0.164.

Labour

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

TABLE 17. WORKING AGE POPULATION IN RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2007 AND 2013 [NUMBER]

	Rustenburg		Bojanala		North-West		National Total	
	2007	2013	2007	2013	2007	2013	2007	2013
15-19	35,000	39,100	125,000	116,000	354,000	312,000	4,930,000	4,630,000
20-24	46,600	57,100	135,000	150,000	350,000	339,000	4,870,000	4,910,000
25-29	46,900	67,300	122,000	162,000	298,000	338,000	4,220,000	4,850,000
30-34	41,500	63,900	101,000	149,000	255,000	311,000	3,470,000	4,410,000
35-39	39,600	48,300	93,900	116,000	238,000	256,000	3,060,000	3,440,000
40-44	34,800	40,100	85,000	94,200	216,000	220,000	2,700,000	2,970,000
45-49	26,400	37,500	70,300	87,500	179,000	207,000	2,270,000	2,710,000
50-54	17,300	31,300	51,400	79,600	134,000	191,000	1,830,000	2,440,000
55-59	12,200	21,800	41,100	65,400	109,000	160,000	1,460,000	2,070,000
60-64	8,050	13,000	30,900	46,800	82,300	117,000	1,140,000	1,630,000
Total	308,308	419,395	856,689	1,065,950	2,214,978	2,451,854	29,953,963	34,039,580

Source: IHS Global Insight Regional eXplorer version 752

The working age population in Rustenburg in 2013 was 419 000, increasing at an average annual rate of 3.12% since 2007. For the same period the working age population for Bojanala District Municipality increased at 2.21% annually, while that of North-West Province increased at 1.02% annually. South Africa's working age population of 30 million in 2007 increased annually by 1.29% to reach 34 million in 2013.

In theory, a higher or increasing population dividend is supposed to provide additional stimulus to economic growth. People of working age tend to uphold higher consumption patterns (Final Consumption Expenditure, FCE), and a more dense concentration of working age people is supposed to decrease dependency ratios - given that the additional labour which is offered to the market, is absorbed.

Economically Active Population (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.

Definition: The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

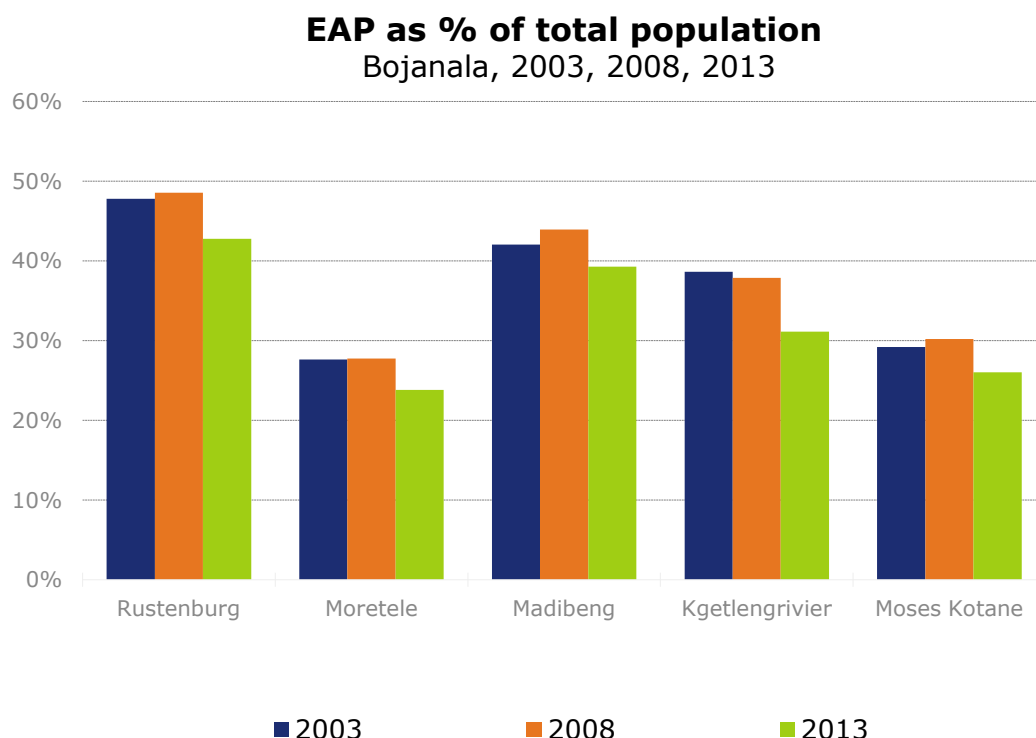
TABLE 18. ECONOMICALLY ACTIVE POPULATION (EAP) - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2007-2013 [NUMBER, PERCENTAGE]

	Rustenburg	Bojanala	North-West	National Total	Rustenburg as % of district municipality	Rustenburg as % of province	Rustenburg as % of national
2007	204,000	496,000	1,180,000	16,900,000	41.1%	17.3%	1.21%
2004	211,000	509,000	1,190,000	17,000,000	41.5%	17.8%	1.24%
2005	221,000	528,000	1,210,000	17,300,000	41.7%	18.2%	1.28%
2006	232,000	552,000	1,250,000	17,700,000	41.9%	18.6%	1.31%
2007	239,000	567,000	1,260,000	18,100,000	42.1%	19.0%	1.32%
2008	242,000	571,000	1,250,000	18,300,000	42.3%	19.4%	1.32%
2009	242,000	568,000	1,220,000	18,200,000	42.6%	19.9%	1.33%
2010	240,000	559,000	1,170,000	18,200,000	42.9%	20.4%	1.32%
2011	239,000	552,000	1,140,000	18,300,000	43.3%	21.0%	1.31%
2012	244,000	560,000	1,140,000	18,500,000	43.6%	21.5%	1.32%
2013	249,000	571,000	1,160,000	18,800,000	43.5%	21.5%	1.33%
Average Annual growth							
2007-2013	2.02%	1.43%	-0.15%	1.07%			

Source: IHS Global Insight Regional eXplorer version 752

Rustenburg Local Municipality's EAP was 249 000 in 2013, which is 42.78% of its total population of 581 000, and roughly 43.53% of the total EAP of the Bojanala District Municipality. From 2007 to 2013, the average annual increase in the EAP in the Rustenburg Local Municipality was 2.02%, which is 0.585 percentage points higher than the growth in the EAP of Bojanala's for the same period.

CHART 16. EAP AS % OF TOTAL POPULATION - RUSTENBURG AND THE REST OF BOJANALA, 2003, 2008, 2013 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 752

In 2003, 47.8% of the total population in Rustenburg Local Municipality were classified as economically active which decreased to 42.8% in 2013. Compared to the other regions in Bojanala, Rustenburg local municipality had the highest EAP as a percentage of the total population within its own region relative to the other regions. On the other hand, Moretele local municipality had the lowest EAP with 23.8% people classified as economically active population in 2013.

Labour Force participation rate

Definition: The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population.

The following is the labour participation rate of the Rustenburg, Bojanala, North-West and National Total as a whole.

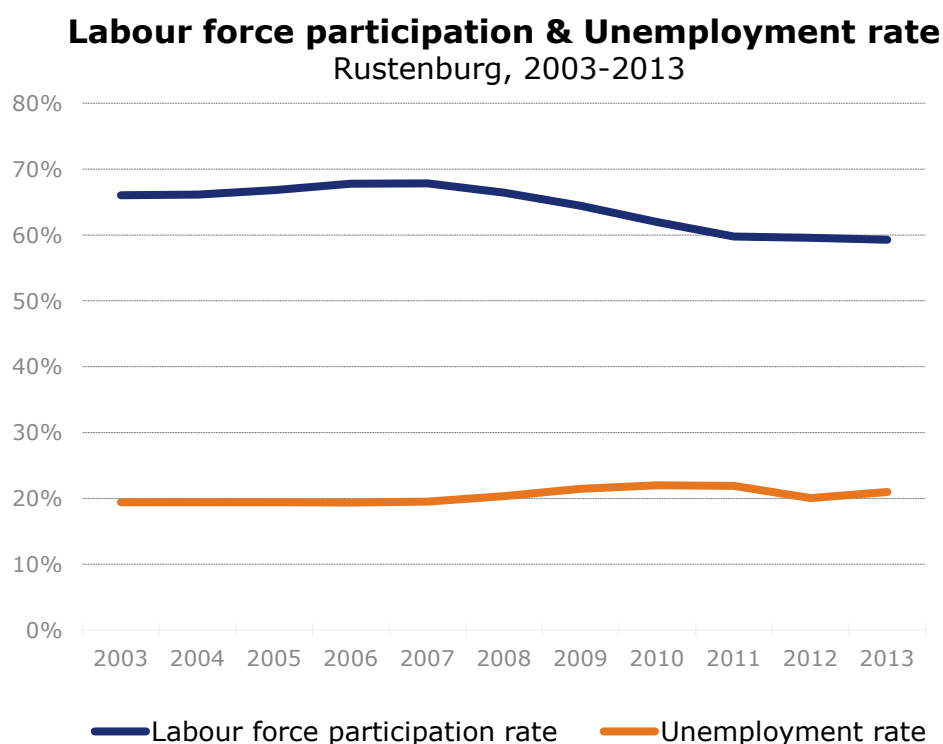
TABLE 19. THE LABOUR FORCE PARTICIPATION RATE - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2007-2013 [PERCENTAGE]

	Rustenburg	Bojanala	North-West	National Total
2007	67.8%	60.4%	54.3%	57.0%
2008	66.4%	59.3%	53.1%	56.7%
2009	64.4%	57.6%	51.4%	55.9%
2010	61.9%	55.4%	49.1%	55.1%
2011	59.8%	53.6%	47.2%	54.7%
2012	59.6%	53.4%	46.8%	54.8%
2013	59.3%	53.6%	47.3%	55.1%

Source: IHS Global Insight Regional eXplorer version 752

The Rustenburg Local Municipality's labour force participation rate decreased from 67.8% to 59.30% which is a decrease of -6.8 percentage points. The Bojanala District Municipality decreased from 60.4% to 53.60%, North-West Province decreased from 54.3% to 47.27% and South Africa decreased from 57.0% to 55.12% from 2007 to 2013. The Rustenburg Local Municipality labour force participation rate exhibited a lower percentage point change compared to the North-West Province from 2007 to 2013. The Rustenburg Local Municipality had a higher labour force participation rate when compared to South Africa in 2013.

CHART 17. THE LABOUR FORCE PARTICIPATION RATE - RUSTENBURG LOCAL MUNICIPALITY, 2003-2013 [PERCENTAGE]

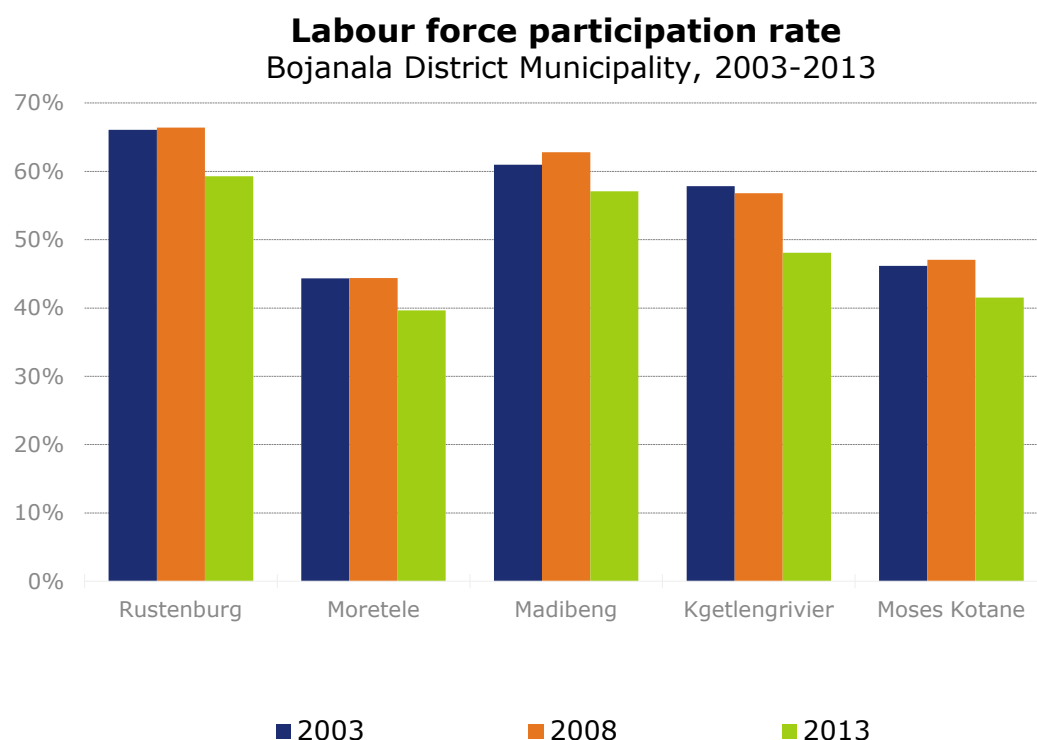


Source: IHS Global Insight Regional eXplorer version 752

In 2013 the labour force participation rate for Rustenburg was at 59.3% which is significant lower when compared to the 66.1% in 2003. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2003, the unemployment

rate for Rustenburg was 19.4% and increased overtime to 21.0% in 2013. The gap between the labour force participation rate and the unemployment rate increased which indicates a positive outlook for the employment within Rustenburg Local Municipality.

CHART 18. THE LABOUR FORCE PARTICIPATION RATE - RUSTENBURG, MORETELE, MADIBENG, KGETLENGRIVIER AND MOSES KOTANE, 2003, 2008 AND 2013 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 752

Rustenburg local municipality had the highest labour force participation rate with 59.3% in 2013 decreasing from 66.1% in 2003. Moretele local municipality had the lowest labour force participation rate of 39.7% in 2013, this decreased from 44.3% in 2007.

Total Employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

Definition: Total employment consists of two parts: employment in the formal sector, and employment in the informal sector

TABLE 20. TOTAL EMPLOYMENT - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2007-2013 [NUMBERS]

	Rustenburg	Bojanala	North-West	National Total
2003	156,000	315,000	776,000	11,500,000
2004	167,000	331,000	792,000	11,800,000
2005	182,000	356,000	826,000	12,200,000
2006	195,000	381,000	864,000	12,800,000
2007	198,000	391,000	880,000	13,400,000
2008	197,000	392,000	866,000	13,700,000
2009	193,000	385,000	839,000	13,700,000
2010	190,000	379,000	812,000	13,600,000
2011	192,000	381,000	796,000	13,600,000
2012	197,000	388,000	799,000	13,800,000
2013	197,000	391,000	812,000	14,000,000
Average Annual growth				
2003-2013	2.35%	2.19%	0.45%	1.94%

Source: IHS Global Insight Regional eXplorer version 752

In 2013, Rustenburg employed 197 000 people which is 50.36% of the total employment in Bojanala (391 000), 24.23% of total employment in North-West Province (812 000), and 1.41% of the total employment of 14 million in South Africa. Employment within Rustenburg increased annually at an average rate of 2.35% from 2003 to 2013. The Rustenburg Local Municipality average annual employment growth rate of 2.35% exceeds the average annual labour force growth rate of 2.02% resulting in unemployment decreasing from 19.42% in 2007 to 20.97% in 2013 in the local municipality.

TABLE 21. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - RUSTENBURG AND THE REST OF BOJANALA, 2013 [NUMBERS]

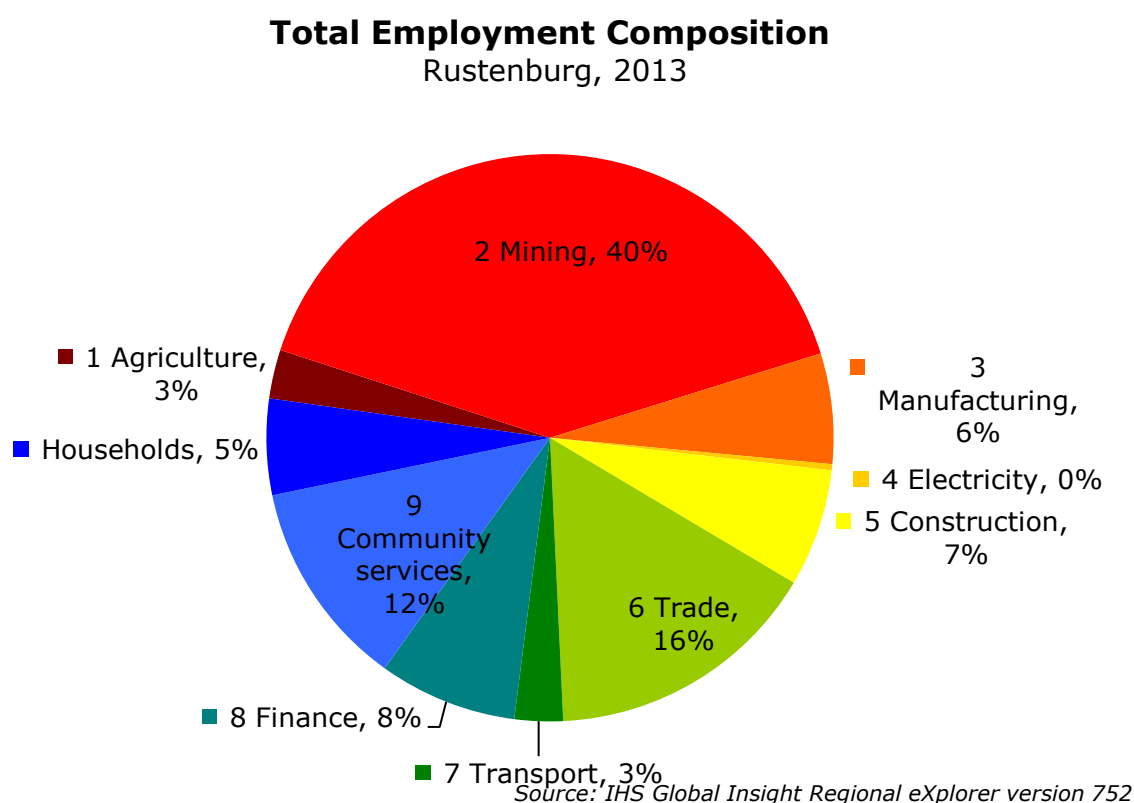
	Rustenburg	Moretele	Madibeng	Kgetlengrivier	Moses Kotane	Total Bojanala
Agriculture	5,480	227	1,710	1,160	966	9,544
Mining	79,100	566	31,800	3,960	15,200	130,584
Manufacturing	12,400	2,540	13,900	1,160	2,060	32,070
Electricity	686	134	544	64	348	1,776
Construction	13,200	1,230	5,940	1,420	1,660	23,433
Trade	30,900	4,370	20,200	3,120	7,970	66,622
Transport	5,430	1,180	4,300	393	1,530	12,833
Finance	15,500	2,430	10,700	1,270	3,190	33,119
Community services	23,300	5,090	17,500	2,420	9,700	58,005
Households	10,800	1,500	6,690	1,820	1,910	22,686
Total	197,000	19,300	113,000	16,800	44,600	390,673

Source: IHS Global Insight Regional eXplorer version 752

Rustenburg Local Municipality employs a total number of 197 000 people within its local municipality. Rustenburg Local Municipality also employs the highest number of people within Bojanala District Municipality. The local municipality that employs the lowest number of people relative to the other regions within Bojanala District Municipality is Kgetlengrivier local municipality with a total number of 16 800 employed people.

In Rustenburg Local Municipality the economic sectors that recorded the largest number of employment in 2013 were the mining sector with a total of 79 000 employed people or 40.2% of total employment in the local municipality. The trade sector with a total of 30 900 (15.7%) employs the second highest number of people relative to the rest of the sectors. The electricity sector with 686 (0.3%) is the sector that employs the least number of people in Rustenburg Local Municipality, followed by the transport sector with 5 430 (2.8%) people employed.

CHART 19. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - RUSTENBURG LOCAL MUNICIPALITY, 2013 [PERCENTAGE]



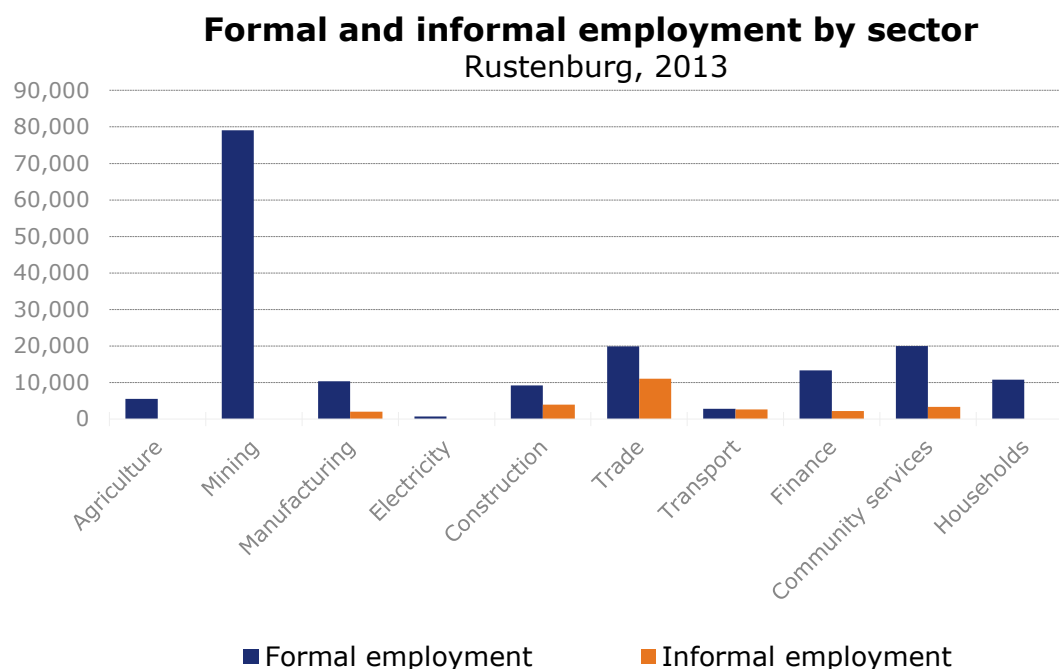
Formal and Informal employment

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Rustenburg Local Municipality counted 172 000 in 2013, which is about 87.18% of total employment, while the number of people employed in the informal sector counted 25 200 or 12.82% of the total employment. Informal employment in Rustenburg increased from 21 200 in 2007 to an estimated 25 200 in 2013.

CHART 20. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - RUSTENBURG LOCAL MUNICIPALITY, 2013 [NUMBERS]



Source: IHS Global Insight Regional eXplorer version 752

Some of the economic sectors have little or no informal employment:

Mining industry, due to well-regulated mining safety policies, and the strict registration of a mine, has little or no informal employment. The Electricity sector is also well regulated, making it difficult to get information on informal employment. Domestic Workers and employment in the Agriculture sector is typically counted under a separate heading.

In 2013 the Trade sector recorded the highest number of informally employed, with a total of 11 000 employees or 43.77% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 2 030 and only contributes 8.04% to total informal employment.

TABLE 22. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - RUSTENBURG LOCAL MUNICIPALITY, 2013 [NUMBERS]

	Formal employment	Informal employment
Agriculture	5,480	N/A
Mining	79,100	N/A
Manufacturing	10,400	2,030
Electricity	686	N/A
Construction	9,240	3,950
Trade	19,900	11,000
Transport	2,760	2,660
Finance	13,300	2,230
Community services	20,000	3,320
Households	10,800	N/A

Source: IHS Global Insight Regional eXplorer version 752

The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism.

Unemployment

Definition: The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

"Without work", i.e. not in paid employment or self-employment;

"Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and

"Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

TABLE 23. UNEMPLOYMENT (OFFICIAL DEFINITION) - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2007-2013 [NUMBER PERCENTAGE]

	Rustenburg	Bojanala	North-West	National Total	Rustenburg as % of district municipality	Rustenburg as % of province	Rustenburg as % of national
2007	46,600	138,000	313,000	4,390,000	33.9%	14.9%	1.06%
2008	49,200	142,000	318,000	4,350,000	34.6%	15.5%	1.13%
2009	51,800	147,000	321,000	4,370,000	35.3%	16.2%	1.19%
2010	52,700	146,000	313,000	4,450,000	36.2%	16.9%	1.19%
2011	52,300	142,000	298,000	4,530,000	36.9%	17.5%	1.15%
2012	48,900	134,000	295,000	4,610,000	36.4%	16.6%	1.06%
2013	52,200	140,000	302,000	4,690,000	37.3%	17.2%	1.11%
Average Annual growth							
2007-2013	2.80%	0.94%	-0.17%	-0.34%			

Source: IHS Global Insight Regional eXplorer version 752

In 2013, there were a total number of 52 200 people unemployed in Rustenburg, which is an increase of 12 600 from 39 600 in 2007. The total number of unemployed people within Rustenburg constitutes 37.32% of the total number of unemployed people in Bojanala District Municipality. The Rustenburg Local Municipality experienced an average annual increase of 2.80% in the number of unemployed people, which is worse than that of the Bojanala District Municipality which had an average annual increase in unemployment of 0.94%.

TABLE 24. UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2007-2013 [PERCENTAGE]

	Rustenburg	Bojanala	North-West	National Total
2007	19.5%	24.2%	24.9%	24.3%
2008	20.3%	24.9%	25.5%	23.8%
2009	21.4%	25.8%	26.4%	24.0%
2010	22.0%	26.1%	26.6%	24.5%
2011	21.9%	25.7%	26.2%	24.8%
2012	20.0%	24.0%	25.9%	25.0%
2013	21.0%	24.5%	26.1%	25.0%

Source: IHS Global Insight Regional eXplorer version 752

In 2013, the unemployment rate in Rustenburg Local Municipality (based on the official definition of unemployment) was 20.97%, which is a increase of 1.55 percentage points. The unemployment rate in Rustenburg Local Municipality is lower than that of Bojanala. Comparing to the North-West Province it can be seen that the unemployment rate for Rustenburg Local Municipality was lower than that of North-West which was 26.1%. The unemployment rate for South Africa was 24.98% in 2013.

Income and Expenditure

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of a number of economic trends. It is also a good marker of growth as well as consumer tendencies.

Number of Households by Income category

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

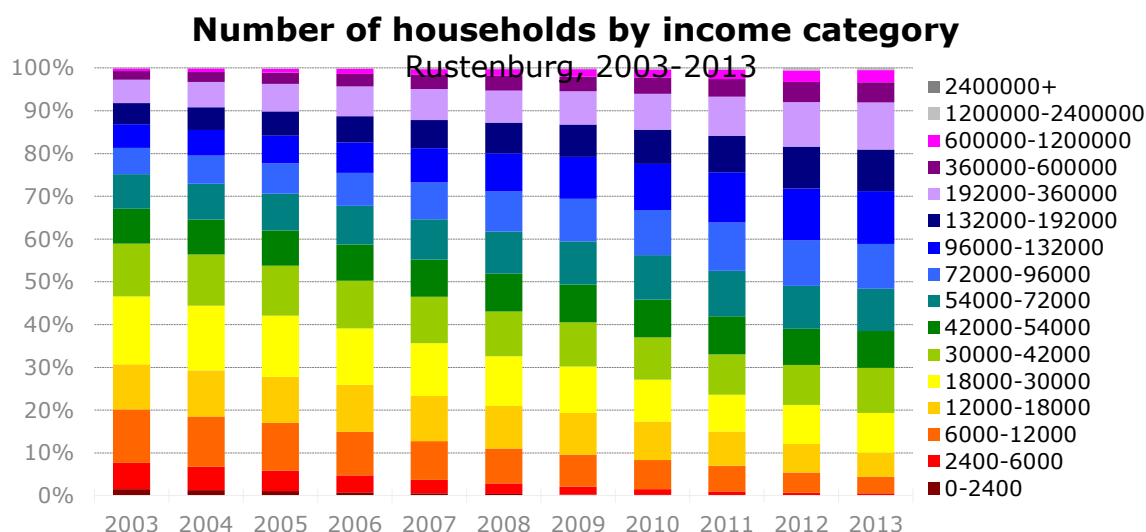
TABLE 25. HOUSEHOLDS BY INCOME CATEGORY - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2013 [NUMBER PERCENTAGE]

	Rustenburg	Bojanala	North-West	National Total	Rustenburg as % of district municipality	Rustenburg as % of province	Rustenburg as % of national
0-2400	177	483	1,050	12,900	36.7%	16.9%	1.37%
2400-6000	1,000	2,710	5,920	73,100	36.9%	16.9%	1.37%
6000-12000	8,010	21,400	47,300	589,000	37.3%	16.9%	1.36%
12000-18000	11,700	32,000	69,600	846,000	36.7%	16.8%	1.39%
18000-30000	19,400	55,400	130,000	1,630,000	35.0%	14.9%	1.19%
30000-42000	22,000	68,000	164,000	2,040,000	32.3%	13.4%	1.08%
42000-54000	18,000	54,200	129,000	1,620,000	33.2%	14.0%	1.11%
54000-72000	20,600	55,200	122,000	1,510,000	37.4%	16.9%	1.37%
72000-96000	21,900	51,600	108,000	1,310,000	42.4%	20.3%	1.67%
96000-132000	25,700	55,400	108,000	1,260,000	46.4%	23.7%	2.05%
132000-192000	20,300	42,900	87,800	1,130,000	47.2%	23.1%	1.79%
192000-360000	23,000	46,100	103,000	1,550,000	49.8%	22.4%	1.49%
360000-600000	9,790	19,200	45,300	841,000	51.1%	21.6%	1.16%
600000-1200000	5,940	11,600	26,300	598,000	51.3%	22.6%	0.99%
1200000-2400000	964	2,080	5,000	125,000	46.5%	19.3%	0.77%
2400000+	90	199	520	10,900	45.3%	17.4%	0.83%
Total	209,000	518,000	1,150,000	15,100,000	40.2%	18.1%	1.38%

Source: IHS Global Insight Regional eXplorer version 752

It was estimated that in 2013 19.32% of all the households in the Rustenburg Local Municipality, were living on R30,000 or less per annum. In comparison with 2007's 46.62%, the number is close to half. The 96000-132000 income category has the highest number of households with a total number of 25 700, followed by the 192000-360000 income category with 23 000 households. Only 90 households fall within the 2400000+ income category.

CHART 21. HOUSEHOLDS BY INCOME BRACKET - RUSTENBURG LOCAL MUNICIPALITY, 2003-2013
[PERCENTAGE]



For the period 2007 to 2013 the number of households earning more than R30,000 per annum has increased from 53.38% to 80.68%.

Annual total Personal Income

Personal income is an even broader concept than labour remuneration. Personal income includes profits, income from property, net current transfers and net social benefits.

Definition: Annual total personal income is the sum of the total personal income for all households in a specific region. The definition of income is the same as used in the income brackets (Number of Households by Income Category), also including the income tax. For this variable, current prices are used, meaning that inflation has not been taken into account.

TABLE 26. ANNUAL TOTAL PERSONAL INCOME - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL[CURRENT PRICES, R BILLIONS]

	Rustenburg	Bojanala	North-West	National Total
2007	16.1	34.2	82.0	1,402.9
2008	18.4	39.2	91.8	1,557.3
2009	20.1	42.9	98.5	1,661.0
2010	22.3	47.5	107.1	1,809.6
2011	25.0	53.0	117.4	1,989.7
2012	28.9	60.5	133.0	2,191.3
2013	30.2	64.9	144.7	2,373.2
Average Annual growth				
2007-2013	12.48%	12.54%	10.96%	10.25%

Source: IHS Global Insight Regional eXplorer version 752

Rustenburg Local Municipality recorded an average annual growth rate of 12.48% (from R 16.1 billion to R 30.2 billion) from 2007 to 2013, which is less than Bojanala's (12.54%), but more than North-West Province's (10.96%) average annual growth rates. South Africa had an average annual growth rate of 10.25% (from R 895 billion to R 2.37 trillion) which is less than the growth rate in Rustenburg Local Municipality.

The total personal income of Rustenburg Local Municipality amounted to approximately R 30.2 billion in 2013. The African population group earned R 20.7 billion, or 68.57% of total personal income, while the White population group earned R 8.85 billion, or 29.34% of the total personal income. The Asian and the Coloured population groups only had a share of 1.28% and 0.82% of total personal income respectively.

TABLE 27. ANNUAL TOTAL PERSONAL INCOME - RUSTENBURG, MORETELE, MADIBENG, KGETLENGRIVIER AND MOSES KOTANE [CURRENT PRICES, R BILLIONS]

	Rustenburg	Moretele	Madibeng	Kgetlengrivier	Moses Kotane
2007	16.12	2.20	10.75	1.14	4.04
2008	18.38	2.45	12.54	1.30	4.50
2009	20.11	2.62	13.97	1.42	4.79
2010	22.34	2.79	15.68	1.56	5.13
2011	25.04	3.01	17.67	1.73	5.56
2012	28.86	3.35	19.80	2.04	6.47
2013	30.16	3.61	21.87	2.18	7.11
Average Annual growth					
2007-2013	12.48%	9.54%	13.92%	13.05%	10.61%

Source: IHS Global Insight Regional eXplorer version 752

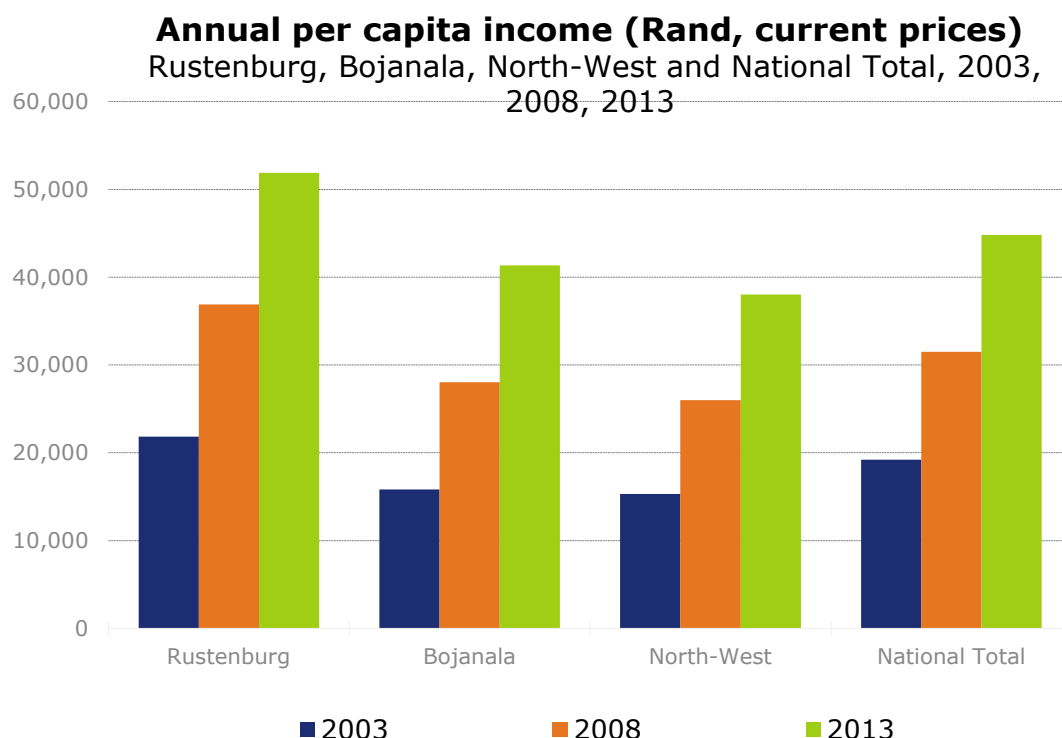
When looking at the annual total personal income for the regions within Bojanala District Municipality it can be seen that the Rustenburg local municipality had the highest total personal income with R 30.2 billion which increased from R 16.12 billion recorded in 2007. It can be seen that the Kgetlengrivier local municipality had the lowest total personal income of R 2.18 billion.

Annual per Capita Income

Definition: Per capita income refers to the income per person. Thus, it takes the total personal income per annum and divides it equally among the population.

Per capita income is often used as a measure of wealth particularly when comparing economies or population groups. Rising per capita income usually indicates a likely swell in demand for consumption.

CHART 22. PER CAPITA INCOME - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2013 [RAND, CURRENT PRICES]



Source: IHS Global Insight Regional eXplorer version 752

The per capita income in Rustenburg Local Municipality in 2013 is R 51,900 which is higher than both the North-West (R 38,000) and of the Bojanala District Municipality (R 41,400) per capita income. The per capita income for Rustenburg Local Municipality (R 51,900) is higher than that of the South Africa as a whole which is R 44,800.

CHART 23. PER CAPITA INCOME BY POPULATION GROUP

	African	White	Coloured	Asian
Rustenburg	40,100	160,000	47,800	77,900

Source: IHS Global Insight Regional eXplorer version 752

Rustenburg local municipality has the highest per capita income with a total of R 51,900. In Rustenburg Local Municipality, the White population group has the highest per capita income, with R 160,000, relative to the other population groups. The population group with the second highest per capita income within Rustenburg Local Municipality is the Asian population group (R 77,900), where the Coloured and the African population groups had a per capita income of R 47,800 and R 40,100 respectively.

Index of Buying Power

Definition: The Index of Buying Power (IBP) is a measure of a region's overall capacity to absorb products and/or services. The index is useful when comparing two regions in terms of their capacity to buy products. Values range from 0 to 1 (where the national index

equals 1), and can be interpreted as the percentage of national buying power attributable to the specific region. Regions' buying power usually depends on three factors: the size of the population; the ability of the population to spend (measured by total income); and the willingness of the population to spend (measured by total retail sales).

TABLE 28. INDEX OF BUYING POWER - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2013 [NUMBER]

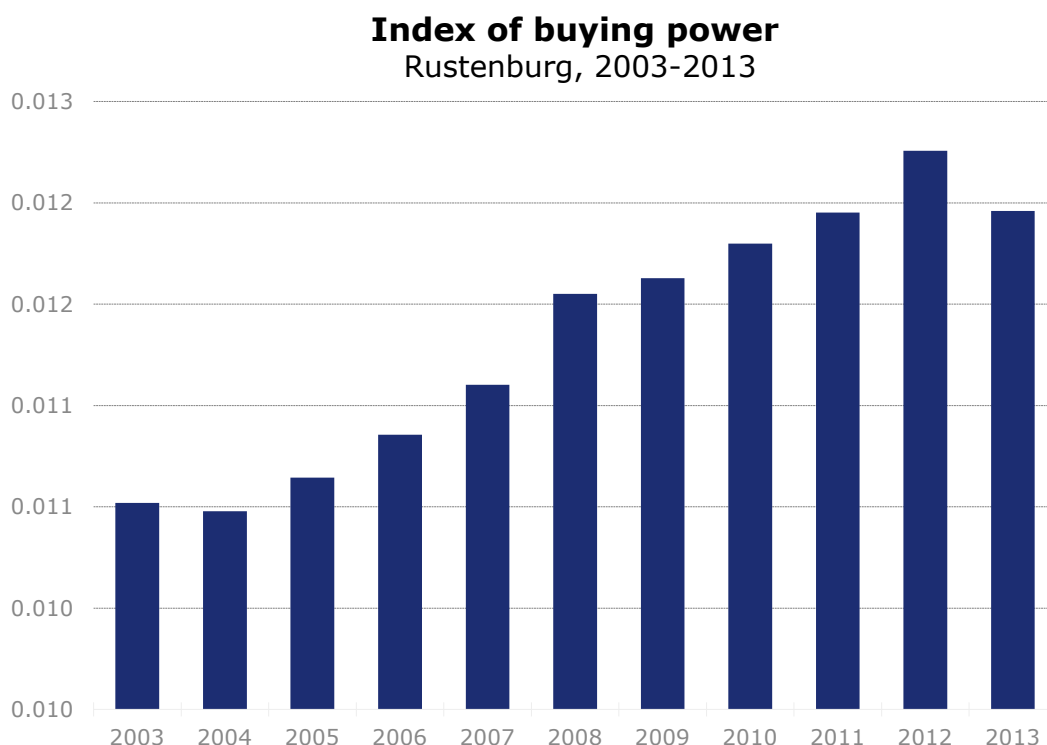
	Rustenburg	Bojanala	North-West	National Total
Population	581,336	1,569,891	3,805,597	52,970,625
Population - share of national total	1.1%	3.0%	7.2%	100.0%
Income	30,165	64,933	144,670	2,373,181
Income - share of national total	1.3%	2.7%	6.1%	100.0%
Retail	7,539,150	14,497,806	33,816,240	698,759,000
Retail - share of national total	1.1%	2.1%	4.8%	100.0%
Index	0.01	0.03	0.06	1.00

Source: IHS Global Insight Regional eXplorer version 752

Rustenburg Local Municipality has a 1.1% share of the national population, 1.3% share of the total national income and a 1.1% share in the total national retail, this all equates to an IBP index value of 0.012 relative to South Africa as a whole. Bojanala has an IBP of 0.026, were North-West Province has and IBP index value of 0.058 and South Africa a value of 1 relative to South Africa as a whole.

The considerable low index of buying power of the Rustenburg Local Municipality suggests that the local municipality has access to only a small percentage of the goods and services available in all of the Bojanala District Municipality. Its residents are most likely spending some of their income in neighbouring areas.

CHART 24. INDEX OF BUYING POWER RUSTENBURG LOCAL MUNICIPALITY, 2003-2013 [INDEX VALUE]



Source: IHS Global Insight Regional eXplorer version 752

Between 2003 and 2013 the index of buying power within Rustenburg Local Municipality increased to its highest level in 2012 (0.01226) from its lowest in 2004 (0.01048). Although the buying power within Rustenburg Local Municipality is relatively small compared to other regions, the IBP increased at an average annual growth rate of 1.29%.

Development

Indicators of development, like the Human Development Index (HDI), Gini Coefficient (income inequality), poverty and the poverty gap, and education, are used to estimate the level of development of a given region in South Africa relative to the rest of the country.

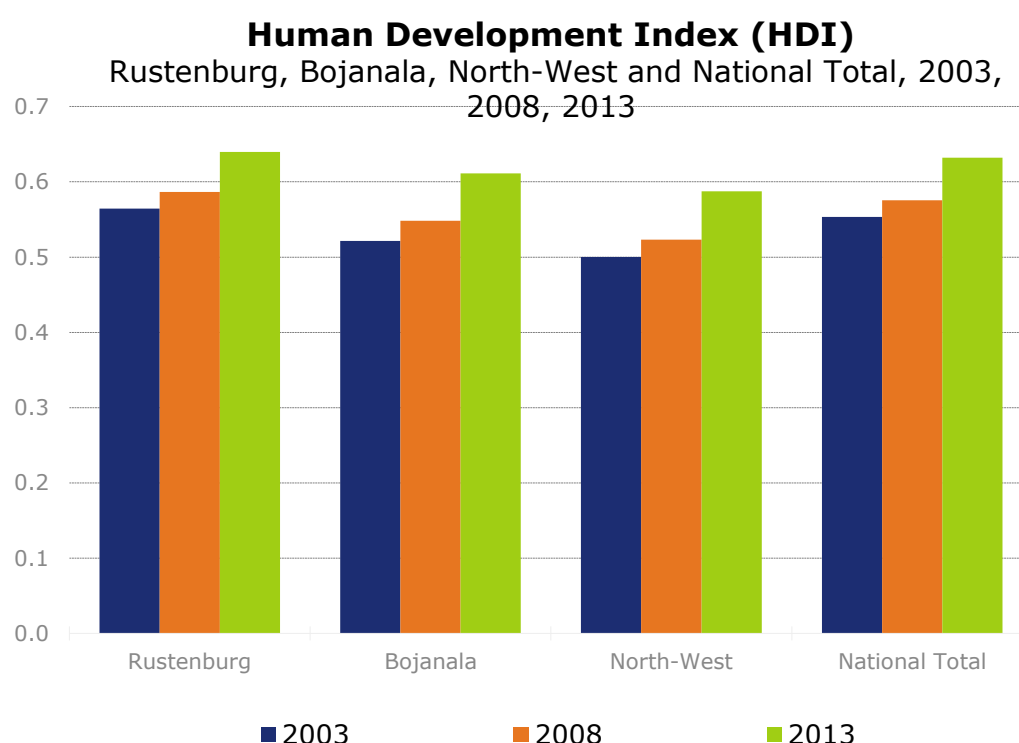
Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such as the opportunity to learn, and the privilege to enjoy the respect of fellow citizens. Curbing poverty and alleviating the effects thereof should be a premise in the compilation of all policies that aspire towards a better life for all.

Human Development Index (HDI)

Definition: The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions.

HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. In order to gauge a decent standard of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.

CHART 25. HUMAN DEVELOPMENT INDEX (HDI) - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2003, 2008, 2013 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 752

In 2013 Rustenburg Local Municipality had an HDI of 0.64 compared to the Bojanala with a HDI of 0.611, 0.588 of North-West and 0.632 of National Total as a whole. Seeing that South Africa recorded a lower HDI in 2013 when compared to Rustenburg Local Municipality which translates to better human development for Rustenburg Local Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.34% and this increase is higher than that of Rustenburg Local Municipality (1.27%).

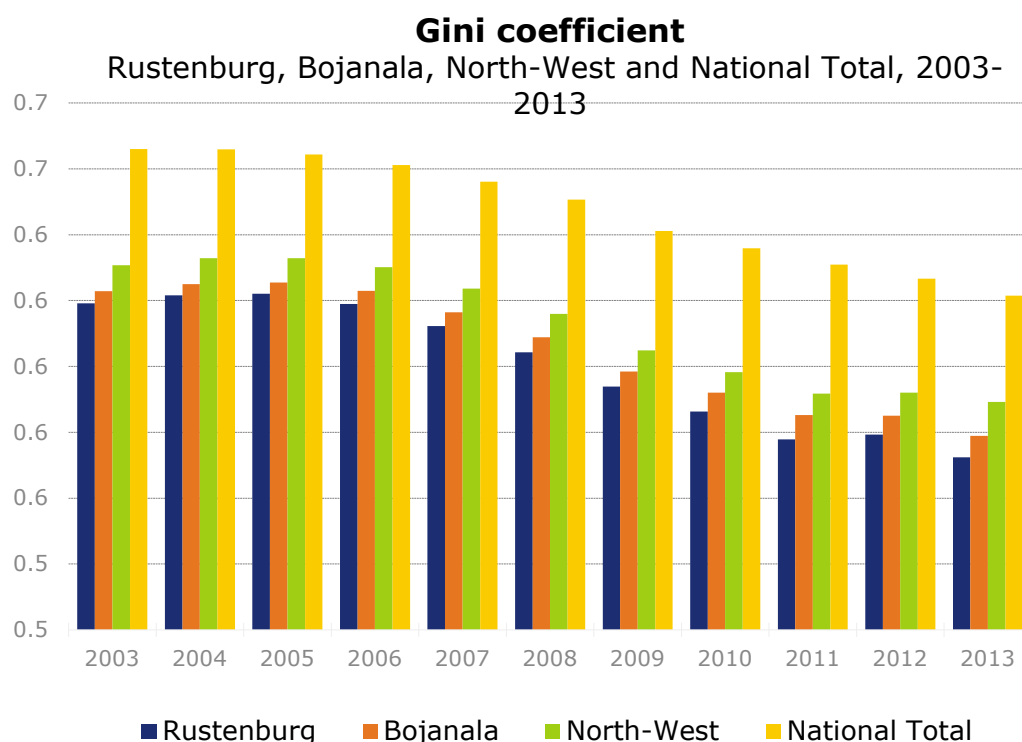
Gini Coefficient

Definition: The Gini coefficient is a summary statistic of income inequality. It varies from range 0 to 1.

If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is not a lot of variance between the high and low income earners within the population.

In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70.

CHART 26. GINI COEFFICIENT - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2003-2013 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 752

In 2013, income inequality as measured by the Gini coefficient in the Rustenburg Local Municipality was at 0.57. Comparing that to the past decade's numbers, it has decreased since 2003. The Bojanala District Municipality and the North-West Province, both had a better spread of income amongst their residents (at 0.58 and 0.59 respectively) when compared to Rustenburg Local Municipality.

TABLE 29. GINI COEFFICIENT BY POPULATION GROUP - RUSTENBURG, 2007-2013 [NUMBER]

	African	White	Coloured	Asian
2007	0.56	0.44	0.60	0.52
2008	0.56	0.43	0.59	0.52
2009	0.54	0.43	0.57	0.50
2010	0.53	0.42	0.56	0.50
2011	0.52	0.41	0.56	0.50
2012	0.52	0.41	0.55	0.48
2013	0.51	0.40	0.54	0.44
Average Annual growth				
2007-2013	-0.99%	-1.36%	-1.22%	-1.13%

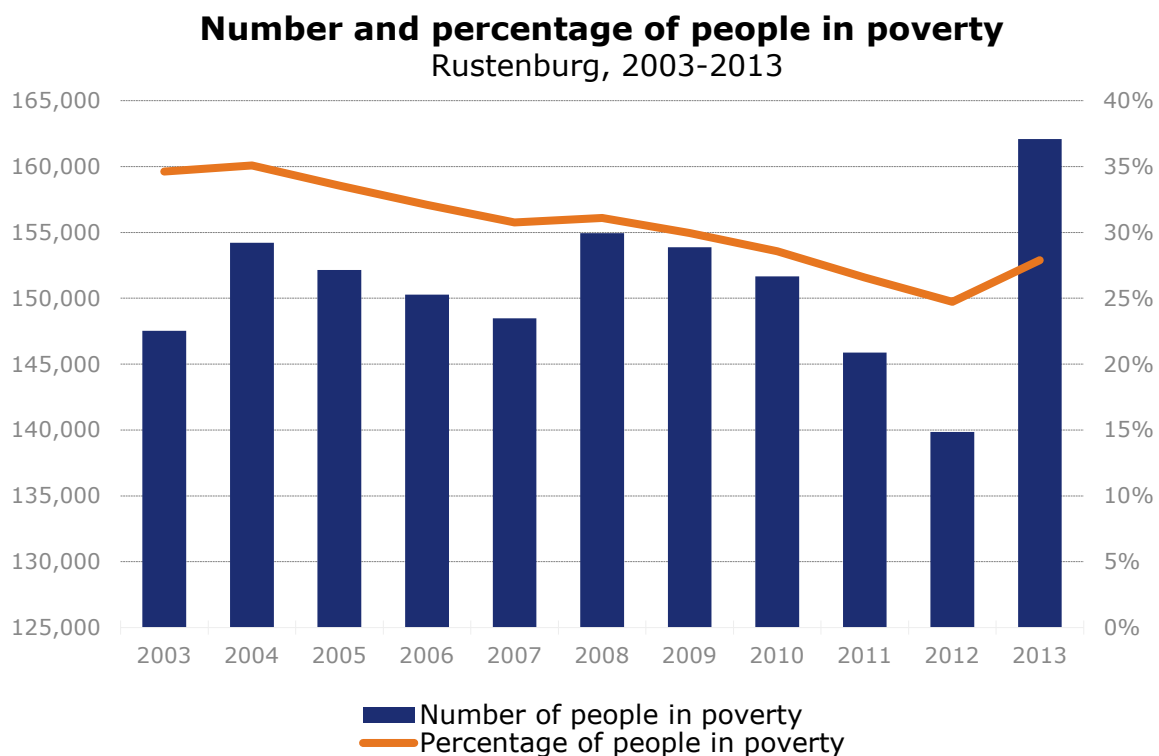
Source: IHS Global Insight Regional eXplorer version 752

The population groups within the Rustenburg Local Municipality it can be seen that the Gini coefficient for the African population group decreased the least when compared to the Asian population group with an average annual growth rate of -0.99%. The Gini coefficient for the Asian population group decreased the most with an average annual growth rate of -1.13%. This implies that both the population groups have improved in terms of income equality within its own population group.

Poverty

Definition: A household is considered to be subject to poverty if the individuals therein earn a combined income which is less than the poverty income threshold. This poverty income threshold is defined as the minimum monthly income needed to sustain a household. Obviously, this will vary according to household size, e.g. the larger the household, the greater the income required to keep its members out of poverty. The poverty income used by IHS - within the context of this assessment - is based on the Bureau of Market Research's Minimum Living Level. Currently, the poverty income threshold for a household of 4 people is set at R2 544 per month.

CHART 27. NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - RUSTENBURG LOCAL MUNICIPALITY, 2003-2013 [NUMBER PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 752

In 2013, there were 162 000 people living in poverty across Rustenburg Local Municipality - this is 9.86% higher than the 148 000 in 2003.

TABLE 30. PERCENTAGE OF PEOPLE LIVING IN POVERTY

	African	White	Coloured	Asian
2007	34.4%	2.4%	31.1%	8.8%
2008	34.7%	2.2%	32.3%	10.6%
2009	33.2%	2.8%	32.2%	11.5%
2010	31.5%	3.3%	35.0%	14.7%
2011	29.1%	4.1%	31.2%	18.5%
2012	27.0%	3.7%	29.8%	17.1%
2013	30.5%	3.9%	32.9%	18.4%

Source: IHS Global Insight Regional eXplorer version 752

In 2013, the population group with the highest percentage of people living in poverty was the coloured population group with a total of 32.9% people living in poverty. The percentage of African population group living in poverty increased by 8.8 percentage points from 34.40% in 2007 to 30.5% in 2013. In 2013 32.91% of the Coloured population group lived in poverty, as compared to the 31.1% in 2007. The Asian and the White population group saw a decrease in the percentage of people living in poverty, with a decrease of -11.3 and -0.962 percentage points respectively.

Poverty Gap

It is estimated that the poverty gap in Rustenburg Local Municipality amounted to R 521 million in 2013 - the amount needed to bring all poor households up to the poverty line and out of poverty.

TABLE 31. TOTAL POVERTY GAP BY POPULATION GROUP - RUSTENBURG LOCAL MUNICIPALITY, 2007-2013 [R MILLIONS, CURRENT PRICES]

	African	White	Coloured	Asian	Total
2007	274.0	1.0	1.9	0.3	277.3
2008	352.9	1.2	2.6	0.5	357.2
2009	378.5	1.1	3.0	0.7	383.3
2010	392.9	1.1	3.3	1.2	398.5
2011	410.1	1.0	3.8	2.2	417.2
2012	441.9	1.2	4.4	2.6	450.0
2013	512.0	1.3	4.9	2.8	521.1
Average Annual growth					
2007-2013	8.66%	-1.92%	15.23%	31.75%	8.71%

Source: IHS Global Insight Regional eXplorer version 752

The African population group has the largest poverty gap in absolute terms of R 512 million (which increased from R 274 million in 2007). The Coloured population group showed the second largest poverty gap with a total of R 4.89 million (which increased from R 1.9 million in 2007).

Education

"People are our greatest asset" (Drucker 1995). It is in the same light that the Municipality has embraced this concept and views its citizenry as its greatest asset. To ensure that the municipality effectively develops human capital, it has developed a three tiered strategy i.e. internally (employees and councillors), externally (citizenry) and at a national and global level. Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required.

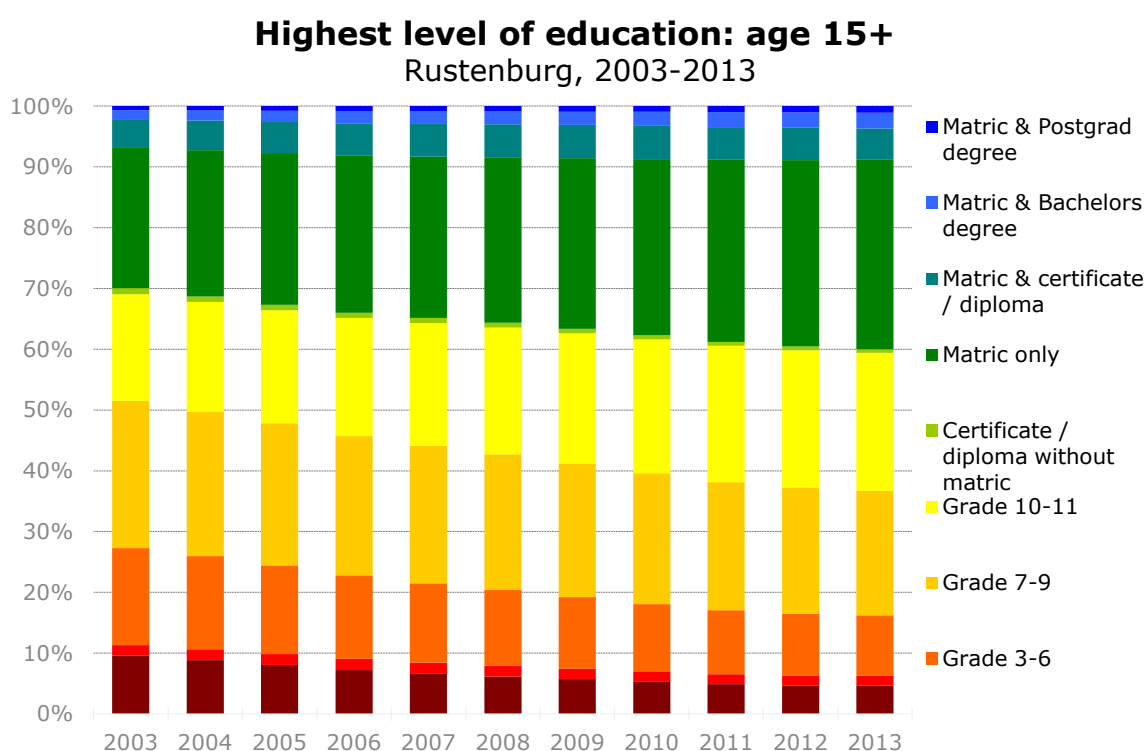
Externally, a wholistic and integrated approach towards investing in citizens' development has been adopted by the Municipality. The Municipality provides training externally via the ABET (Adult Basic Education and Training) and maths, science and technology programmes to schools. The objective of the program is mainly to improve MST teaching and learning in order to prepare young people for successful entry into the working world in general and technological careers in particular.

Internally, the Municipality seeks to empower municipal staff by enhancing their skills in order that the services they render are sustainable, effective and efficient. To achieve this, the Municipality's annual Workplace Skills Plan (WSP) is developed through a critical assessment of the skills needed to be delivered in the IDP and the existing skills within the Municipality. The importance of internal skilling is reflected in the budget; in that 1, 14% of the Human Resource budget has been allocated to Skills Development (2013/14 financial year). Of late, emphasis has also been placed on Councillor development/training.

The Municipality is also committed to enhancing the existing capacity of its staff and, over the next few years, will be rolling out programmes to achieve this.

The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

CHART 28. HIGHEST LEVEL OF EDUCATION: AGE 15+ - RUSTENBURG LOCAL MUNICIPALITY, 2003-2013 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 752

The number of people without any schooling within Rustenburg Local Municipality, decreased from 2003 to 2013 with an average annual rate of -4.15%, while number of people with a 'matric only', increased from 66,100 to 120,000 . The number of people with 'matric and a certificate/diploma'

increased with an average annual rate of 3.88%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 8.61%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

TABLE 32. HIGHEST LEVEL OF EDUCATION: AGE 15+ - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2013 [NUMBERS]

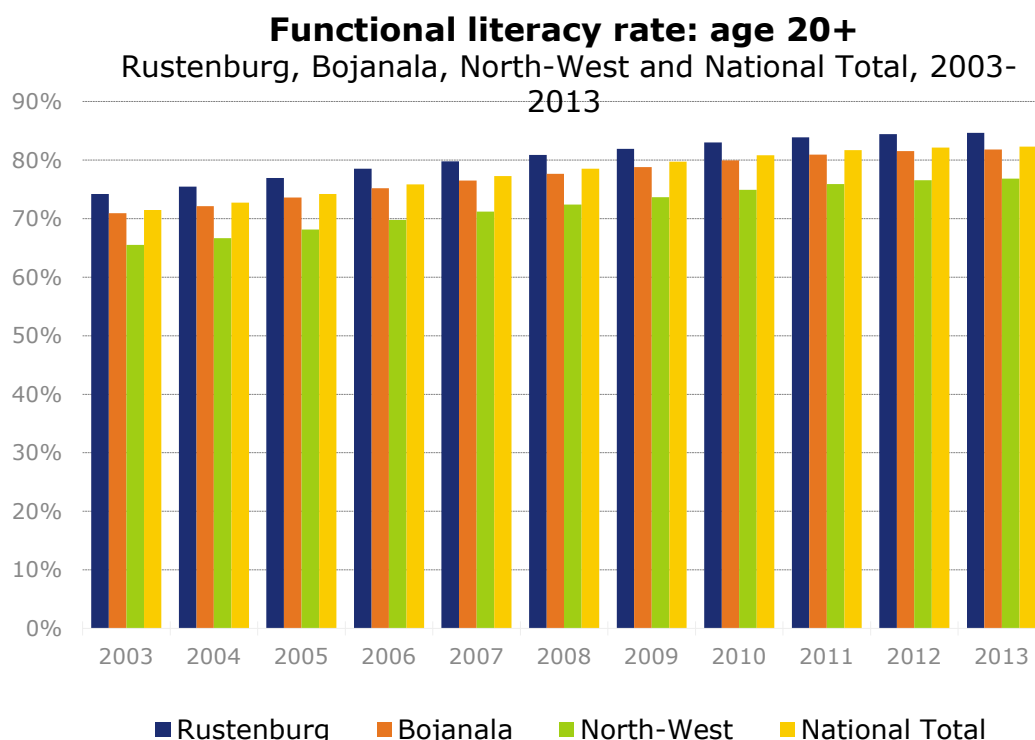
	Rustenburg	Bojanala	North-West	National Total	Rustenburg as % of district municipality	Rustenburg as % of province	Rustenburg as % of national
No schooling	18,000	64,400	228,000	2,250,000	28.0%	7.9%	0.80%
Grade 0-2	6,000	18,200	56,100	670,000	33.0%	10.7%	0.90%
Grade 3-6	38,300	111,000	282,000	3,030,000	34.4%	13.6%	1.26%
Grade 7-9	78,800	210,000	455,000	5,690,000	37.6%	17.3%	1.39%
Grade 10-11	87,400	226,000	480,000	7,030,000	38.6%	18.2%	1.24%
Certificate / diploma without matric	2,250	4,900	10,700	193,000	45.8%	21.1%	1.16%
Matric only	120,000	286,000	581,000	8,710,000	41.9%	20.7%	1.38%
Matric certificate / diploma	19,800	44,000	95,400	1,870,000	45.1%	20.8%	1.06%
Matric Bachelors degree	9,820	21,700	56,800	1,240,000	45.3%	17.3%	0.79%
Matric Postgraduate degree	4,200	8,980	25,000	563,000	46.8%	16.8%	0.75%

Source: IHS Global Insight Regional eXplorer version 752

The number of people without any schooling in Rustenburg Local Municipality accounts for 28.01% of the number of people without schooling in the district municipality, 7.93% of the province and 0.80% of the national. In 2013, the number of people in Rustenburg Local Municipality with a matric only was 120,000 which is a share of 41.94% of the district municipality's total number of people that has obtained a matric. The number of people with a matric and a Postgraduate degree constitutes 45.33% of the district municipality, 17.29% of the province and 0.79% of the national total.

A total of 357 000 individuals in Rustenburg Local Municipality were considered functionally literate in 2013, while 64 700 people were considered to be illiterate. Expressed as a rate, this amounts to 84.67% of the population, which is an increase of 0.1 percentage points since 2007 (74.23%). The number of illiterate individuals decreased on average by -2.45% annually from 2003 to 2013, with the number of functional literate people increasing at 4.11% annually.

CHART 29. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2003-2013 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 752

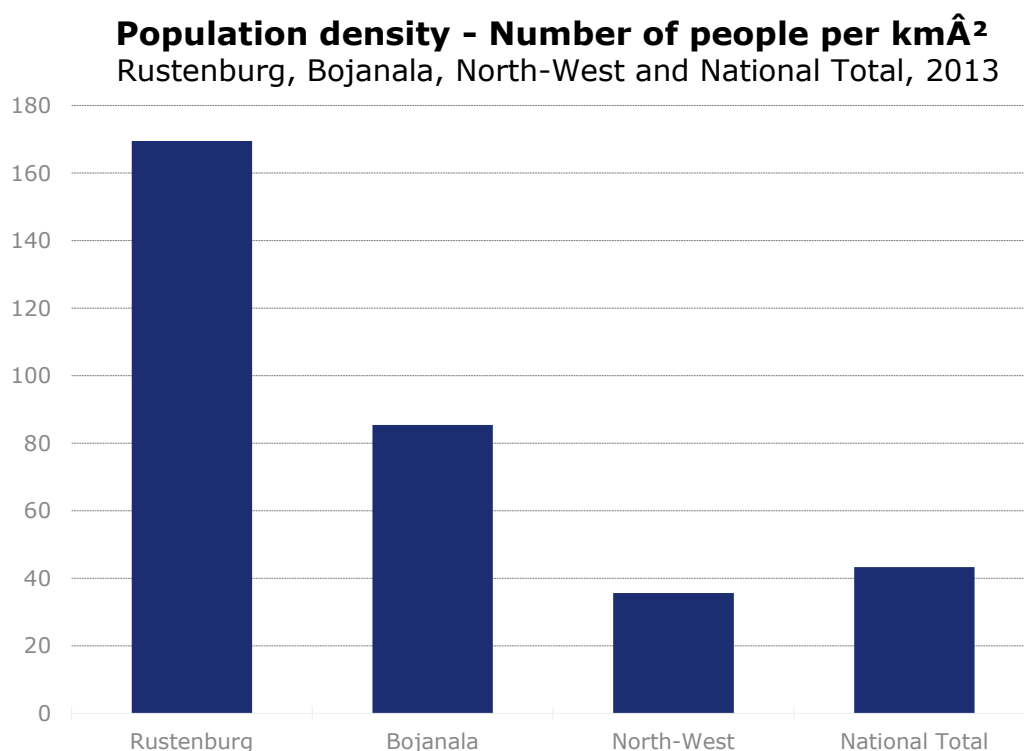
Rustenburg Local Municipality's functional literacy rate of 84.67% in 2013 is higher than that of Bojanala at 81.81%, and is higher than the province rate of 76.85%. When comparing to National Total as whole, which has a functional literacy rate of 82.30%, it can be seen that the functional literacy rate is lower than that of the Rustenburg Local Municipality.

A higher literacy rate is often associated with higher levels of urbanization, for instance where access to schools is less of a problem, and where there are economies of scale. From a spatial breakdown of the literacy rates in South Africa, it is perceived that the districts with larger cities normally have higher literacy rates.

Population Density

Definition: Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre.

CHART 30. POPULATION DENSITY - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2013 [NUMBER OF PEOPLE PER KM]



Source: IHS Global Insight Regional eXplorer version 752

In 2013, with an average of 170 people per square kilometre, Rustenburg Local Municipality had a higher population density than Bojanala (85.5 people per square kilometre). Compared to North-West Province (35.7 per square kilometre) it can be seen that there are more people living per square kilometre in Rustenburg Local Municipality than in North-West Province.

CHART 31. POPULATION DENSITY - RUSTENBURG AND THE REST OF BOJANALA, 2003-2013 [NUMBER OF PEOPLE PER KM]

	Rustenburg	Moretele	Madibeng	Kgetlengrivier	Moses Kotane
2003	124.26	133.58	96.08	9.89	41.94
2004	128.12	133.54	98.13	10.12	41.89
2005	132.20	133.35	100.54	10.39	41.80
2006	136.45	133.31	103.44	10.71	41.77
2007	140.68	133.28	107.11	11.10	41.75
2008	145.20	133.46	111.45	11.54	41.81
2009	149.70	133.52	115.73	11.99	41.84
2010	154.75	133.97	119.93	12.43	41.98
2011	159.98	134.51	123.84	12.85	42.14
2012	164.90	135.11	127.43	13.24	42.29
2013	169.49	135.84	130.81	13.62	42.48
Average Annual growth					
2007-2013	3.15%	0.17%	3.13%	3.25%	0.13%

Source: IHS Global Insight Regional eXplorer version 752

In 2013, Rustenburg Local Municipality had a population density of 170 per square kilometre and it ranked highest amongst its peers. In terms of growth, Rustenburg Local Municipality had an average annual growth in its population density of 3.15% per square kilometre per annum.

Using population density instead of the total number of people creates a better basis for comparing different regions or economies. A higher population density influences the provision of household infrastructure, quality of services, and access to resources like medical care, schools, sewage treatment, community centres, etc.

Crime

The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime. The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

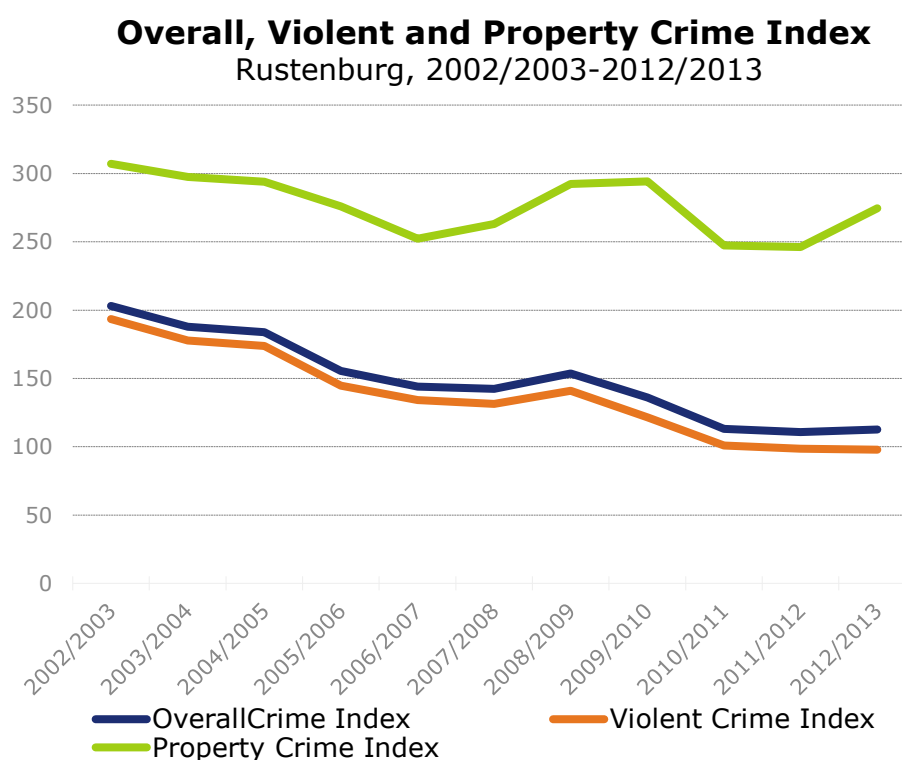
IHS Composite Crime Index

The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e. violent crimes and property crimes. IHS uses the (a) Length-of-sentence and the (b) Cost-of-crime in order to apply a weight to each category.

Overall crime index

Definition: The crime index is a composite, weighted index which measures crime. The higher the index number, the higher the level of crime for that specific year in a particular region. The index is best used by looking at the change over time, or comparing the crime levels across regions.

CHART 32. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - RUSTENBURG LOCAL MUNICIPALITY, 2002/2007-2012/2013 [INDEX VALUE]



Source: IHS Global Insight Regional eXplorer version 752

For the period 2002/2003 to 2012/2013 overall crime has decrease at an average annual rate of 5.73% within the Rustenburg Local Municipality. Violent crime decreased by 6.60% since 2002/2007, while property crimes decreased by 1.11% between the 2002/2007 and 2012/2013 financial years.

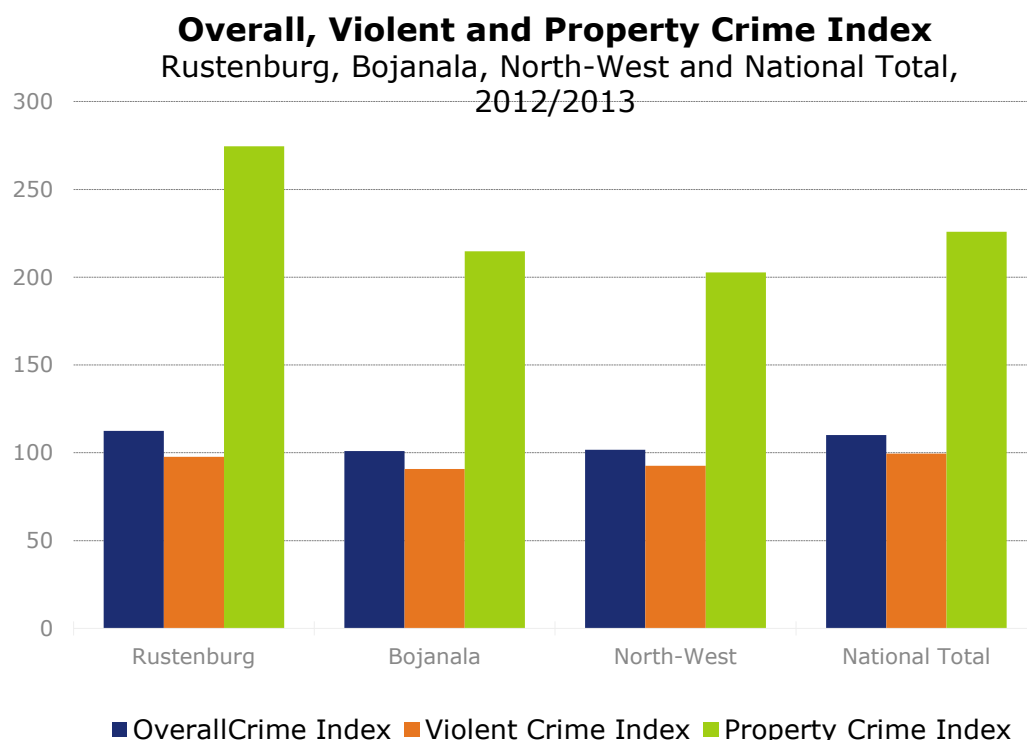
TABLE 33. OVERALL CRIME INDEX - RUSTENBURG LOCAL MUNICIPALITY AND THE REST OF BOJANALA, 2002/2007-2012/2013 [INDEX VALUE]

	Rustenburg	Moretele	Madibeng	Kgetlengrivier	Moses Kotane
2002/2003	202.95	120.66	178.92	173.97	87.07
2003/2004	187.77	116.29	164.19	152.02	84.73
2004/2005	183.72	102.45	156.84	141.80	75.89
2005/2006	155.57	92.03	140.33	125.65	59.49
2006/2007	143.93	92.82	131.07	136.46	59.14
2007/2008	142.38	86.45	125.85	115.94	70.29
2008/2009	153.59	89.82	132.58	97.71	75.59
2009/2010	136.01	92.67	139.60	96.67	74.14
2010/2011	113.03	86.35	127.73	89.29	73.28
2011/2012	110.79	85.65	120.12	76.95	76.65
2012/2013	112.49	79.29	113.93	80.60	69.45
Average Annual growth					
2002/2007-2012/2013	-5.73%	-4.11%	-4.41%	-7.41%	-2.24%

Source: IHS Global Insight Regional eXplorer version 752

In 2012/2013, the Madibeng local municipality has the highest overall crime rate of the sub-regions within the overall Bojanala District Municipality with an index value of 114. Rustenburg local municipality has the second highest overall crime index at 112, with Kgetlengrivier local municipality having the third highest overall crime index of 80.6. It is clear that all the crime is decreasing overtime for all the regions within Bojanala District Municipality. Moretele local municipality has the second lowest overall crime index of 79.3 and the Moses Kotane local municipality has the lowest overall crime rate of 69.4. It is clear that crime is decreasing overtime for all the regions within Bojanala District Municipality. The region that decreased the most in overall crime since 2002/2003 was Kgetlengrivier local municipality with an average annual decrease of 7.4% followed by Rustenburg local municipality with an average annual decrease of 5.7%.

CHART 33. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2012/2013 [INDEX VALUE]



Source: IHS Global Insight Regional eXplorer version 752

From the chart above it is evident that property crime is a major problem for all the regions relative to violent crime. It is evident that the property crime is a major problem for all the regions relative to rest crime indices.

Property crimes comprise of crimes that are classified as less violent in nature and involve acts against property. The crimes included in this index are as follows: arson, malicious damage to property, crimen injuria, burglary at residential premises, burglary at business premises, theft of motor vehicle and motorcycle, theft out of or from motor vehicle, stock-theft, illegal possession of firearms and ammunition, drug-related crime, driving under the influence of alcohol or drugs, all theft not mentioned elsewhere, commercial crime and shoplifting.

Household Infrastructure

Drawing on the household infrastructure data of a region is of essential value in economic planning and social development. Assessing household infrastructure involves the measurement of four indicators:

- Access to dwelling units
- Access to proper sanitation
- Access to running water
- Access to refuse removal

Access to electricity

A household is considered "serviced" if it has access to all four of these basic services. If not, the household is considered to be part of the backlog. The way access to a given service is defined (and how to accurately measure that specific Definition over time) gives rise to some distinct problems. IHS has therefore developed a unique model to capture the number of households and their level of access to the four basic services.

A household is defined as a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

The next few sections offer an overview of the household infrastructure of the Rustenburg Local Municipality between 2013 and 2007.

Household by Dwelling Type

Using the StatsSA definition of a household and a dwelling unit, households can be categorised according to type of dwelling. The categories are:

Very formal dwellings - structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling. .

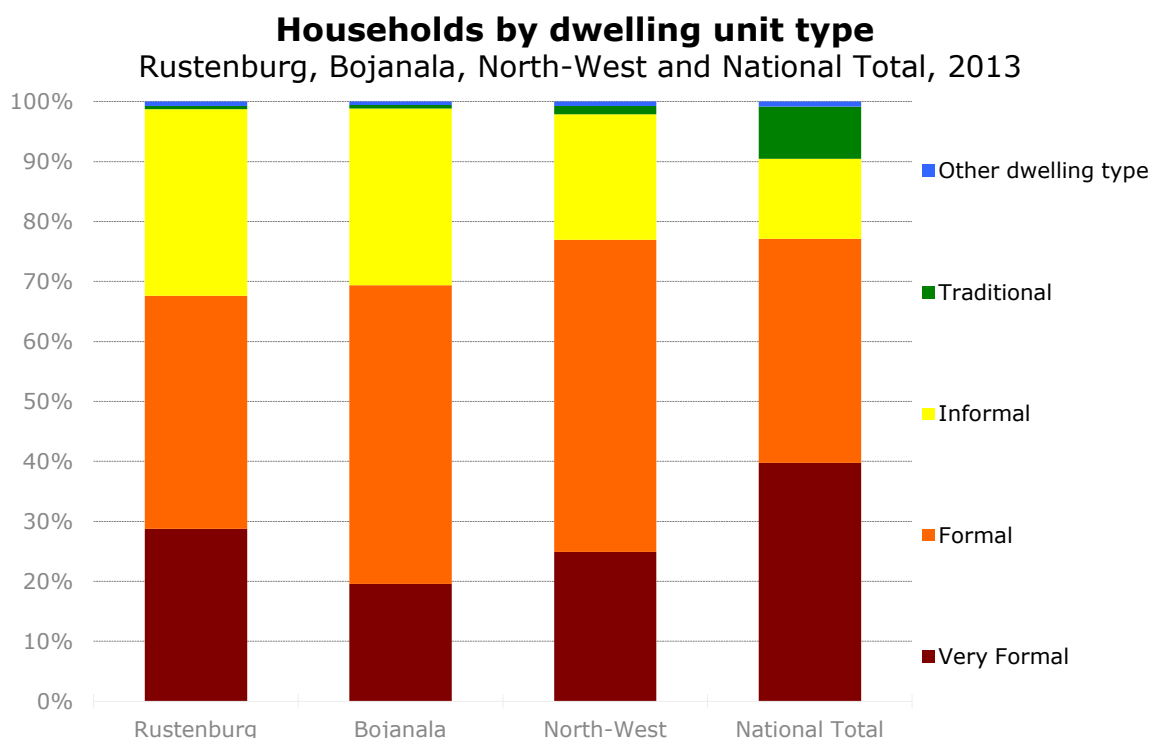
Formal dwellings - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling.

Informal dwellings - shacks or shanties in informal settlements, serviced stands, or proclaimed townships, as well as shacks in the backyards of other dwelling types.

Traditional dwellings - structures made of clay, mud, reeds, or other locally available material.

Other dwelling units - tents, ships, caravans, etc.

CHART 34. HOUSEHOLDS BY DWELLING UNIT TYPE - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2013 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 752

Rustenburg Local Municipality had a total number of 68 100 (28.76% of total households) very formal dwelling units, a total of 92 000 (38.88% of total households) formal dwelling units and a total number of 73 600 (31.10% of total households) informal dwelling units.

TABLE 34. HOUSEHOLDS BY DWELLING UNIT TYPE - RUSTENBURG

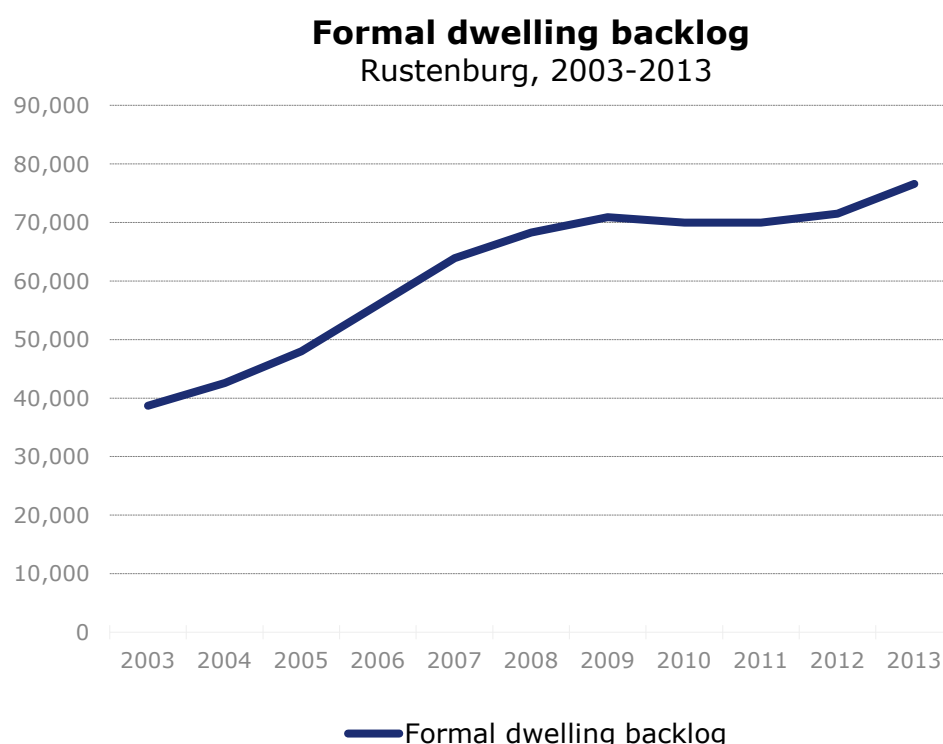
	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Rustenburg	68,100	92,000	73,600	1,260	1,710	237,000

Source: IHS Global Insight Regional eXplorer version 752

The Rustenburg Local Municipality has the highest number of very formal dwelling units is with 68 100 or a share of 59.05% of the total very formal dwelling units within Bojanala.

Formal dwelling backlog - number of Households not living in a formal dwelling - Rustenburg Local Municipality, 2007-2013 [Number of Households]

CHART 35. FORMAL DWELLING BACKLOG



Source: IHS Global Insight Regional eXplorer version 752

When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, it can be seen that in 2003 the number of households not living in a formal dwelling were 38 700 within Rustenburg Local Municipality. From 2003 this number increased annually at 7.07% to 76 600 in 2013.

The total number of households within Rustenburg Local Municipality increased at an average annual rate of 5.02% from 2003 to 2013, which is higher than the annual increase of 2.00% in the number of households in South Africa. With high in-migration into a region, the number of households increased, putting additional strain on household infrastructure. In the short to medium term this can result in an increase in the number of households not living in a formal dwelling, as the provision of household infrastructure usually takes time to deliver.

Household by Type of Sanitation

Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories:

No toilet No access to any of the toilet systems explained below.

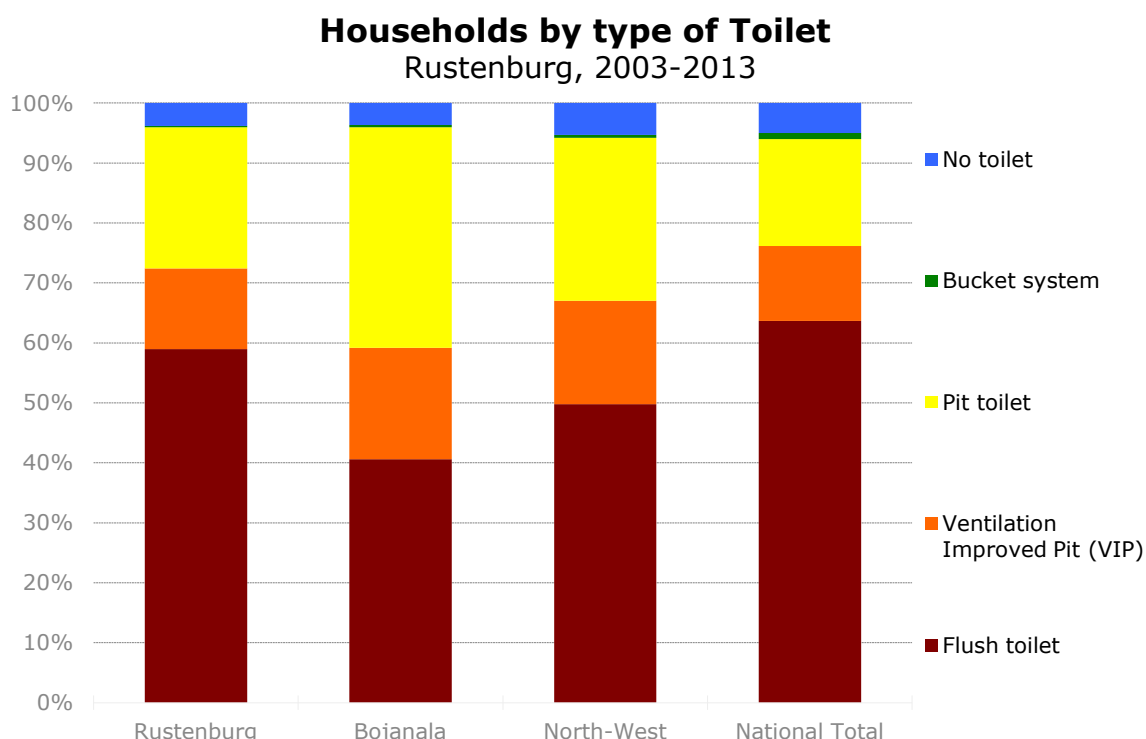
Bucket system - A top structure with a seat over a bucket. The bucket is periodically removed and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions).

Pit toilet - A top structure over a pit.

Ventilation improved pit - A pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined.

Flush toilet - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

CHART36. HOUSEHOLDS BY TYPE OF SANITATION - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2013 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 752

Rustenburg Local Municipality had a total number of 140 000 flush toilets (59.00% of total households), 31 800 Ventilation Improved Pit (VIP) (13.43% of total households) and 55 800 (23.55%) of total households pit toilets.

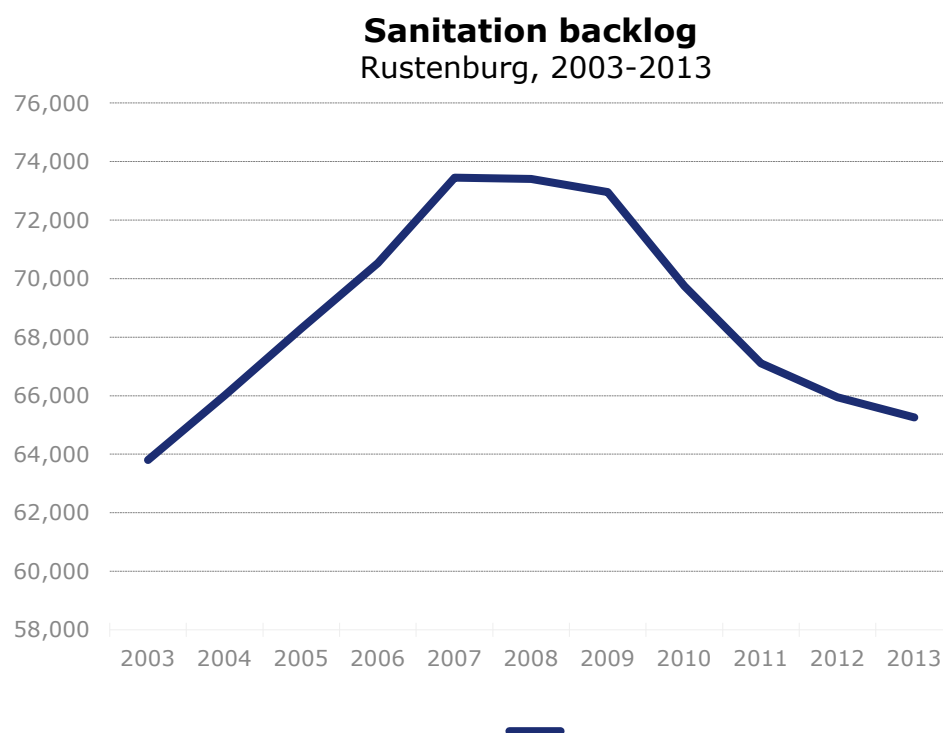
TABLE 35. HOUSEHOLDS BY TYPE OF SANITATION - RUSTENBURG LOCAL MUNICIPALITY AND THE REST OF BOJANALA, 2013 [NUMBER]

	Flush toilet	Ventilation Improved Pit	Pit toilet	Bucket system	No toilet	Total
Rustenburg	140,000	31,800	55,800	435	9,060	237,000
Moretele	4,180	26,600	27,000	50	539	58,400
Madibeng	69,100	28,600	84,100	1,360	8,020	191,000
Kgetlengrivier	12,100	1,990	1,500	38	2,020	17,700
Moses Kotane	14,100	20,200	48,200	36	2,030	84,600
Total Bojanala	239,122	109,174	216,618	1,917	21,673	588,505

Source: IHS Global Insight Regional eXplorer version 752

The region within Bojanala with the highest number of flush toilets is Rustenburg local municipality with 140 000 or a share of 58.40% of the flush toilets within Bojanala. The region with the lowest number of flush toilets is Moretele local municipality with a total of 4 180 or a share of 1.75% of the total flush toilets within Bojanala District Municipality.

CHART 35. SANITATION BACKLOG - RUSTENBURG LOCAL MUNICIPALITY, 2007-2013 [NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]



Source: IHS Global Insight Regional eXplorer version 752

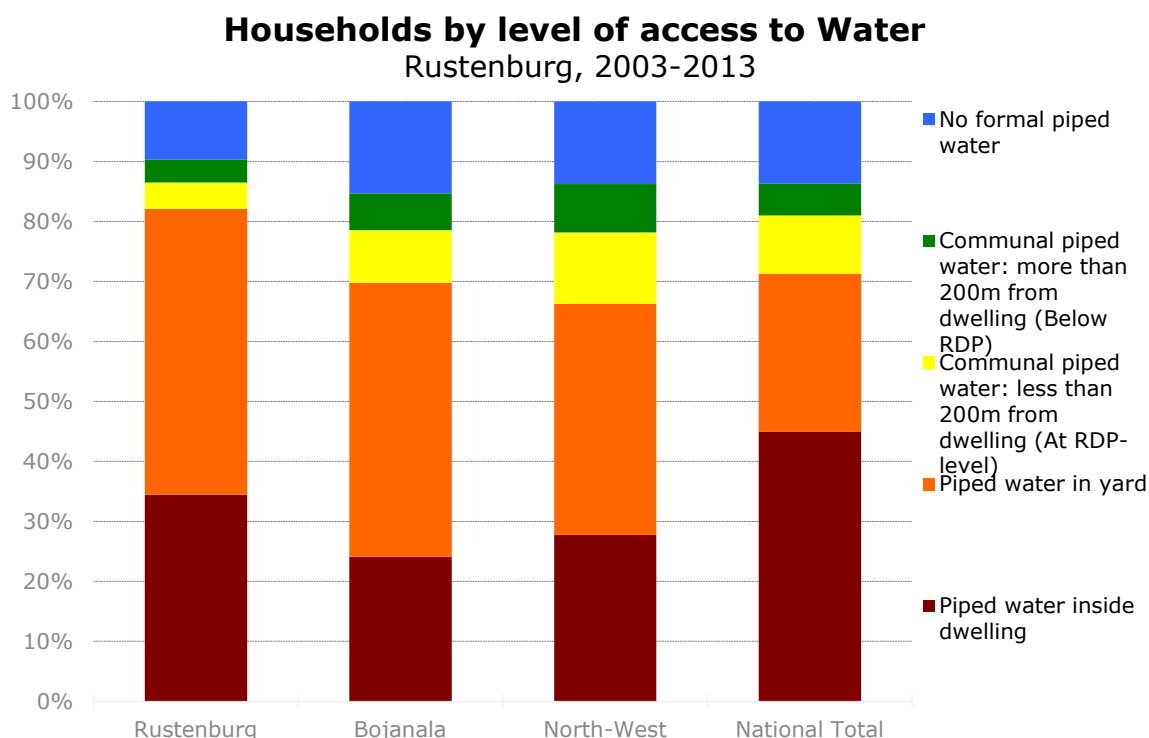
When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2003 the number of Households without any hygienic toilets in Rustenburg Local Municipality was 63 800, this increased annually at a rate of 0.23% to 65 200 in 2013.

The total number of households within Rustenburg Local Municipality increased at an average annual rate of 5.02% from 2003 to 2013, which is higher than the annual increase of 2.00% in the number of households in South Africa. With high in-migration into a region, the number of households increases, putting additional strain on household infrastructure. In the short to medium term this can result in an increase in the number of households not living in a formal dwelling, as the provision of household infrastructure usually takes time to deliver.

Households by Access to water

A household is categorised according to its main access to water, as follows: Regional/local water scheme, Borehole and spring, Water tank, Dam/pool/stagnant water, River/stream and other main access to water methods. No formal piped water includes households that obtain water via water carriers and tankers, rain water, boreholes, dams, rivers and springs.

CHART 36. HOUSEHOLDS BY TYPE OF WATER ACCESS - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2013 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 752

Rustenburg Local Municipality had a total number of 81 600 (or 34.45%) households with piped water inside the dwelling, a total of 113 000 (47.67%) households had piped water inside the yard and a total number of 22 900 (9.69%) households had no formal piped water.

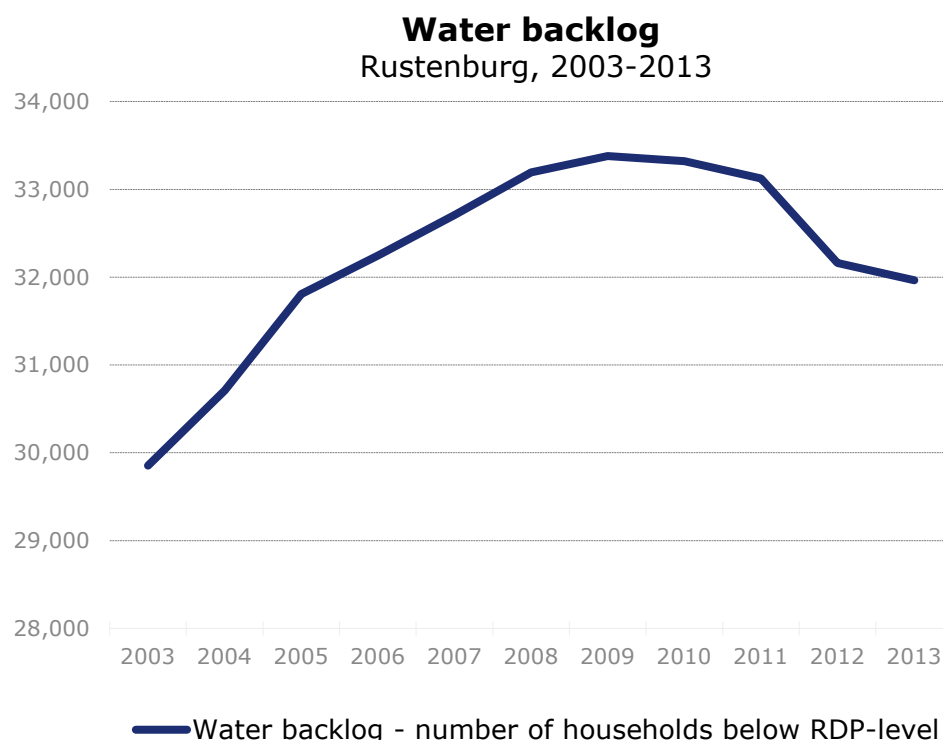
TABLE 36. HOUSEHOLDS BY TYPE OF WATER ACCESS

	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Rustenburg	81,600	113,000	10,300	9,030	22,900	237,000

Source: IHS Global Insight Regional eXplorer version 752

The regions within Bojanala District Municipality with the highest number of households with piped water inside the dwelling is Rustenburg local municipality with 81 600 or a share of 57.48% of the households with piped water inside the dwelling within Bojanala District Municipality. The region with the lowest number of households with piped water inside the dwelling is Moretele local municipality with a total of 3 740 or a share of 2.63% of the total households with piped water inside the dwelling within Bojanala District Municipality.

CHART 37. WATER BACKLOG - RUSTENBURG LOCAL MUNICIPALITY, 2003-2013 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]



Source: IHS Global Insight Regional eXplorer version 752

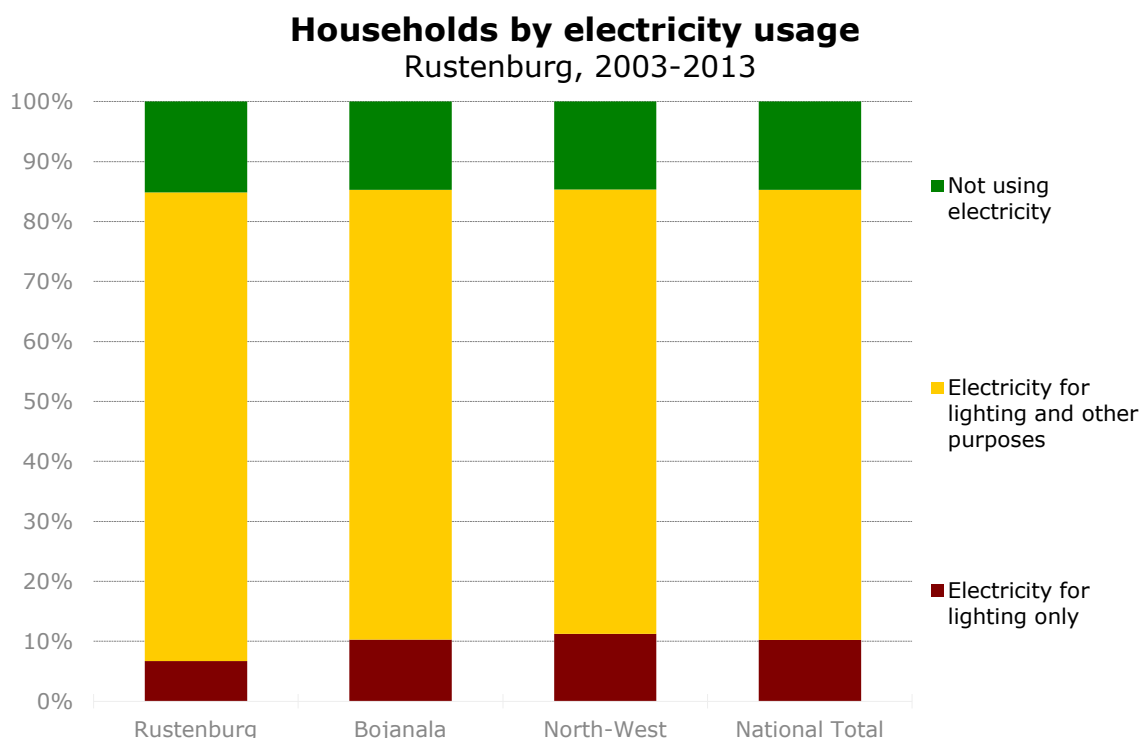
When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2003 the number of households below the RDP-level were 29 800 within Rustenburg Local Municipality, this increased annually at 0.69% per annum to 32 000 in 2013.

The total number of households within Rustenburg Local Municipality increased at an average annual rate of 5.02% from 2003 to 2013, which is higher than the annual increase of 2.00% in the number of households in South Africa. With high in-migration into a region, the number of households increases, putting additional strain on household infrastructure. In the short to medium term this can result in an increase in the number of households not living in a formal dwelling, as the provision of household infrastructure usually takes time to deliver.

Households by Type of Electricity

Households are distributed into 3 electricity usage categories: Households using electricity for cooking, Households using electricity for heating, households using electricity for lighting. Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

CHART 38. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2013 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 752

Rustenburg Local Municipality had a total number of 15 800 (6.69%) households with electricity for lighting only, a total of 185 000 (78.18%) households had electricity for lighting and other purposes and a total number of 35 800 (15.13%) households did not use electricity.

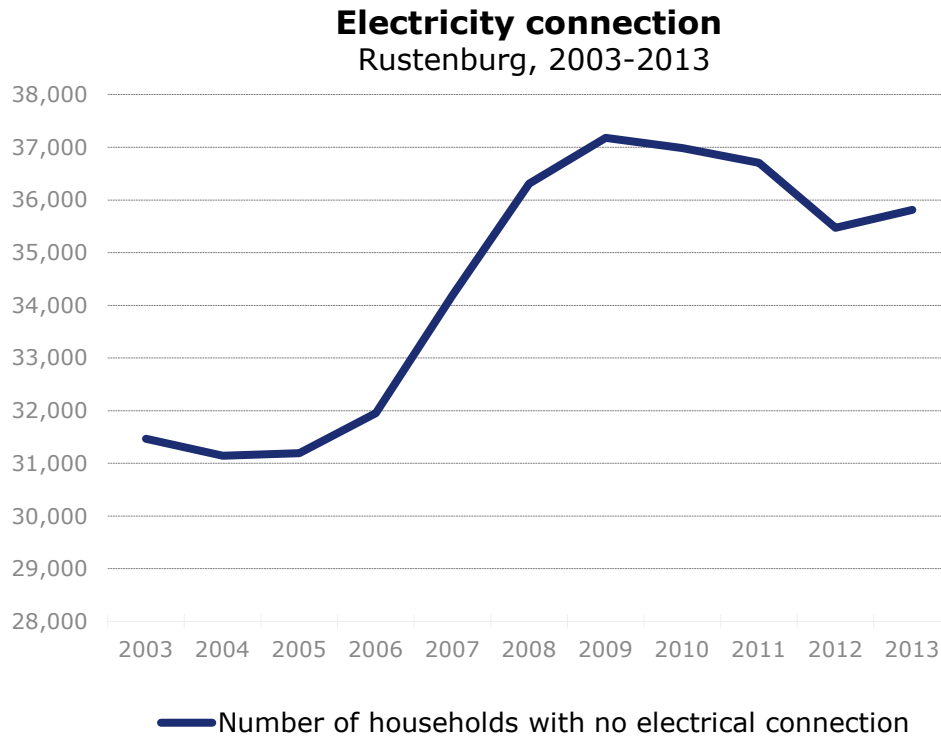
TABLE 37. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Rustenburg	15,800	185,000	35,800	237,000

Source: IHS Global Insight Regional eXplorer version 752

The region within Bojanala with the highest number of households with electricity for lighting and other purposes is Rustenburg local municipality with 185 000 or a share of 41.90% of the households with electricity for lighting and other purposes within Bojanala District Municipality. The region with the lowest number of households with electricity for lighting and other purposes is Kgetlengrivier local municipality with a total of 11 400 or a share of 2.59% of the total households with electricity for lighting and other purposes within Bojanala District Municipality.

CHART 39. ELECTRICITY CONNECTION - RUSTENBURG LOCAL MUNICIPALITY, 2003-2013 [NUMBER OF HOUSEHOLDS WITH NO ELECTRICAL CONNECTION]



Source: IHS Global Insight Regional eXplorer version 752

When looking at the number of households with no electrical connection over time, it can be seen that in 2003 the households without an electrical connection in Rustenburg Local Municipality was 31 500, this increased annually at 1.30% per annum to 35 800 in 2013.

The total number of households within Rustenburg Local Municipality increased at an average annual rate of 5.02% from 2003 to 2013, which is higher than the annual increase of 2.00% in the number of households in South Africa. With high in-migration into a region, the number of households increases, putting additional strain on household infrastructure. In the short to medium term this can result in an increase in the number of households not living in a formal dwelling, as the provision of household infrastructure usually takes time to deliver.

Households by Refuse Disposal

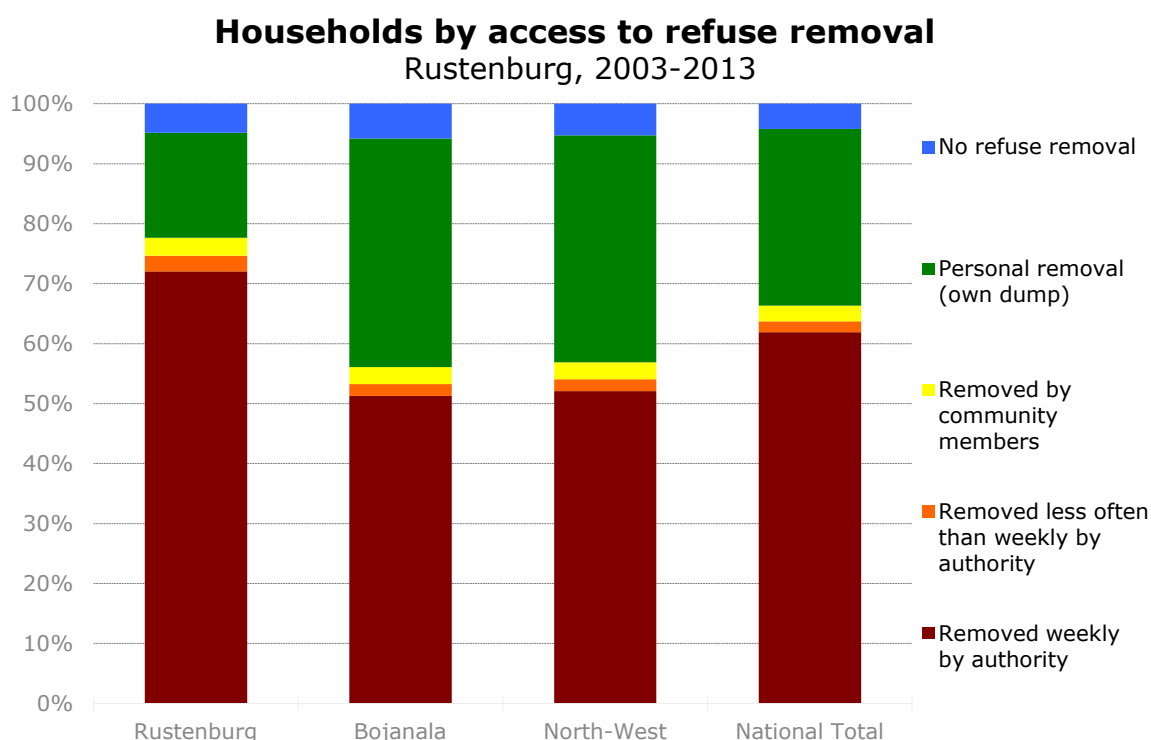
A distinction is made between formal and informal refuse removal. When refuse is removed by the local authorities, it is referred to as formal refuse removal. Informal refuse removal is where either the household or the community disposes of the waste, or where there is no refuse removal at all. A further breakdown is used in terms of the frequency by which the refuse is taken away, thus leading to the following categories:

- Removed weekly by authority
- Removed less often than weekly by authority
- Removed by community members

Personal removal / (own dump)

No refuse removal

CHART 40. HOUSEHOLDS BY REFUSE DISPOSAL - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2013 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 752

Rustenburg Local Municipality had a total number of 170 000 (72.03%) households which had their refuse removed weekly by the authority, a total of 6 180 (2.61%) households had their refuse removed less often than weekly by the authority and a total number of 41 400 (17.50%) households which had to remove their refuse personally (own dump).

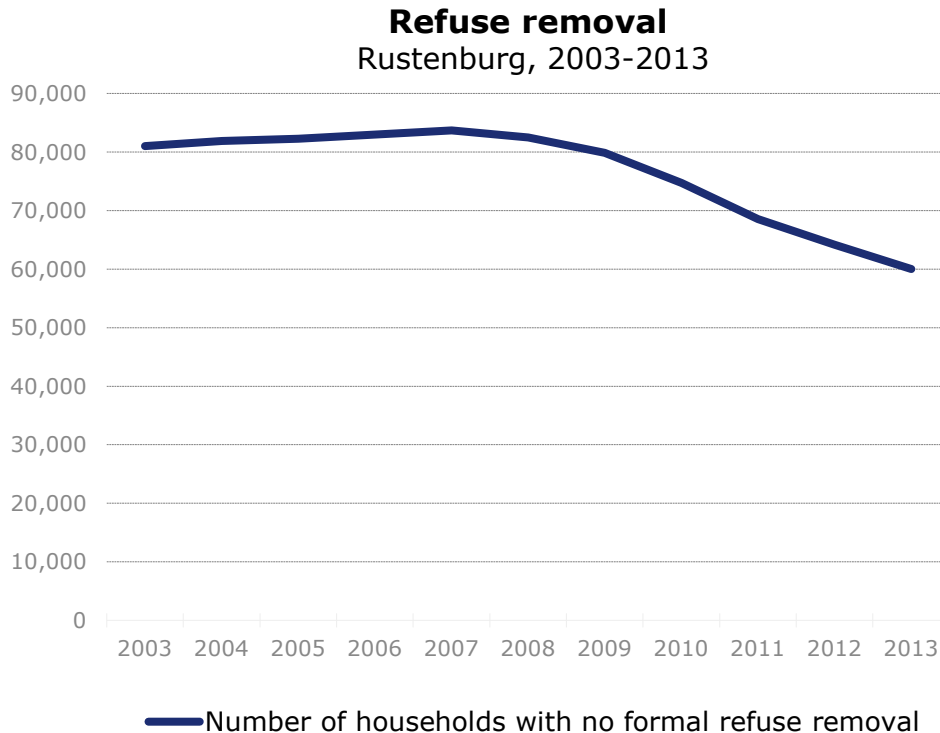
TABLE 38. HOUSEHOLDS BY REFUSE DISPOSAL

	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Rustenburg	170,000	6,180	7,110	41,400	11,500	237,000

Source: IHS Global Insight Regional eXplorer version 752

The Rustenburg Local Municipality provides the highest number of households with the weekly refuse removed service with 170 000 or a share of 56.47% of the households where the refuse is removed weekly by the authority within Bojanala. Refuse removal - Rustenburg Local Municipality, 2003-2013 [Number of households with no formal refuse removal]

CHART 41. REFUSE REMOVAL



Source: IHS Global Insight Regional eXplorer version 752

When looking at the number of households with no formal refuse removal, it can be seen that in 2007 the households with no formal refuse removal in Rustenburg Local Municipality was 81 000, this decreased annually at -2.95% per annum to 60 000 in 2013.

Tourism

Tourism can be defined as the non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism.

Trips by purpose of trips

Definition: As defined by the United Nations World Tourism Organisation (UN WTO), a trip refers to travel, by a person, from the time they leave their usual residence until they return to that residence. This is usually referred to as a round trip. IHS likes to narrow this definition down to overnight trips only, and only those made by adult visitors (over 18 years). Also note that the number of "person" trips are measured, not household or "party trips".

The main purpose for an overnight trip is grouped into these categories:

Leisure / Holiday; Business; Visits to friends and relatives; Other (Medical, Religious, etc.)

TABLE 39. NUMBER OF TRIPS BY PURPOSE OF TRIPS - RUSTENBURG LOCAL MUNICIPALITY, 2007-2013
[NUMBER PERCENTAGE]

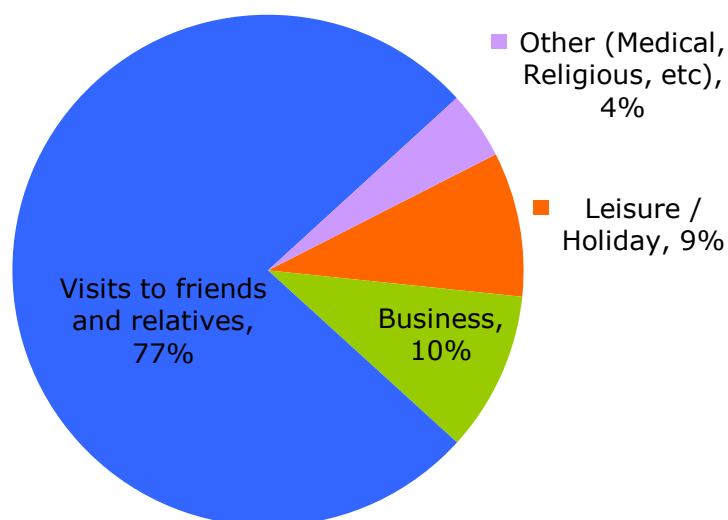
	Leisure Holiday	/	Business	Visits to friends and relatives	Other (Medical, Religious, etc)	Total
2007	57,400		44,000	222,000	19,500	343,000
2008	57,900		43,000	226,000	18,000	345,000
2009	65,100		43,500	263,000	18,500	390,000
2010	65,600		44,400	284,000	19,300	413,000
2011	60,700		43,200	286,000	18,800	409,000
2012	54,700		42,100	295,000	17,800	409,000
2013	40,000		44,200	334,000	18,700	437,000
Average Annual growth						
2007-2013	-5.28%		-1.52%	5.96%	-2.05%	2.83%

Source: IHS Global Insight Regional eXplorer version 752

In Rustenburg Local Municipality, the Visits to friends and relatives, relative to the other tourism, recorded the highest average annual growth rate from 2003 (188 000) to 2013 (334 000) at 5.96%. The type of tourism with the highest volume of tourists was also the Visits to friends and relatives tourism with a total number of 334 000 annual tourist and had an average annual growth rate of 5.96%. The tourism type that recorded the lowest growth was Leisure / Holiday tourism with an average annual growth rate of -5.28% from 2007 (68 800) to 2013 (40 000).

CHART 41. TRIPS BY PURPOSE OF TRIP - RUSTENBURG LOCAL MUNICIPALITY, 2013 [PERCENTAGE]

Tourism - trips by Purpose of trip Rustenburg Local Municipality, 2013



Source: IHS Global Insight Regional eXplorer version 752

The Visits to friends and relatives at 76.47% has largest share the total tourism within Rustenburg Local Municipality. Business tourism had the second highest share at 10.10%, followed by Leisure / Holiday tourism at 9.15% and the Other (Medical, Religious, etc) tourism with the smallest share of 4.28% of the total tourism within Rustenburg Local Municipality.

Origin of Tourists

In the following table, the number of tourists that visited Rustenburg Local Municipality from both domestic origins, as well as those coming from international places, are listed.

TABLE 40. TOTAL NUMBER OF TRIPS BY ORIGIN TOURISTS - RUSTENBURG LOCAL MUNICIPALITY, 2007-2013 [NUMBER]

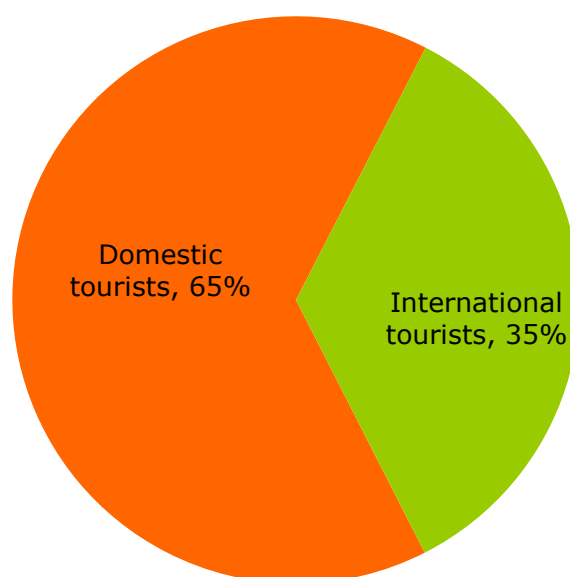
	Domestic tourists	International tourists	Total tourists
2007	271,000	72,700	343,000
2008	266,000	79,100	345,000
2009	302,000	87,700	390,000
2010	311,000	102,000	413,000
2011	291,000	118,000	409,000
2012	271,000	138,000	409,000
2013	285,000	153,000	437,000
Average Annual growth			
2007-2013	0.70%	8.84%	2.83%

Source: IHS Global Insight Regional eXplorer version 752

The number of trips by tourists visiting Rustenburg Local Municipality from other regions in South Africa has increased at an average annual rate of 0.70% from 2007 (265 000) to 2013 (284 000). The tourists visiting from other countries increased at a relatively high average annual growth rate of 8.84% (from 65 500 in 2007 to 153 000). International tourists constitute 34.94% of the total number of trips, with domestic tourism representing the balance of 65.06%.

CHART 42. TOURISTS BY ORIGIN - RUSTENBURG LOCAL MUNICIPALITY, 2013 [PERCENTAGE]

Tourism - tourists by origin Rustenburg Local Municipality, 2013



Source: IHS Global Insight Regional eXplorer version 752

Bednights by origin of tourist

Definition: A bed night is the tourism industry measurement of one night away from home on a single person trip.

The following is a summary of the number of bed nights spent by domestic and international tourist within Rustenburg Local Municipality between 2007 and 2013.

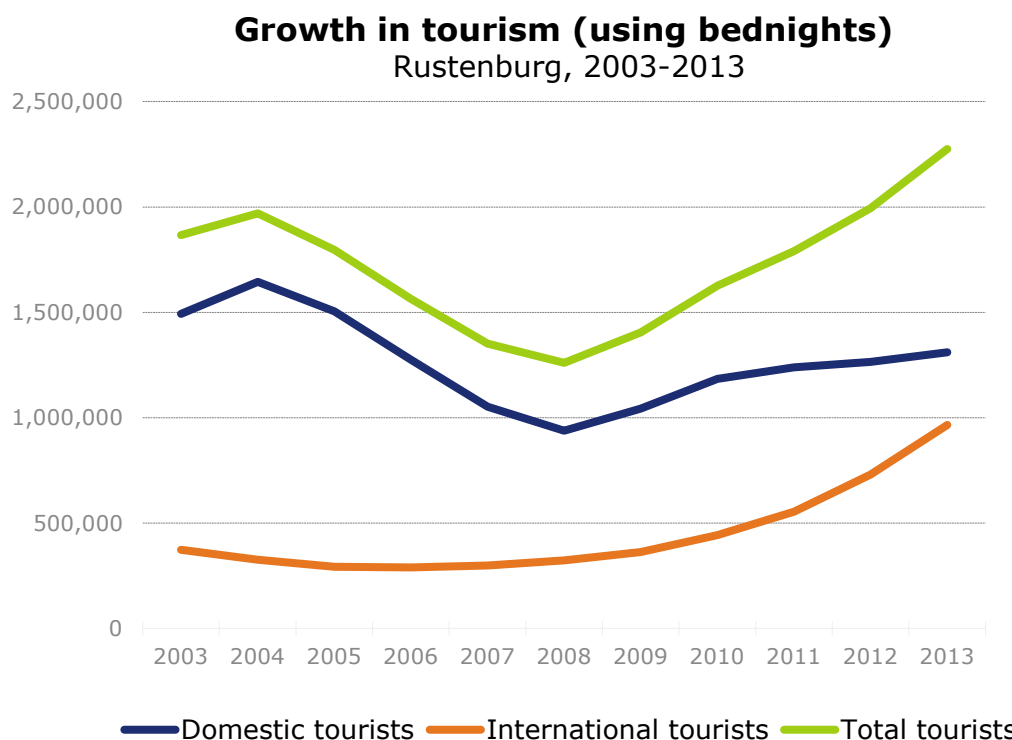
TABLE 41. BEDNIGHTS BY ORIGIN OF TOURIST - RUSTENBURG LOCAL MUNICIPALITY, 2007-2013
[NUMBER]

	Domestic tourists	International tourists	Total tourists
2007	1,050,000	299,000	1,350,000
2008	938,000	323,000	1,260,000
2009	1,040,000	362,000	1,400,000
2010	1,180,000	442,000	1,630,000
2011	1,240,000	553,000	1,790,000
2012	1,260,000	730,000	1,990,000
2013	1,310,000	965,000	2,270,000
Average Annual growth			
2007-2013	-1.30%	9.99%	2.00%

Source: IHS Global Insight Regional eXplorer version 752

From 2007 to 2013, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -1.30%, while in the same period the international tourists had an average annual increase of 9.99%. The total number of bed nights spent by tourists increased at an average annual growth rate of 2.00% from 1.87 million in 2007 to 2.27 million in 2013.

CHART 43. GROWTH IN TOURISM (USING BEDNIGHTS) BY ORIGIN - RUSTENBURG LOCAL MUNICIPALITY, 2003-2013 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 752

Tourism spending

Definition: In their Tourism Satellite Account, StatsSA defines tourism spending as all expenditure by visitors for their trip to the particular region. This excludes capital expenditure as well as the shopping expenditure of traders (called shuttle trade). The amounts are presented in current prices, meaning that inflation has not been taken into account.

It is important to note that this type of spending differs from the concept of contribution to GDP. Tourism spending merely represents a nominal spend of trips made to each region.

TABLE 42. TOTAL TOURISM SPENDING - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2007-2013 [R BILLIONS, CURRENT PRICES]

	Rustenburg	Bojanala	North-West	National Total
2007	1.0	2.0	4.3	134.3
2008	1.0	2.0	4.3	146.5
2009	1.0	2.0	4.4	149.8
2010	1.2	2.3	5.0	161.7
2011	1.4	2.7	5.6	172.5
2012	1.6	3.0	6.1	191.1
2013	1.8	3.2	6.8	206.1
Average Annual growth				
2007-2013	6.70%	5.41%	5.06%	7.99%

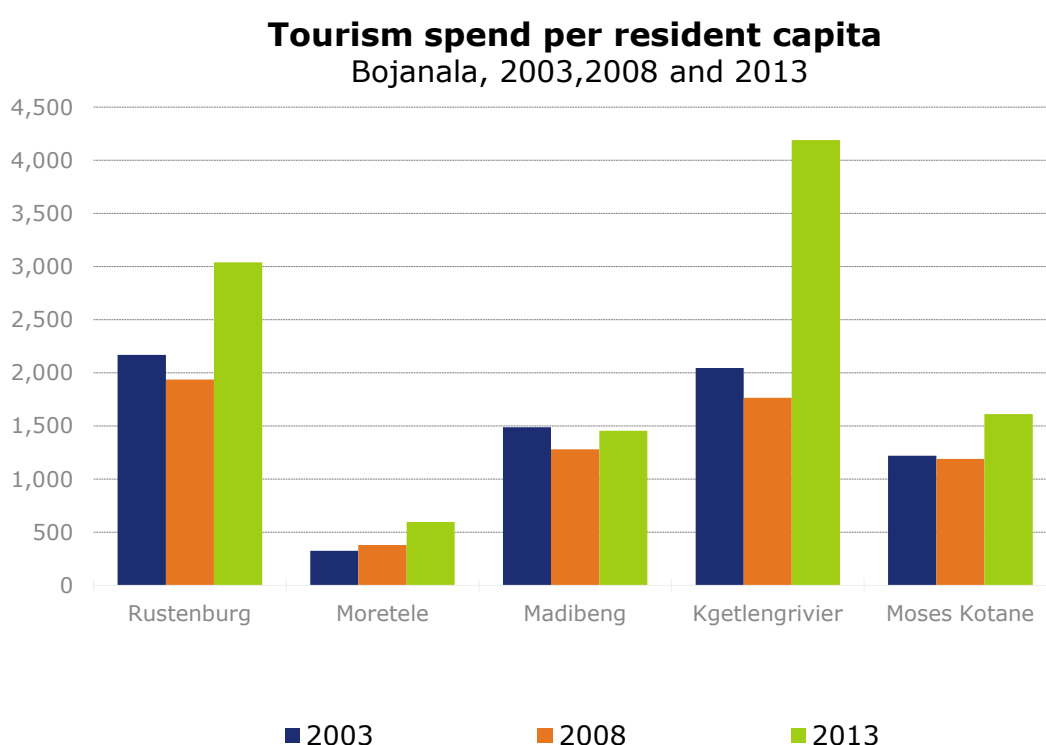
Source: IHS Global Insight Regional eXplorer version 752

Rustenburg Local Municipality had a total tourism spending of R 1.77 billion in 2013 with an average annual growth rate of 6.7% since 2007 (R 924 million). Bojanala District Municipality had a total tourism spending of R 3.23 billion in 2013 and an average annual growth rate of 5.4% over the period. Total spending in North-West Province increased from R 4.14 billion in 2007 to R 6.78 billion in 2013 at an average annual rate of 5.1%. South Africa as whole had an average annual rate of 8.0% and increased from R 95.5 billion in 2007 to R 206 billion in 2013.

Tourism Spend per Resident Capita

Another interesting topic to look at is tourism spending per resident capita. To calculate this, the total amount of tourism spending in the region is divided by the number of residents living within that region. This gives a relative indication of how important tourism is for a particular area.

CHART 44. TOURISM SPEND PER RESIDENT CAPITA - RUSTENBURG LOCAL MUNICIPALITY AND THE REST OF BOJANALA, 2003,2008 AND 2013 [R THOUSANDS]



Source: IHS Global Insight Regional eXplorer version 752

In 2013, Rustenburg Local Municipality had a tourism spend per capita of R 3,040 and an average annual growth rate of 3.44%, Rustenburg Local Municipality ranked second amongst all the regions within Bojanala in terms of tourism spend per capita. The region within Bojanala District Municipality that ranked first in terms of tourism spend per capita is Kgetlengrivier local municipality with a total per capita spending of R 4,190 which reflects an average annual increase of 7.44% from 2007. The local municipality that ranked lowest in terms of tourism spend per capita is Moretele with a total of R 597 which reflects an increase at an average annual rate of 6.22% from 2007.

Tourism Spend as a Share of GDP

Definition: This measure presents tourism spending as a percentage of the GDP of a region. It provides a gauge of how important tourism is to the local economy. An important note about this variable is that it does not reflect what is spent in the tourism industry of that region, but only what is spent by tourists visiting that region as their main destination.

TABLE 43. TOTAL SPENDING AS % SHARE OF GDP - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2007-2013 [PERCENTAGE]

	Rustenburg	Bojanala	North-West	National Total
2007	2.1%	2.7%	3.5%	6.7%
2008	1.8%	2.3%	3.0%	6.5%
2009	1.8%	2.3%	2.9%	6.2%
2010	1.9%	2.3%	2.9%	6.0%
2011	1.9%	2.3%	2.9%	5.9%
2012	2.2%	2.5%	3.1%	6.1%
2013	2.2%	2.6%	3.3%	6.1%

Source: IHS Global Insight Regional eXplorer version 752

In Rustenburg Local Municipality the tourism spending as a percentage of GDP in 2013 was 2.24%. Tourism spending as a percentage of GDP for 2013 was 2.55% in Bojanala District Municipality, 3.31% in North-West Province. Looking at South Africa as a whole, it can be seen that total tourism spending had a total percentage share of GDP of 6.09%.

International Trade

Trade is defined as the act of buying and selling, with international trade referring to buying and selling across international border, more generally called importing and exporting. The Trade Balance is calculated by subtracting imports from exports.

Relative Importance of international Trade

In the table below, the Rustenburg Local Municipality is compared to Bojanala, North-West Province and South Africa, in terms of actual imports and exports, the Trade Balance, as well the contribution to GDP and the regions contribution to total national exports and imports.

TABLE 44. MERCHANDISE EXPORTS AND IMPORTS - RUSTENBURG, BOJANALA, NORTH-WEST AND NATIONAL TOTAL, 2013 [R 1000, CURRENT PRICES]

	Rustenburg	Bojanala	North-West	National Total
Exports (R 1000)	10,587,723	17,258,460	20,362,207	924,055,893
Imports (R 1000)	378,860	2,136,930	6,264,472	991,185,991
Total Trade (R 1000)	10,966,583	19,395,390	26,626,678	1,915,241,883
Trade Balance (R 1000)	10,208,863	15,121,530	14,097,735	-67,130,098
Exports as % of GDP	13.4%	13.6%	9.9%	27.3%
Total trade as % of GDP	13.9%	15.3%	13.0%	56.6%
Regional share - Exports	1.1%	1.9%	2.2%	100.0%
Regional share - Imports	0.0%	0.2%	0.6%	100.0%
Regional share - Total Trade	0.6%	1.0%	1.4%	100.0%

Source: IHS Global Insight Regional eXplorer version 752

The merchandise export from Rustenburg Local Municipality amounts to R 10.6 billion and as a percentage of total national exports constitutes about 1.15%. The exports from Rustenburg Local Municipality constitute 13.39% of total Rustenburg Local Municipality's GDP. Merchandise imports of R 379 million constitute about 0.04% of the national imports. Total trade within Rustenburg is about 0.57% of total national trade. Rustenburg Local Municipality had a positive trade balance in 2013 to the value of R 10.2 billion.

CHART 45. IMPORT AND EXPORTS IN RUSTENBURG LOCAL MUNICIPALITY, 2003-2013 [R 1000]



Source: IHS Global Insight Regional eXplorer version 752

Analysing the trade movements over time, total trade increased from 2003 to 2013 at an average annual growth rate of 1.67%. Merchandise exports increased at an average annual rate of 1.50%, with the highest level of exports of R 24 billion experienced in 2007. Merchandise imports increased at an average annual growth rate of 8.47% between 2003 and 2013, with the lowest level of imports experienced in 2010.

When comparing the Rustenburg Local Municipality with the other regions in the Bojanala District Municipality, Rustenburg has the biggest amount of international trade (when aggregating imports and exports, in absolute terms) with a total of R 11 billion. This is also true for exports - with a total of R 10.6 billion in 2013.

1.1 Directorate Corporate support services

Director Corporate Support Services is responsible for enabling other Directorates to achieve their service delivery commitments by developing and implementing the following:

- Driving optimal institutional transformation and organizational development.
- Integrated capacity building.
- Drive diversified economic growth and job creation.
- Uphold good governance and public participation principles
- Retention of skilled personnel especially in technical areas
- Employment equity and talent management
- Integration of all business processes

1.1.1 Information and Communication Technology

Information and Communications Technology (ICT) has become a vital part of any organisation's capability. The defining character of modern times is the importance of gathering and dissemination of information, a phenomenon referred to as "Information Society" or the "Knowledge Age". What is seen is an unprecedented proliferation of ICT technologies to the point where all key processes of service delivery have information as a key core ingredient of execution. We live in an age that emphasises the rapidity and extensiveness of distribution of information as a key determinant of the effectiveness of organisations. This centrality of information calls for a strategic approach to the design and deployment of information systems of an organisation.

The RLM is host to the reputedly fastest growing city in South Africa. This growth which is fuelled by rich harvesting of minerals of the Merensky Reef; platinum constituting the primary mineral mined in this area. Stewardship of such resources demands that the municipality invest in infrastructure that will drive industrial growth of Rustenburg and its continued relevance in the economy beyond the age when caterpillars have ceased to excavate for minerals. The legacy of mineral wealth must persist in the form of a rich metropolis that has diversified its economy to encompass other viable industries.

It is a common feature in a globalised environment for cities that investors generally look at a city's infrastructure and the quality of human resources in the immediate catchment area to decide on where they will invest. This laudable vision of the RLM becoming a metropolitan requires it to become a "smart city" equipped with all the infrastructure of a modern city. ICT infrastructure development is a key requirement to attain this vision. The journey must start with a transformative approach to deploying and utilising ICT to make RLM a model of an efficient and effective organisation. The office intends to do the following strategies different over the next five years:

The table below indicates the Directorates projects, challenges, achievement and remedial plans .

Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
<p>1. Lack of an institutional Plan that addresses the IDP commitments</p> <ul style="list-style-type: none"> • Shortage of skilled personnel in technical areas. • Personnel turnover in technical areas high. • Structure does not enable RLM to meet its service delivery. • Structure does not address decentralization of basic service delivery. • Non-compliance with the RLM Employment Equity Plan. • Occupational health and safety is lowly rated. • Lack of Employee Wellness Programmes. 	<ul style="list-style-type: none"> • Review of Organizational Structure • Job Evaluation • Job Grading • Development of HR Strategy • Hr Policies Review • IT Policies Review • Development of Employment Equity Plan • Appointment of service provider to provide Employee assistance Programme • Declaration of certain calendar day as municipal employees wellness days • Operational risk assessment and Mitigation 	<ul style="list-style-type: none"> • Recruitment policy was reviewed and approved by council • Employment equity policy developed and approved by council • Organizational structure reviewed by Deloitte and Touche and aligned to IDP • Occupational health and safety policy operational, SHE Reps are appointed and functional, risk identification, assessment and mitigations done • Local Labour Forum fully operational • Stakeholder relationship improved 	<p>1. Lack of Budget to address the following</p> <ul style="list-style-type: none"> • Job Evaluation • Job Grading • Appointment of Service provider to develop HR Strategy • Appointment of service provider for employee wellness programmes • Establishment of Occupational Health and safety unit • Verification of qualification and vetting 	<ul style="list-style-type: none"> • Employment of local citizens • Skills development
<p>2. Structure not aligned to LG SETA, Sector Skills, Plan and Training & Development goals</p>	<p>2014/15 WSP to address RLM core service delivery needs</p>	<p>Municipality have 21 qualified artisan in technical areas</p> <ul style="list-style-type: none"> • Mechanics • Electricians • Welding 	<ul style="list-style-type: none"> • Municipality not compliant to LG SETA exit strategy to absorb learners after completing learnership • Directors and Managers fail to assess subordinates 	

		<ul style="list-style-type: none"> fitting 	<p>after attending certain courses</p> <ul style="list-style-type: none"> Lack of stakeholders commitment in attending main skills committee meetings Retention of qualified personnel 	
2. Master Systems Plan/IT Strategy	<ul style="list-style-type: none"> IT Strategy or Master Systems Plan and Enterprise Architecture Wireless network upgrade Active Directory(Domain) and Exchange Voip and Integrated Communications Centre Data Center/Server upgrade and Virtualisation ERP-Enterprise Resource Planning Integrated Operations Network Security Integrated Security Internet Access 	<ul style="list-style-type: none"> IT Strategy or Master Systems Plan and Enterprise Architecture Wireless network upgrade Active Directory(Domain) and Exchange Data Center/Server upgrade and Virtualisation Internet Access 	<ul style="list-style-type: none"> No budget allocated for IT Most staff are comfortable with current processes and are reluctant to change Hard to get funding for technology projects Old Network exposes Municipality to security risks and hampers network availability and internet speeds 	<ul style="list-style-type: none"> Request for computers and Telephones Poor internet connection due to old Network

1.2 Spatial, Land Use and Natural Features

1.2.1 Spatial

1.2.1.1 Introduction

Several features exist that influence the land-use and spatial structures of Rustenburg, these factors have had a tremendous effect on settlement patterns and extension of the built-up area. The approval of the Spatial Development Framework 2011 recommended 9 short term priority project which were anticipated to be completed by 2014/2015. a situational analysis table is therefore provide to indicate the projects as stipulated in the Spatial development Framework.

1.2.2 THE LAND REQUIREMENTS FRAMEWORK

The ***Housing Sector Plan for the Rustenburg Local Municipality [Final], February, 2012***, provides that the Rustenburg Local Municipality need to take a more strategic approach to housing as part of their place shaping role. In response, the Rustenburg Local Municipality initiated the compilation of the following strategic planning and delivery tools:

- ✓ The ***Rustenburg Local Municipality Vacant Public Land Audit, 2012 [Rustenburg Public Land Audit, 2012]***, and
- ✓ The ***Rustenburg Local Municipality Land Requirements and Acquisition Framework [Rustenburg Land Requirements and Acquisition Framework, 2012]***.

The above-mentioned set of strategic planning and delivery tools will ensure that housing of the highest quality, located in the right place, and with the appropriate infrastructure and support, are provided by the Rustenburg Local Municipality, creating vibrant and mixed communities.

Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
Approved SDF	Precinct plans	Created activity nodes.	Implementation of projects within the activity nodes	Need for more social amenities.
		Prepared a detailed development plan, including road network hierarchy, for the Waterkloof/Waterval development areas south east of Rustenburg.		
		<p>Implementation of the detailed proposals for the Rustenburg core area will be dependent on a detailed traffic modeling study of the proposed Beyers Naude/Pres Mbeki one-way system as proposed in the Rustenburg integrated transport plan.</p> <p>The services capacities and potential upgrading requirements associated with land use proposals should also.</p>	Timely provision of services	
		Implementation of the detailed proposals within Karlienpark, Tlhabane, Rustenburg North and Zinniaville will be dependent on the availability of services (water, electricity and sanitation) in the area.	Times provision of services. Provision of houses	

Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
		A service infrastructural study assessing the current capacity of services in these areas needs to be undertaken prior to densification being permitted.		
		The mixed land use precinct around the Waterfall node and N4 will form one of the primary commercial growth and development areas of Rustenburg in the future. It would be imperative to prepare a detailed precinct development plan for this mixed land use precinct in order to facilitate coordinated development and infrastructure investment.	Provision of services and the improvement of interdependency to ensure implementation m	
		The development of a mixed land use service delivery center in the Boitekong cluster remains a development priority. A detailed feasibility study is required to identify the most appropriate site for such development, the infrastructure and other development requirements associated therewith and identifying potential investors to support this initiative.	Financial constrain. the improvement of interdependency to ensure implementation m	

Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
		The proposed mining supply park in one of the anchor local economic development projects of the RLM is also identified as a priority project in the Provincial Growth and development strategy. The proposed location of this facility is identified in the spatial development framework proposals. A detailed feasibility study considering all relevant factors relating the implementation of this supply park should be completed as a matter of priority.	Council adopted a logistic hub which will assist the achieving of the mining supply park. Financial constrains Improvement of interdependency to ensure implementation m	
		A number of intensive urban agricultural focus areas have been identified in the local Spatial Development Framework. The feasibility of these areas should be investigated in more detail, taking cognisance of physical factors such as geology, soil conditions, availability of ground water, possibility of obtaining water for irrigation purposes and other relevant factors. Priority implementation areas should emanate from this investigation.	Financial constrain and the improvement of interdependency to ensure implementation m	

Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
		The possibility of establishing a tertiary education facility in Rustenburg was under discussion for a period of time. A detailed feasibility analysis regarding the sustainability of such an initiative, as well as identifying a potential location thereof should be undertaken.	Acquiring of land for the establishment of a University. Provision of services.	
		The Rustenburg LM should develop, implement and maintain a GIS bases land use information system to keep track of all development applications, and applications for land use changes within the municipal area. This system should be fully integrated with the day-to-day activities of the planning directorate and will significantly enhance the effectiveness and productivity of these functions within the municipality.		
	Traffic modelling plan	Road widening		
CBD Upgrading		Identification of dilapidated buildings	Acquiring of land. Provision of services.	
Land	100 hectares of land acquisition	91. 5123 hectares acquired	Budget provision not	Need for social amenities

Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
Requirements and Acquisitions Framework approved in 2012	for Greenfield Development	Portions 1, 8, 9 and 10 of the Farm Waterval 307JQ measuring 85. 3386 ha. and Portion 84 Of the Farm Paardekraal 279 JQ measuring 6. 1757 ha.	matching the required capital. Delays in State land transfer	
Regulatory implementation on the application of the National Building Regulations and Building Standard Act.	<p>Extensive community awareness regarding the requirements of the legislation.</p> <p>Law Enforcement activity undertaken by the Directorate has yielded some progress but the impact is static.</p> <p>Revision of by-laws supplementary to the National Building Regulations And Building Standards Act, 1977 (Act 103 of 1977), and the regulations made under the act and approved by the minister of trade and industry in terms of section 29(2) and 29(8) (a) of the act.</p>	NBRs provides for the building that meet health, safety, access (disability) and of recent – eco or “green” building standards.	Erection of building and government buildings without prior approval of the Local Authority.	All wards.
National Heritage Resource Act No 11 of 1999.	To audit and regulate to preserve buildings of monument stature.	All buildings that are older than sixty years need the approval (permit) of the heritage council prior to their demolition or the approval by the municipality for their alterations.		All wards.

1.3 Local Economic Development

The directorate is responsible for the following functions:

Research and Policy development;

and Enterprise development.

1.3.1 Mining

The economic, social and physical characteristics of Rustenburg are largely determined by the presence of mining activities within its Municipal Area. Mining activities are mainly concentrated along a geological belt, known as the Bushveld Complex. The Rustenburg Municipal Area lies on the western edge of the Bushveld Complex. This part of the Bushveld Complex is one of the most heavily mineralised districts in the world and the platinum mines in this region are the largest producers of platinum in the world. The Merensky Reef and the UG2 chromitite layers are renowned for their Platinum Group Metal (PMG) content and together they form the world's largest depository of PGMs.

The RLM hosted as a municipality a Provincial Procurement Workshop in 2014 where mines presented their procurement plans to SMMEs around the Province. Follow-ups are being done with the mines as well as SMMEs to ensure that SMMEs are able to access these procurement opportunities. The Premier of the North West Province emphasized the need for mines to be involved in Enterprise Development to enhance the capacity of local SMMEs to deliver quality products and services at competitive prices.

The municipality is also reviewing the establishment of a Mining Supplier Park where companies supplying from outside of the province will be encouraged to relocate to our area to stimulate the manufacturing sector. We will be encouraging these companies to partner with local SMMEs where the National Empowerment Fund will be engaged to provide Equity Funding.

1.3.2 Tourism

To further strengthen our tourism sector, we hosted the Provincial Tourism Awards in 2014 where B&B's as well as Guesthouses, hotel establishments as well as tour operators from all over the Province were recognised and presented with awards in recognition of their growth and development.

As a municipality, we are also participating in Tourism Buddies Learnership Programme where 60 youths from all 38 wards have undergone training and are currently being hosted in various hospitality establishments, including our B&B's and Guesthouses for practical training.

Tourism plays an increasingly important role within the Rustenburg Municipal Area. The typical Bushveld climate and vegetation of the Municipal Area, as well as the unique topography of the Magaliesberg, offer several opportunities for tourism. These include opportunities for eco-tourism, as well as tourism associated with the variety of historical and cultural interests found within the municipal area. Primary tourism areas and facilities located within the municipal area are as follows:

- Rustenburg Town;
- Kgaswane Game Reserve;
- Vaalkop Dam Nature Reserve;
- Kroondal;
- Bafokeng Sport Palace; and
- Buffelspoort Dam.

Despite the abovementioned tourist attractions, the prominent, regional tourist destination are not located within the Rustenburg Municipal Area itself, but on its borders. The broader region has some of the finest game parks, cultural and archaeological sites and entertainment resorts in South Africa.

Rustenburg is ideally situated as a gateway to many of these regional tourist destinations. The most significant of these regional tourist destinations are:

- Pilanesberg National Park;
- Madikwe Game Reserve;
- Sun City and Lost City Resort; and
- Cradle of Humankind.

The Royal Bafokeng Nation, who we have strengthened relations with are in the process of establishing Contemporary Cultural Cluster in the vicinity of Civic Centre in Phokeng. The intention is to build on the cultural heritage of the area's historical buildings and the location of a site behind the civic centre where it is believed meetings were traditionally held between the King and Bafokeng people.

The local municipality has recently renovated the Visitor Information Center where North West Parks and Tourism, in partnership with LED provide comprehensive information on tourism in Rustenburg and in the broader province as well,

1.3.3 Manufacturing

The municipality is no longer able to continue with the Special Economic Zone (SEZ) project because of the provincial decision to locate it at Moses Kotane Local Municipality. The land that was acquired by the municipality for the SEZ will be used to develop the Mining Supplier Park, a Logistics Hub as well as space for the Fresh Produce Market. An initial pre-feasibility study for the Mining Supplier Park has been completed and the feasibility study for Logistics Hub is currently underway.

We are engaging the DTI to extend incentives that were earmarked for the SEZ to the Mining Supplier Park. These include:

- 15% corporate tax incentives for investors in Industrial Parks
- Building Tax Allowance
- Accelerated 12i Tax Allowance
- Employment Tax Incentive
- VAT exemption and Duty Free

The template below gives an indication of the directorate plans; achievements; challenges and what the community needs.

Corporate Objective	Build and support broad-based black economic empowerment and sustainable Small, Medium, and Micro Enterprises (SMMEs) business development			
Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
One hundred and one (101) stalls in place	Nine eight stalls (98) stall planned for Phase 2	Eighty three (83) stall built; an eating area and a washing bay completed	The creation of the eating area and the washing bay reduced the targeted number of stalls in Phase 2	There is still increased need for street trading areas at the Max Born man and Rustenburg Taxi Rank trading areas
Development of Supplier Database	A target of 500 set	327 SMMEs registered in the 3 rd quarter.	Funds were not allocated for the development and installation of the required software. The data was captured manually per economic sector	Many SMMEs want to do business with the municipality and other external stakeholders like the mines. In the absence of an interactive database; the need will not be realized
Percentage of bids awarded to companies with BBBEE content in line with municipality's Preferential Procurement Policy	A target of 80% was set	All contracts awarded in the previous three quarters were within the required BBBEE contribution	The directorate does not have projects funded in CAPEX and as such; only smaller works and programmes are used as reference from OPEX	Businesses want to be capacitated and to participate in municipal and external stakeholder programmes and projects. With exposure; the SMMEs are destined to get experience and higher CIDB ranking in respect of construction and related works
Number of jobs created through municipality's local economic development initiatives including capital projects	Target : 500	Fifty (50) achieved. The rest of the jobs; 156 created are through the operational budget	The directorate does not have capital projects to implement. Only operational projects on maintenance carried out by day laborers	The Mayoral Outreach elicits the need for job creation across all the wards. The directorate has to assist facilitate the intention of SOPA in order to request for ring fencing of some projects specifically for cooperatives. Facilitation of the establishment of cooperatives for bulk buying and establishment of massive warehouses for vendors operating in the taxi ranks.
% growth of SMMEs	Target:	In the scorecard; three	The KPI was not well formulated.	It remains a fact and an expressed

Corporate Objective	Build and support broad-based black economic empowerment and sustainable Small, Medium, and Micro Enterprises (SMMEs) business development			
Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
work shopped on tendering, business planning, export market, cooperative governance, business skills		workshops were conducted for SMMEs with a total of 290 SMMEs attending	It should read: Number of SMMEs work shopped on tendering, business planning, export market, cooperative governance, business skills	need from the business community that SMMEs require training so that they should comply with the legal requirement in respect of SARS matters i.t.o VAT and personal tax; business management; OHS; procurement processes; project management; etc
% Implementation of LED Strategy	80%	None. The service provider appointed should establish ways and means toward the implementation of various projects and programmes within the 2011 LED Strategy	No internal funding. Funds to be sourced externally; thus to establish which projects could be implemented as a PPP; Build; Operate & Transfer (BoT); and purely by investors.	The community still express the need for a high class city as depicted from the touch point survey conducted on Branding Of The City programme. It is proposed that the KPI be removed from the scorecard.
% Completion of the City Branding	35%	Phase I of the project has been achieved	The budget allocation for this programme is limited and cannot assist the directorate achieve steps towards finalisation of the City's identity.	The project is key for all community members and business as it intends to inform everyone about what makes Rustenburg; what natural resources are available there; what makes it unique as compared to other areas; etc. This then says; an identity for Rustenburg is required as it will assist the municipality to attract investors; compete with municipalities of its stature in the global market; etc.

1.4. HUMAN SETTLEMENT

Part A of schedule 4 of The Constitution of the Republic of South Africa, 1996 define housing as functional area of concurrent competence of National and Provincial government. However, National and Provincial government can assign to a municipality by agreement and subject to any conditions, the administration of a matter listed in Part A of schedule 4 which necessary relate to local government, if

- That matter would most effectively be administered locally
- The Municipality has the capacity to administer it

Housing Act, Act 107 of 1997 part 4 outlines the functions of Local Government in human settlements developments which are comprehended by rationale for accreditation. Currently, Municipality in collaboration with the National and Provincial Department of Human Settlement is implementing Integrated Residential Development Programme, Informal Settlement Upgrading Programme and Rental Housing Programme

1.4.1 National Housing Programmes, Integrated Residential Development Programme

Monnakato Housing Project 515 Units

The project was delayed due to variety of reasons, including installation of sewer and water infrastructure. The project as at winding stage and it is expected to be completed and end of May 2015. Subsidy administration has been completed and beneficiaries are being allocated houses as and when they had been certified by the Building inspectors. 217 houses have been allocated to beneficiaries to date

Meriting Ext 4 & 5 1590 Units

Meriting Ext 4 & 5 housing project started in 2005 and have its share of challenges the main being the litigation case lasted for four years and lack of water, which is resolved. 1 390 application have been approved and 256 housing units have been allocated. To avoid vandalism and illegal occupation houses are allocated when they are completed.

Bokamoso Phase 2 Housing Development

Development is a partnership between Anglo Platinum Mine, North West Province Department of Human Settlement and Rustenburg Local Municipality which seek to develop 1600 integrated human settlement units, as first phase in Bokamoso. The project is at planning phase and EIA being the reason for lack of movement beyond construction.

Marikana Ext 2 Housing Development

Marikana Housing Development is a partnership between the two spheres of government and private sector, namely Rustenburg Local Municipality and Provincial Department of Human Settlement, and Lonmin. Lonmin has donated 50 hectares of services land in Marikana in October 2013 for human settlement development purpose. Marikana Housing Development will yield 2800 integrated housing

unit of different typologies in its completion, however the first phase of the development will yield 292 breaking new grounds, 252 CRU (Community Residential Units) and 100 financially linked Subsidy housing (FLISP). Sod turning for the development was held on 10 July 2014 in Marikana.

Site hand over for CRU and was done on 8 August 2014 followed by BNG on Monday, 11 August. Numerous work stoppages by local subcontractors have delayed the progress, however continuous engagements with local contractors are yielding dividends and considerable progress is recorded. The current project phase of the project will be completed at the end of July 2015.

Rural 570 Housing Project

The housing is earmarked for rural villages around Rustenburg made up of kanana, Lefaragatlha, Serutubane, Maile Diepkuil, Maile, Maile Extension and Mafenya. Initial the project was for 550 units but was increased with 20 units of Mayoral project. YASA Developers are the contractors. Progress is recorded as follows;

1.4.2 National Housing Programme, Rental Housing Programme

Community Residential Programme

Amberboom Rental Units

The Housing Unit was experiencing challenges with regard to the rental payments by the tenants at Amberboom. This has been an ongoing process and evictions were previously undertaken. Defaulters were given options which were approved by Council as per Item number 502 of 2009 that:

- Defaulters be evicted from Council properties
- Old age pensioners be relocated to Municipal old age flats
- The unemployed be relocated to the current RDP projects

However, it was discovered that even after the evictions, some tenants who made arrangements with the municipality to pay their arrears and rent subsequently, as well as new tenants also stopped paying rent. As a result, an intervention for the collection of arrear rentals and evictions of tenants who are in breach of lease agreements was solicited to the municipal panel of attorneys through our Legal Department in order to institute legal action. Furthermore, Municipality approached the North West Rental Housing Tribunal by referring all the outstanding rental matters for quick adjudication and progress has been made.

Boitekong Ext 12 Community Residential Units, 200 Units

This is a rental housing programme earmarked to house people not earning R1500 and not more than R3500 on lease basis. The process for allocation of these flats started in July 2014 and according to our records all the flats are occupied. There has been some teething problems relating maintenance snack list of issues in need of maintenance, however they are being attended too.

Marikana CRU Project

The Marikana CRU housing project started in 2014 and it is for the development of 252 Community Residential Units. The allocation criteria of Community Residential Units as enshrined in National Housing Code, 2009 and Council Policy on CRU allocation will be implemented. Contractors are on site and the final product will be delivered in July 2015.

1.4.3 Maintenance of Rental Stock

Maintenance of Municipal rental housing stock is R 824 067 and to date R 722 280.25 is spent which translate to 88%. Table below depict the vote which further divided into jobs

VOTE	BUDGET	EXPENDITURE	AVAILABLE
0606 – Buildings	Job no: 1600; R132,067 Job no: 1601; R477,000 Fencing: R35000 Job no; 1602; R23000 Job no: 1603; R12 000	R536,369.59 R32,822.74	R13,853.41 R1,121.26
0615 - Electrical	Budget: R180 000 Adjustm: R60 000 Revised; R240 000	R153,187.92	R812,08
	R824 067,00	R722,280.25	R15,877.75

Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
Human Settlements in terms of the Housing Sector Plan which was approved by Council on 28 February 2012	Meriting 4&5 (1590 Units)	279 units completed & allocated	There is no water connection in Ext 4	Still a need for RDP Housing
	BNG & CRU Marikana Ext 2, Bonded houses (2 800 Units in total)	Project still at the foundation phase	None	Still a need for RDP Housing
	Rankelenyane (65 Units)	14 foundations	Poor performance of the contractor. Contractor was appointed by the Provincial Department of Human Settlements	Still a need for RDP Housing
	Monakato (515 Units)	514 units completed and 259 Units allocated	Beneficiaries not coming forward to claim their houses	Still a need for RDP Housing
	Bokamoso (1600 Units)	No construction	No bulk water ,electricity and sewer supply	Still a need for RDP Housing
	Informal Settlements Upgrading (Yizo Yizo Tlhabane, Ikageng, Mbheki Sun, Ikemeleng, Freedom Park, Popo Molefe, Yizo Yizo Boitekong Ext 8,Zakhele,Mmaditlhokwa,Ramochana, Nkaneng,	Ikageng- Settlement upgraded, Yizo Yizo Tlhabane in a process of relocation	No formal Infrastructure e.g.; sanitation, electricity and water supply	Still a need for RDP Housing
	Boitekong Ext 12 CRU	200 Units completed and allocated	Subletting	Still a need for Rental Housing

1.5 Public Safety

Disaster Management Plan

The purpose of the RLM Disaster Management Plan is:

- To document the institutional arrangements for Disaster risk Management Planning
- To assign primary and secondary responsibilities for priority disaster risks posing a threat in the Rustenburg Local Municipality
- To establish operational procedures for disaster risk reduction planning as well as the emergency procedure in the event of a disaster occurring or threatening to occur in council's area
- To facilitate an integrated and coordinated approach to disaster risk management
- To establish risk reduction, resilience building
- Develop adequate capabilities for readiness, and effective and rapid response and recovery.

Primary Crime Prevention Measures

The following primary crime prevention measures are taken:

- Effective program addressing poverty alleviation such as SMME projects
- Job creation project like trolley pushers, car watch and car washers
- Organise sports and recreation
- Organise private community structure to combat crime e.g. street committees
- Crime Prevention Through Environmental Design (CPTED) e.g. inadequate street lighting, inadequate CCTV cameras, empty stands and houses, bushes, taverns near schools. Safe and Clean City Campaign.
- Education and awareness through media, pamphlets etc.

Identified community Issues:

- Sporadic and occasional violent conflicts in mining areas and informal settlements. Encouraging community involvement through CPF, Ward meetings and Conflict Resolution Committee.

1.5.1 Licensing and Testing

Alignment with Provincial and District Policies:

- The Municipality serves on an agent basis and all systems are linked to the Provincial Department of Public Safety and Transport Management.
- The licensing and testing should comply with the Provincial and or National legislations as well as the code of practice, regulations and standards.
- A Service Level Agreement must be entered into between the Province and the Municipality.

IDP Review 2015 – 2016

Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
Law Enforcement and Security	Enforcement of Municipal By-Laws	Integrated Law Enforcement and Security Unit established in 2012.	Air Pollution, Illegal dumping and illegal squatting.	Regular inspections, meetings and awareness campaign are conducted to educate the community.
Crime Prevention Strategy and Plan	Expansion of the CCTV Cameras	28 CCTV Cameras installed to reduce or curb crime	Inadequate funding to finalize the project.	Reduction of the level of crime. Linking the plan to the National Development Plan.
	Promote a safe and secure environment	<p>CPF and CPF Sub- Structures established in all wards.</p> <p>Community Safety Forum meetings are held quarterly.</p> <p>180 Community Safety Patrollers introduced in all wards.</p>	<p>Community not interested to be involved.</p> <p>Lack of participation from other stakeholders.</p> <p>Lack of capacity in the Directorate in terms of human resources.</p>	<p>Introduction of Neighbourhood Watch and whistle blowing.</p> <p>Forum established and community safety issues are addressed at that forum. Need for more sub forums in the wards.</p> <p>Patrollers work jointly with Law Enforcement and South African Police Service (SAPS) to report all criminal activities in the wards.</p>
		Conflict Resolution Committee	Violent conflicts in mining areas and informal settlements.	Awareness campaigns are conducted by Law Enforcement in conjunction with SAPS and community to minimize conflicts.
Road Traffic Management	Ensure effective and smooth flow of traffic.	Training, education and empowerment through Road Safety in schools.	Taxi drivers are not properly trained on Public Transport issues.	

	To prevent and reduce road accidents	Reduction of unroadworthy vehicles on the roads	<p>Lack of funding in upgrading roads.</p> <p>Traffic Congestion</p> <p>Some of the vehicles are not tested for roadworthiness.</p>	<p>Point duties are controlled during peak hours.</p> <p>Community is encouraged to use roadworthy vehicles and public transportation ensures destinations are easily reachable.</p>
Emergency and Disaster Management	Disaster Risk Identification and Analysis	Establishment of a Disaster Management Centre	No adequate funding for vehicles and equipment.	Reduction of the disaster risk during emergencies provided by available resources.
		<p>Construction of two firehouses (Marikana and Phatsima)</p> <p>Staffing of the two offices (EPWP Grants)</p>	<p>No funding to deploy personnel (Fully operationalization of firehouses)</p>	<p>Provision of services and information/ knowledge to the community.</p> <p>Education, Training, Public Awareness to the community.</p>

1.6 Community Development

Sports Facilities

The municipality will not be able to meet the Government's turn-around strategy that states that each ward must have a sports facility by 2014 due to budgetary constraints.

Cemeteries

Of all the eleven existing cemeteries, the one at Boitekong is inactive and thus closed. A business plan has been submitted for MIG funding.

Developed Open Spaces

The municipal parks developed are not of a suitable standard for recreational purpose due to insufficient budget allocation, others have been vandalised, or in poor condition because of poor maintenance or are not available in most wards. The unit will work closely with the Environmental Management unit in the implementation of the ROSH and Department of Environmental Affairs for resources and implementation of Green Strategy. Consultant have been appointed by the Unit: Water and Sanitation to identify all water network reticulation/connections for irrigation system, an exercise that will have assist in the sustainability of maintenance of the parks after completion.

1.6.1 Natural Features/Bio-Physical Environment

Traditionally, the open space system and network incorporated in SDF consisted of "non- developable areas" such as areas affected by flood lines, geotechnical constraints, steep slopes and topographical characteristics. More recently the focus has shifted to biodiversity protection and the maintenance of ecological systems and processes. In the case of latter, one of the primary focus areas is the limitation of the fragmentation of ecological systems. The overall municipal level open space network has thus been devised to allow for maximum interaction between various ecological systems and processes and ensuring continuity of these systems as far as possible. According to the Rustenburg EMF, the following areas were considered as areas that need strategic management in order to conserve biodiversity RLM:

- Wetlands
- Ridges
- Areas identified as Critical Biodiversity Areas in terms of the North West Province Biodiversity Conservation Assessment Technical Report (2008)
- Areas with remaining natural vegetation
- Open space areas
- Existing protected and conservation areas
- Areas zoned under conservation management zone.

1.6.2 Geology

The geology of the area is relatively stable and dominated by formations of the Pretoria Group of the Transvaal sequence. The geology has subjected Rustenburg to increasing mining pressure with most land uses changing towards mining. There is evidence of approval of mining activities on areas that are regarded as highly sensitive in terms of biodiversity conservation. This is evident in the Granite koppies where these koppies are under extensive mining pressure in search of granite. These koppies lose their aesthetic value as they are left in a degraded state after mining. According to the North West Biodiversity Conservation Assessment Report (2008), Granite koppies also referred to as Norite koppies are characterised by a bushveld type that is considered to be endemic in Rustenburg as it provides habitat for a special red data insect species *Lepidoptera*.

Current mining of these koppies are not only causing loss of biodiversity but are also leading to the degradation of the visual aspects of the area.

1.6.3 Climate

Climatic conditions are comprised of summer rainfall with very dry winters. The Mean Annual Precipitation ranges from about 500-600 mm. This range has the highest mean annual potential evaporation.

Table 2-9 provides an overview of the average annual rainfall in the RLM from 2001 to 2010. It is clear that between 2004 (606.76 mm) and 2006 (834.97 mm) the rainfall experienced was the highest and since then it decreased dramatically.

Average Annual Rainfall, 2007 to 2013

Year	Average annual rainfall (mm)
2007	436.14
2008	400.49
2009	487.19
2010	363.41
2011	503.15
2012	402.45
2013	500.14
2014	

Monthly minimum temperatures experienced throughout 2010 and 2014. It is interesting to take note that overall the minimum temperatures have increase with at least 1°C.

Average monthly minimum temperature (°C)

Months	2010	2011	2012	2013	2014
January	18.81	17.41	16.05	18.41	18.46
February	18.14	17.05	19.90	17.27	17.38
March	17.57	15.45	18.47	18.47	16.25
April	14.22	13.50	15.78	16.30	11.2
May	8.81	11.81	11.21	12.3	6.5
June	3.16	8.60	3.71	8.83	3.2
July	5.10	6.15	7.31	6.49	2.8
August	6.16	8.29	10.20	7.83	5.1
September	10.89	11.36	11.27	12.70	9.6
October	15.31	14.70	14.92	15.41	12.9
November	17.10	16.21	15.74	16.20	14.9
December	17.36	17.20	16.75	16.78	16.1

According to Mucina and Rutherford (2006), frost is fairly frequent in winter. The area also enjoys a sub-tropical climate with temperatures around 16°C during winter and 31°C during summer. The climate is generally ideal for year round outdoor activities.

1.6.4 Air Quality

The air quality in RLM is generally poor due to activities from different land uses in the area. The topography of the area also contributes to poor air quality by trapping air pollutants in the atmosphere under stable atmospheric conditions. The main impacts on air quality result from pollution and dust emissions from mining, agricultural, domestic and industrial activities. The RLM has undertaken an initiative to address the air quality impacts by drafting and implementing an Air Quality Management Plan (AQMP) with the aim of incorporating this plan into the RLM Integrated Development Plan (IDP). The starting point as part of the implementation of

the AQMP, involved the development of a detailed air pollution source inventory. According to the Rustenburg State of Environment report on Air Quality, sources of particulate emissions within the Rustenburg Region include:

- Stack and vent emissions from industrial operations and stack emissions from boiler and incinerator operations
- Emissions from quarrying and mining operations (including tailings impoundments)
- Dust sources, including agricultural activities, wind erosion of open areas, vehicle-entrainment of dust along paved and unpaved roads
- Household fuel combustion including wood and coal
- Biomass burning (i.e. veld fires) that contributes particulates, CO and VOC's. The extent of NOx emissions depend on combustion temperatures, with minor sulphur oxides being released
- Vehicle tailpipe emissions (minor source of particulate emissions)
- Regionally transported air masses comprising well-mixed concentrations of aged secondary pollutants.

Identified point sources for emissions include:

- Waterval smelter operation and concentrator plant
- Anglo Platinum base metal refinery
- Anglo Platinum Precious metal refinery
- Rustenburg Local Municipality Environmental Management Framework 2011
- Frank, Paardekraal and Waterval1 operations
- Rustenburg Chrome Mines and associated tailings dams
- Waterval tailings
- Paardekraal Phase 1-3 tailings
- Klipfontein Complex
- Household fuel combustion within residential settlements such as Mfidikwe, Thekwane, Photsaneng, Boitekong and Nkaneng; Lefaragatle, Tlhabane, Bobuampja, Phokeng
- Scaw Metals and Xstrata industries in the Rustenburg Industrial Area
- Mining operations such as the Bafokeng Rasimone and associated tailings complex, the Wildebees Mine and its tailings complex and various deep mines.

The current approach adopted by the authorities in attempting to manage the air quality of Rustenburg includes the Compliance Approach where South African guidelines are used to determine performance criteria for companies. These guidelines are made specific to the certificates that are issued to a particular industry.

1.6.5 Waste Management

Hazardous waste

Industrial waste generated by the industrial section as well as the mines are exclusively dealt with in-house. Mines such as Impala Platinum, Rustenburg Platinum, Rasimone Platinum and Karee Mine have their own private landfill sites. Waste from the private tourist facilities/establishments is either collected by the municipality or dealt with in-house, depending on whether they are situated in urban areas (served by municipality) or not.

Two Sewage Treatment Works (STWs) are operational in the RLM, the Rustenburg STW and the Boitekong STW. Rural areas make use of conventional pit toilets and septic tanks, which are not connected to a water-borne sewerage system. A company called Enviroserve dispose hazardous waste mainly from mines to the Holfontein Facility in Gauteng and the de-listed hazardous waste and liquid waste is taken to Rosslyn GLB and landfill.

General waste

Waste in the RLM is generated mainly from residential, commercial industrial areas, mining areas and tourist establishments. The municipality is responsible for the collection of all domestic waste generated through door-to-door collection. However, in certain areas waste is collected by a private waste contractor (Millennium Waste, C&D Plastics), which was contracted by the municipality to help fulfill part of its service.

The municipality operates three garden sites, Kremetart, Abattoir and Zinniaville, which act as public drop-off areas, where the public and private sector can drop-off garden waste. The sites are not properly managed especially in terms of access, conditions on site and mixing of the different wastes. The three sites are located very close to one another, which presents a gap in terms of providing these services for other areas of Rustenburg, which are currently far removed from the existing garden sites.

The RLM owns and utilises the Townlands, Monnakato, Hartbeesfontein and the Phatsima landfill sites. Tribal lands make use of informal dump or landfill sites. These sites lack initial planning and development, and the standards at which they operate are very low. These sites are not licensed and are a health hazard as they are easily accessible to the public. In areas that do not receive municipal service in terms of waste management, waste cannot reach the disposal sites (Rustenburg Environmental Management Framework, 2011).

1.6.6 BIOLOGICAL ENVIRONMENT

Vegetation

The study area is predominately covered by Savanna Biome of Central Bushveld Bioregion. The main vegetation types in RLM as illustrated in the vegetation type map in Annexure B comprise mainly of the following:

- Gold Reef Mountain Bushveld/ Mixed Bushveld, which follows the southern slopes of the Magaliesberg Mountain Range has high species richness. This vegetation contains the majority of the Red Data species in the study area including the endangered endemic succulent shrub *Aloe peglerae* and the near threatened herb *Frithia pulchra*.
- Moot Plains Bushveld which consists of sourish bushveld and mixed bushveld is largely affected by urban and agricultural developments but the northern part of the area still contains some natural patches of this vegetation. The main belt of this vegetation is found immediately south of the Magaliesberg. A narrow belt also occurs immediately north of the Magaliesberg. This vegetation functions as a transitional area between different habitats.
- Marikana Thornveld dominates the central part of the study area. This vegetation occurs on plains from Rustenburg area in the west, through Marikana.
- Norite Koppies Bushveld is found embedded in Marikana Thornveld north of the Magaliesberg on rocky hills associated with the Rietvly Mountain. According to the North West Biodiversity Conservation Assessment Report, 2008 this vegetation is endemic in the area and therefore needs protection.
- The area to the north of the R556 including the area of the Vaalkop dam is dominated by the Central Sandy Bushveld.
- Rand Highveld Grassland is found south west of the study area on both sides of the R509. The vegetation is known to be species rich, wiry, sour grassland alternating with low, sour shrubland on rocky outcrops and steeper slopes.
- Zeerust Thornveld is found towards the western end of the Magaliesberg in the area that is located between the R556 and the R565.

Other vegetation types found in small patches include:

- Carletonville Dolomite Grassland at the south eastern corner of the area.
- Gauteng Shale Mountain Bushveld also located at the south of the study area.
- Eastern Temperate Freshwater Wetlands vegetation occurs as a tiny patch to the east of the Mooirivier

- A narrow belt of the Waterberg- Magaliesberg Summit Sourveld occurs between the Moot Plains Bushveld and the Gold Reef Mountain bushveld on the eastern end of the Magaliesberg.
- South east of Buffelspoort close to the eastern boundary of the study area is the Northern Afrotropical Forest
- Rustenburg Local Municipality Environmental Management Framework 2011 NWDACERD

Areas of biodiversity importance, sensitivity analysis Level of sensitivity	Indicators	Characteristics
Low	Sandy bushveld Northern Afrotropical Forest	Not known to contain threatened or vulnerable species.
Medium	Moot Plains bushveld Zeerust thornveld Carletonville Dolomite Grassland Gauteng Shale Mountain Bushveld Marikana Thornveld Waterberg- Magaliesberg Summit Sourveld Rand Highveld Grassland	Transitional area between different habitats located including areas at the foot of the Magaliesberg
High	Gold Reef Mountain bushveld Norite Koppies Bushveld Eastern Temperate Freshwater Wetlands vegetation	Conservation value Contains the majority of the Red Data species in the study area such as the endangered endemic succulent shrub <i>Aloe peglerae</i> and the near threatened herb <i>Frithia pulchra</i> .

The conversion of natural ecosystems for cultivation, urban development, informal settlements and mining (both legal and illegal) is one of the most significant causes of ecosystem decline in the study area. These changes in land use result in the loss of natural habitat, with, frequently, secondary consequences of degradation and fragmentation of remaining habitats, all of which result in losses of biodiversity, declines in ecosystem health and changes in the provision of ecosystem services. The sensitivity levels of the different vegetation types are illustrated in the table below.

Climate change Response Vision Strategy

Focus area	Climate change responsive Municipal Strategic Focus Area (SFA)	Climate Response Priority Objectives
Economy	Diverse efficient and green economy	<ul style="list-style-type: none"> • Value-add processing to local agriculture • Efficient lighting programme • Renewable energy development
Infrastructure	Sustainable and resilient infrastructure and services	<ul style="list-style-type: none"> • Storm water management • Public transport investment to improve mobility • Sustainable water supply • Water demand reduction • Universal electrification
Social	Resilient communities with access to livelihoods, basic services and climate safe locations	<ul style="list-style-type: none"> • Diversify livelihoods • Development of quality low income housing stock • Disaster risk reduction in informal vulnerable settlements • Additional capacity to health care

		facilities
Environment	Conserve Natural Resources	<ul style="list-style-type: none"> • Rehabilitate wetlands and river courses • Biodiversity protection (Including alien clearance) • Pollution reduction program
Gorvenance	Efficient responsive local government	<ul style="list-style-type: none"> • Climate change integrated into municipal oganogram • Develop key databases • Build relationships with climate knowledge institutions

CLIMATE CHANGE ADAPTATION AND MITIGATION RESPONSE SECTORIAL OPTIONS

SECTOR	CLIMATE CHANGE RESPONSE OPTION
WATER SECTOR	<ul style="list-style-type: none"> • Improve monitoring and focasting systems for floods and droughts-develop links with water research institutes to ensure early preparation for drought or floods years • Preservation of wetlands for current and future flood risks • Water flow monitoring towards improved infrastructure planning and development <p>Demand side:</p> <ul style="list-style-type: none"> • Water tariff structure • Water restrictions: Prepare plans to balance the need of competing users when water availability is reduced (Drought years) • Pressure management • Education and awareness • Encourage use of water conservation technologies such as low flush toilets and low flow showerheads • Improve sanitation to curb disease spread <p>Supply side:</p> <ul style="list-style-type: none"> • Rainwater harvesting for uses such as toilet flushing, car washing, irrigation • Reuse of grey water or water from sewage treatment • Control of invasive alien vegetation • Reduction of leaks <p>Response options for peak supply in drought years needs further investigation (from cost benefit perspective and development approach): increased storage capacity/widening of reservoirs or dams, trucking of water, desaliation, development approvals, etc.</p>
ENVIRONMENT/ URBAN ECOSYSTEMS	<ul style="list-style-type: none"> • Vulnerability mapping and related management plans (e.g. Shoreline management, informal settlement0 • Protect and increase existing ecosystems and green spaces for flood risk management, reduction of heat island effect and agriculture and biodiversity support, notably: <ul style="list-style-type: none"> • Wetlands • River courses/streams • Erosion prevention/land care • Water sheds • Monitor and control alien plants • Monitor biomass used for energy-is it increasing or dwindling, if dwindling , contingency plans for energy provision need to be considered • GHG emission data capture • Education and awareness

AIR QUALITY	<ul style="list-style-type: none"> • Monitor and record local global (GHG) air quality on a continuous basis • Exercise authority in sectors to reduce global (GHG) emissions and use air management approval processes to leverage efficiency. • Education and awareness programs
WASTE	<ul style="list-style-type: none"> • Landfill gas capture and conversion to energy to reduce GHG emissions • Recycling and buy back development • Introduction of recycling buyback vendor machines • Tyre shredding mechanisms introduction • Medical waste incineration and conversion of heat energy to electrical energy. • Ensure proper disposal of waste
Human settlement	<ul style="list-style-type: none"> • Improved sanitation • Improved standard of social housing(new and retrofit existing) particularly to include ceilings to improve thermal performance • Solar energy for lighting and solar geyser • Reduction or removal of fire hazards next to informal settlements • Efficient appliance programs(Fridges, kettles, lights) to reduce energy poverty • Avoid settlements in fire and flood prone areas • Green space in settlements to absorb intense rain run offs and improved sanitation.
Infrastructure and Build environment	<ul style="list-style-type: none"> • Mapping of vulnerable areas(flood lines) • Implement land use planning and zoning to avoid development in land slide and prone areas
Green Procurement	<ul style="list-style-type: none"> • Address procurement to ensure it support efficient resource use and that tender specs particularly for large infrastructure projects , incorporates the wide range of future climatic conditions • Consider best institutional location of climate change issues and incorporate climate change within agendas of all structures from council to management and operations • Budget allocations must ensure that spending supports development of both new and existing infrastructure.

Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
Maintenance of five municipal public toilets	2 (taxi & bus rank)	none	Inadequate manpower and Insufficient budget	Continuous maintenance.
Maintenance of sidewalks, grass cutting and tree pruning, cemeteries, parks and gardens	Routine maintenance	60%	Inadequate manpower and machinery;	Continuous maintenance.
Greenifying of sports facilities in different wards	03 (Tlhabane; Rankelenyane and Boitekong)	01 (Rankelenyane)	Community disruptions (Tlhabane) and late release of funding from MIG (Boitekong)	Upgrading and continuous maintenance.
Households & Business refuse removal	Procured 15 000 bins and Distributed 10 700 bins to Households & Business	10 700 wheeled bins distributed	Unavailability of home owners for the delivery of wheeled bins. Rejection of wheeled bins by business owners.	Improved communication strategy Implementation of by-laws
Management of disposal sites	Closure and rehabilitation of Townlands and 5 communal sites Opening of Waterval landfill site	None	Unavailability of internal operational funds	Awaiting allocation of CRR funds.
Environmental management and air quality monitoring	Monthly reports on air quality monitoring programme	100%	Insufficient funds for maintenance of air quality monitoring stations	Continuous reporting and feedback

1.6.7 Water Services Development Plan (WSDP)**Water Services Levels WSDP (2012)**

Water Service Levels				
Actual Levels - not infrastructure sufficiency				
House	Yard	Standpipe	None	Total
56 778	55 679	4 281	8 900	125 638
61	127	14	18	209
45%	44%	3%	7%	100%
93%			7%	

The WSDP is a plan to ensure efficient, affordable, economical and sustainable access to water and sanitation services for all. It deals with socio-economic, technical, financial, institutional and environmental issues, which pertain to water and sanitation services.

1.6.7.1 Blue Drop Certification

The Department of Water Affairs initiated the drinking water quality regulation programme in 2005. The objective of the programme is to ensure that improvement of tap water quality by means of compliance monitoring of all Water Services Authority (WSA). In an attempt to implement public confidence due to many negative reporting on water quality triggered the initiation of the incentive based regulation programme termed the Blue Drop Certification which commenced on 11 September 2008.

WSA's that scored 95% and more received the Blue Drop Certification; regarded as managing drinking water quality with excellence and exceptional manner. In the North West Province only three municipalities attained the certification whereas the Rustenburg Local Municipality is one of them in the 2011 assessment cycle.

1.6.7.2 Sanitation acceleration plan

The municipality in conjunction with the Department of Water Affairs (DWA) developed a sanitation backlog eradication acceleration strategy and was adopted by the council and is to be implemented by all relevant stakeholders. The adoption of the strategy was made by the council in July 2011. Currently the strategy is tested through the implementation of a community based pilot project in Marikana. The project is to commence in April 2013 and completed in the 2013/14 financial year.

Sanitation Service Levels							
Actual Levels - not infrastructure sufficiency							
Full Flush	Low Flush	Septic	VIP	Pit Latrines	Buckets	None	Total
71 016	0	17 083	17 037	14 913	0	5 590	125 638
46	0	143	34	49	0	19	209
57%	0%	14%	14%	12%	0%	4%	100%
84%				16%			

Measures that may assist in addressing water losses

- Implementation of Municipal Bylaws – Water Conservation
- Invest in Water Meter Management
 - ✓ Potential minimum reduction in NRW is 5%
 - ✓ Minimum estimated revenue enhancement R 12 million per annum
- Invest in Asset Management System, with Integrated GIS Facilities to
 - ✓ Integrate Call Centre incidents reports
 - ✓ Planning
 - ✓ Works order issuing
 - ✓ Performance monitoring
 - ✓ Enforce shift work for maintenance workers
- Enforce accountability within the Rustenburg LM
 - ✓ Build positive reputation with the public
 - ✓ Discrete Meter Area management
 - ✓ Installation of Pressure Reducing Valves
 - ✓ First installation of PRVs, then adding electronic devices to manage pressures from the Control Centre
 - ✓ Installation of Telemetry System on Discrete Meter Area water meters

Service	Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
Electricity	1,066 households currently has access to basic levels of electricity.	Upgrading/ refurbishment of aged electricity infrastructure	50%	<ul style="list-style-type: none"> Insufficient capital allocation for network upgrading Ageing of electricity equipment resulting in cut-offs/blackouts Illegal electricity connections Backlog with electricity network upgrading 	1066 households will benefit
Sanitation	10,563 hh	Upgrading of Boitekong Waste Water Treatment works from 8 to 18ml per day	0%	<ul style="list-style-type: none"> VIP and septic tank de-sludging : the current tariff is R0.15/kl, the unit has not been able to provide the service due to lack of resources. By-law approvals and promulgation are also prolonging the process. Industrial effluent monitoring function was since given to the Trust to undertake. 	5,200 hh will benefit.
Roads and Stormwater	145 km	Construction of new roads and stormwater drainage system - Ward 1, 18, 19, 21, 22, 23, 24, 25, 26, 31, 35		<ul style="list-style-type: none"> Discharge of storm water into the sewer system. Stagnant water at the dead ends. 	30 km of roads will realize.
Water	10,563 hh	Ikemeleng yard connections and reticulation Bethanie – Modikwe – Barseba water supply		<ul style="list-style-type: none"> High water loss due to old infrastructure and illegal connections Water demand higher than supply resulting to strained 	5,200 hh will benefit.

Service	Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
		Refurbishment and upgrading of aged water infrastructure		<p>water infrastructure (operation in maximum capacity)</p> <ul style="list-style-type: none"> • Ageing water infrastructure • Inadequate water management service delivery and sustainability • Pressure fluctuation in the distribution • Distribution pump failures 	

1.7 RUSTENBURG RAPID TRANSPORT

1.7.1 BACKGROUND

The Rustenburg Rapid Transport (RRT) project is a flagship national public transport initiative being implemented by the Rustenburg Local Municipality. The project aims to implement the recommendations of the national Department of Transport's *Public Transport Strategy and Action Plan*, approved by Cabinet in 2007, which gives selected cities in South Africa the mandate to establish an Integrated Rapid Public Transport Network (IRPTN). These networks aim to catalyse a transformation of South Africa's public transport sector into a safe, secure and high quality experience for the passenger.

The planning, design and implementation of these IRPTNs are funded through dedicated Public Transport Infrastructure Grant (PTIG) and Public Transport Network Operations (PTNO) Grants.

In the 2014/15 Financial Year, the project was allocated R814 million PTIG funds of which R240 million has been spent in improving public transport in Rustenburg.

1.7.2 Project Timing

Figure 1.1 shows a summary of the RRT project timing.

It is intended that construction will take place from 2012 to 2016, and that the first new quality public transport services will start operating in 2015/16.



FIGURE 1.1: RRT PROJECT TIMING

Level of service	What was planned for the past Financial Year (2014/15)	Achievements	Challenges	Changes in the ranked community needs
*Can be seen in Figure 1 below	* Can be seen in Figure 1 below <ul style="list-style-type: none"> Start of stations construction Procurement and financing of 36 buses (of the overall 232 buses) Implementation of Information and Communication Technology infrastructure along the 	Along corridor B, we were able to complete 1.2 km of dedicated busways and NMT	<ul style="list-style-type: none"> Could not start construction of the stations Setting up of the special purpose vehicle (SPV)-registration of interim BOC took longer than anticipated 	Job opportunities

Table 1: Situational Analysis

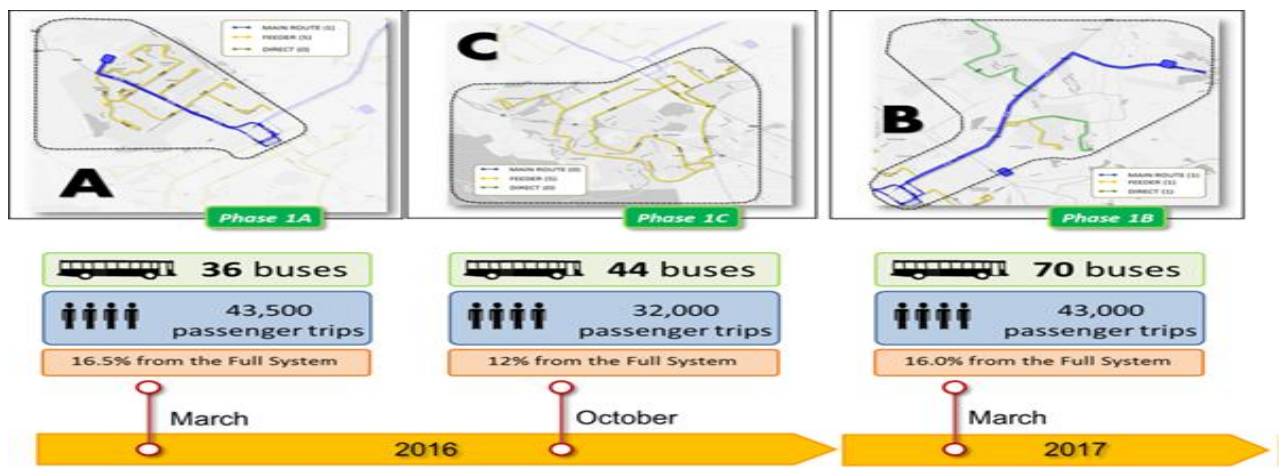


Figure 1: Operational Phases and timelines of Yarona™



Picture: Completed Corridor A: Tlhabane Section

On Corridor A, road-works of 5.3km of bidirectional bus lanes, mixed traffic lanes and 6 station substructures have been built.

The demand for Phase 1 of 160,000 passengers is believed to be a realistic demand on which the vehicle fleet of 211 buses has been calculated. Phases 1 and 2 will serve in the region of 60% of the total daily passenger trips in Rustenburg Local Municipality and will be implemented by 2015/16 and 2016/17 respectively.

- Around 2100 operators of Taxi's in Rustenburg, operating around 4500 mini-bus taxis.
- The regional taxi associations have been met and engaged – Nortaco and NWNRTF
- The local taxi associations (22 in total) have been engaged and taken on a study tour of Joburg and Cape Town systems
- A six step process has been outlined and approved by the industry
- The Taxi Negotiating Forum has been set up & works have full time experts who provide technical support to them
- MOU signed with Bojanala Bus

- **Naming and Branding of the System**

The Rustenburg Rapid Transport new consumer brand identity & name, YARONA, has been developed for the new public transport system and was launched on October 2014. As a result of approval of the brand identity - other facets such as uniform design, typeface, website, wayfinding and public art have progressed further. This brand identity has been the culmination of research, insights and inputs gathered from the residents of Rustenburg



Figure: Brand name and Identity

1.8 OFFICE OF THE EXECUTIVE MAYOR

The office of is responsible for the following functions:

Communications; Special Projects; IGR and M&E. The summary below reflects the operations of the Office.

Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
Provision of Bursaries to learners	15 learners have been awarded bursaries	Two learners have graduated and completed their courses	Insufficient budget	More Bursaries
School of Excellence	Ensure the school of Excellence is operational (Teacher salary and learning material is provided)	All learners passed their matric	Insufficient Budget	Donations from external sources will be explored
Development of Communication Policy and Strategy	Policy and Strategy completed and yet to be subjected to public participation and Council adoption	Draft Communication Policy and Strategy in place	Internal procedures before adoption by Council, that is, public participation, EXCO, Mayoral Committee and Council	Collaboration with Office of the Speaker to host public participation
Development and maintenance of the intranet	Established and maintained daily	Intranet in place and running	None	Intranet to be maintained daily through updates and information dissemination
Update and maintain Municipal website	Established and functional	Website functional and visited by all, namely, staff and external stakeholders	Server often down at times	Back up on server to be ensured
Collect-a-shoe campaign	3 500 pairs of school shoes collected and distributed in 2014	Collected school shoes distributed to needy learners	Low response by donors	More donors to be identified and approached for requests
Stakeholder Engagements	Four meetings with Stakeholders through the Multi-Stakeholder Forum	Two meetings have been held with Stakeholders through the Multi Stakeholder Forum	Attendance of Stakeholders at meetings has been in decline over the past years Submission of Strategic plan of	It is important that stakeholders participate in the Multi-stakeholder Forum for alignment of programmes within the IDP

Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
			Sector departments and business remains a major challenge	
Traditional Leadership	Meetings With Traditional Leaders	The Executive Mayor and MMCs have cordial Relations with Traditional Leaders in Rustenburg	Funds for projects lobbied by Traditional Leaders	It is necessary to involve the Traditional Leaders in the plans of the municipality for improved access to services
Disability Programme	Disability Forum Launch	<ul style="list-style-type: none"> Disability structure was successfully launched Date of induction was also proposed for the forum to be inducted 	some wards did not send delegates to the launch	the forum to submit program of action
School Campaign	Back to School Campaign	The school stationery has been donated to the community member.	none	it needs to accommodate all learners from grade 0 to grade 12
School Campaign	Sanitary towel Campaign	The campaign went well department of education is in support of the program.	transport for stakeholders to schools	it needs to be an on-going program
Gender Activism	Cancer awareness for women and book club launch	The event went well and elderly people learned to read, write to uplift their skills.	it was only focusing on few wards	needs to be extended to all wards
Disability Desk	Disability Forum Launch	<ul style="list-style-type: none"> Disability structure was successfully launched Date of induction was also proposed for the forum to be inducted 	some wards did not send delegates to the launch	the forum to submit program of action
Youth Development	Distribution of Car Wash Material to Youth in ward 6, 12 and 25.	Materials were supplied by LED and Youth was very excited for the gifts.	none	collaboration with Local Economic Development
Youth Development	Skills program for Youth.	100 young people will be skilled in the following skills : <ul style="list-style-type: none"> Water & Waste Reticulation NQF(4) 25 	none	support on skills program

Level of Service	What was planned for 2014/15	Achievements	Challenges	Changes in the ranked community needs
		<ul style="list-style-type: none"> Community Health and Sanitation NQF(5) 25 Plumbing NQF(4) 25 Electrical NQF(4) 25 		

1.9 ESTABLISHMENT OF ALTERNATIVE SERVICE DELIVERY MECHANISMS

1.9.1 INTRODUCTION

Council had on 07 August 2012, as per item 222 titled “amendment and incorporations to the organogram and organisational structure” reinforced the mandate of the office of the COO by Commissioning investigation that will explore possibilities of establishment of the alternative mechanisms to the delivery of Municipal services, this was informed by the Strategic Iekgotla decision which was taken in June 2011 and ultimately, the need to explore alternative service delivery mechanism was endorsed in the approved 2012/2017 IDP which is being reviewed.

The following alternatives Service delivery mechanisms as per the resolution quoted above need to be investigated:

- Water & Sanitation entity
- Waste Management Entity
- Development Agency
- Property Management Entity
- Public Transport Entity
- Social Housing Entity
- Rustenburg Electricity Entity

It is based on that background that a submission was made into the reviewed IDP 2013/14 and the same submission remains relevant as we review the 2015/ 2016 integrated development plan. The goals of exploring the alternative service delivery mechanism could not be achieved due to budget adjustment in the past years hence the programme remain relevant since the mandate was not rescinded.

1.9.2 BACKGROUND ON ALTERNATIVE SERVICE DELIVERY MECHANISM

The decision by the leadership of the Rustenburg Local Municipality to establish municipal entities as institutional mechanism to improve service delivery was bold, forward-looking and remains a true testament to positioning the Rustenburg as a world class city where all communities enjoy a high quality of life. Most importantly, this decision came nearly 12 years after the establishment of the first municipal entity by the City of Johannesburg. This was important in many respects:

The first municipal wave of the establishment of municipal entities (2000 – 2005) was characterised by municipal entities that, despite noble intentions, failed to turn sustainable due to factors ranging from a poor funding regime to untested governance structures.

The second wave (2006 – 2010), represents a period of institutional reform, and notably, an interrogation, and implementation of innovative governance models that resulted in a number of

municipal entities becoming sustainable and beginning to meet key objectives set out in early 2000/2001.

Rustenburg Local Municipality's decision, comes as local government enters the third wave of institutional reforms with respect to the exploration of alternative service delivery mechanisms, and consequently the municipality stands to benefit from nearly 12 years of case studies and lessons learnt regarding known challenges and risks inherent in the establishment of municipal entities.

The wisdom gained through the failed and successful municipal entities over the last 12 years can only assist RLM in formulating sound implementation methodologies to ensure that not only do we understand the benefits inherent in this journey, but notably, that we also insist on walking together with communities and key stakeholders in the transformation of service delivery in the municipality.

1.9.3 SCOPE AND PROCESSES ESSENTIAL TO TOWARDS ESTABLISHMENT OF ASDM

The following table summarises the processes towards the establishment of the ASDM.

FOCUS AREA	OBJECTIVE
1. Centralised Coordinating and Project Management Team	– Establish standards to be used across projects with respect to the investigation and establishment of entities.
2. Business Case	– Assemble case studies for each utility type with intent of sharing information with the leadership of the municipality on the benefits and risk associated with each operating model.
3. Strategy Review	– The trigger: situation calling for review of service – Conduct a detailed as-is analysis of all current departments/units earmarked for transition to entities. The strategy review should highlight strategic objectives, financial status/position, constraints, and current assets (human and technology)
4. Capability Assessment Review	– Conduct a detailed assessment of the current delivery capabilities of all the business units/departments with intent of establishing the gap between current and desired state
5. Strategy Development	– Formulate new strategy in line with long-term objectives of the municipality (the strategy document shall establish the drivers for institutional review)
6. Key decision by Council	– Report to Council: on the internal assessment and decision to explore external options – Notice to the community on the intention to explore provision of service through external mechanism.

FOCUS AREA	OBJECTIVE
	<ul style="list-style-type: none"> – Soliciting views and recommendation of national treasury and other national and provincial department – Report to Council: on the comments and inputs made during consultation and decision to explore external options
7. Delivery Mechanism Assessment and Recommendation	<ul style="list-style-type: none"> – Initiate a section 78 process and develop business case for both internal and external delivery mechanism for all envisaged entities. Facilitate community and stakeholder engagement for all envisaged entities. – The solution option analysis, Project due diligence, Value assessment, Economic valuation and procurement plan
8. Business Architecture	<ul style="list-style-type: none"> – Upon the selection of the preferred delivery mechanism, design business architecture for all entities. This must include 5-year financial plans, human resource requirements, transfer of assets and liabilities to the entities, new business capabilities, infrastructure, governance structures, and service delivery agreements.
9. Operating Model Formulation	<ul style="list-style-type: none"> – Included in the recommendation for a preferred service delivery mechanism will be a discussion on operating models for the entity. – The latter looks into the ideal models for a given operational environment.

1.9.4 ESTABLISHMENT OF A COORDINATING AND PROJECT MANAGEMENT TEAM

Based on the scope and meticulous stages involved in a process and the case studies alluded to in paragraph 3 above, particularly lesson that can be learned from the two waves of exploring alternative service delivery mechanisms the office reasons to believe that the Municipality can benefit from a Project Management Team to coordinate all activities pertaining to municipal entities. The benefits of such a centralised approach cannot be overstated:

- *Share expertise:* The Project Office shall ensure that the different teams tasked with activities in each envisaged entity share knowledge and expertise through replication of models, case studies and implementation approaches.
- *Gather case studies:* Prior to the initiation of the investigation, the centralised Coordinating and Project Management Team shall put together case studies for similar entities, and highlight lessons

that can be learned by the leadership of the municipality with respect to risk, strengths, and weaknesses of each model that has already been implemented locally.

- *Develop convincing business cases:* Armed with the preceding information, the centralised Coordinating and Project Management Team shall be in a strong position to develop business cases to motivate for the establishment of the envisaged entities.
- *Ensure consistency across all work-streams:* Through standardisation of methodologies and approaches, the Project Office shall develop common approaches to investigation, business case formulation, delivery mechanism assessments, and recommendations and in so doing lower project costs.
- *Coordinate expert input:* Most significantly, the parallel approach to the work shall ensure that fewer experts are utilised to assist the leadership of the municipality as well as the Project Office in the implementation of the project (for example: only one legal firm shall be contracted to provide legal services in the initial stages of the project)
- *Lower implementation costs:* As indicated above, coordination, sharing of experts, methodologies, standardisation and knowledge sharing shall result in lowering project costs through the establishment of a Centralised Coordinating and Project Management Team .
- *Avoid multiple community/stakeholder engagement forums:* The nature of the work is such that multiple stakeholders shall be consulted throughout the investigative phase of the project (Section 78). It is through the Project Office that efforts shall be made to ensure that the various stakeholders are not required to attend multiple consultative sessions per entity.

1.9.5 THE MAKE-UP OF THE PROJECT MANAGEMENT TEAM

1.9.5.1 Estimated budget requirement

The estimated budget requirement guided by key focus areas for the projects would in the future financial years be estimated to around R35 000 000 over a period of two financial years. About R20 000 000 will be needed for the first year and R15 000 000 in the second year. The integrated master plan for the entire Rustenburg which is a product of joint collaboration with Royal Bafokeng Administration proposes projects which would become game changers and projects of such magnitude would require a special purpose vehicle such as the development agency to mobilise private sector funding to realise the lofty goals contained therein.

CHAPTER 2

2.1 DEVELOPMENT STRATEGIES

As Local Government, the Rustenburg Local Municipality has contributed to the achievement of a number of significant social, environmental and economic development advances, since the ushering in of the new democratic municipal dispensation in December 2000. The majority of the citizens have increased access to a wide range of basic services and more opportunities have been created for their participation in the economy. Local government is a fundamental component of the reconstruction and developmental mandate of our country. The aims of democratising our society, protecting our natural assets, becoming financially sustainable and growing our economy inclusively can only be realized through a Local Government system that is accountable, responsive, effective and efficient. Therefore the focus of the 2012/2017 IDP would focus on building a more inclusive developmental local government that would further translate the Municipality's Vision into action.

To develop a more responsive, efficient, effective and accountable local government we will outline, in Chapter Two, precisely how we intend to translate our **Long Term 2025 Municipality Vision** into an effective plan that aligns the municipal budgets, monitoring and evaluating mechanisms as well as timeframes for delivery, in order to achieve our five-year 2012/17 developmental targets. The Municipality has taken the strategic direction to achieve closer alignment between the Long Term Development objectives and the IDP. Whilst the Municipality has a good track record in delivering goods and services effectively to citizens, one has to recognize that there are challenges that we face. A description of the **key developmental challenges** is listed to provide a context for the delivery of goods and services in the RLM. In response to these challenges, we then outline how we have refined our Municipality's Vision to be more robust, comprehensible and realistic, and a useful tool to help guide the actions of the Municipality, its citizens and key development.

2.2 Background

The RLM through its political leadership envisioned an aligned institutional Turnaround Strategy. The Turnaround Strategy aims to go beyond just the provision of expected municipal services, but to define the type of a City and Society envisaged. In a quest to realise and live up to the above goals, the municipality underwent a Mayoral Strategic Lekgotla with the following objectives, outcomes and key deliverables in mind:

- Performance in terms of the implementation of the approved resolutions of the 2011 and 2013 Lekgotla and the IDP priorities and objectives.
- Spending patterns and reflection on the mid-year financial performance and its influence on the capital spending programme for the remainder of the financial year and two outer financial years and the Impact of the spending patterns against the community and the manifesto of the ruling party.
- Challenges experienced on Water Supply and possible solutions (Progress report on the implementation of Council Resolution on Water Management).
- Revenue collection and revenue management. (looking at the development; trends and analysis of the current state vs. the ideal state at a high level)
- Quick win projects that can be showcased by the municipality.
- Development of the precincts plan and their influence in the entire housing development and land use. (simplified growth model of the city with key development corridors and nodes)
- Performance Improvement Plan on the 2012/3 Auditor General's audit report

2.3 Mapping where the RLM want to be

In the process of redressing the above challenges, it was indicated the importance to change the current way of doing things with the intention to become a pro-active and goal oriented institution. In order to give the new image of the municipality a complete turnaround, from the strategic drivers, the vision, mission and priorities have been revised to relate and be an embodiment of the strategic agenda of the new Council, Executive Mayor and Mayoral Committee for the five year term of the office.

2.4 Vision, Mission and Priorities

The vision of the Rustenburg Local Municipality reads: **“A world class city where communities enjoy a high quality of life”**

The mission statement reads: **“to continuously improve the quality of life, economic growth and eradicate poverty through best practice, sustainability and inclusive governance”**

2.5 Refined Municipal Priorities into Strategic Objectives

KEY PERFORMANCE AREA	PRIORITY	OBJECTIVES
1. Basic service delivery	<p>1. Efficient provision of quality basic services and infrastructure within a well-planned spatial structure</p> <p><u>Supporting vision components:</u></p> <ul style="list-style-type: none"> • Component 2: A logical and well planned spatial structure supported and sustained by high quality infrastructure • Component 4: Citizens enjoy high quality of Life. <p><u>Linkage to the NDP objectives</u></p>	<p>1.1 Accelerated delivery and maintenance of quality basic and essential services to all Communities</p> <p>1.2 Improved service delivery through provision of high quality, reliable and cost effective infrastructure based on integrated spatial planning</p> <p>1.3 Develop and implement educational/awareness programmes to obtain community in and ownership in the use and protection of community and municipal facilities</p> <p>1.4 Implementation of a City Business Development (CBD) Regeneration Strategy</p> <p>1.5 Improved public transport infrastructure</p>
2. Local Economic Development	<p>2. Drive diversified economic growth and job creation</p> <p><u>Supporting vision components:</u></p> <ul style="list-style-type: none"> • Component 1: A diversified and resilient economy. <p><u>Linkage to the NDP objectives</u></p>	<p>3. Consolidated Rustenburg minerals index, value- production and economic growth path quantification and impact</p> <p>4. Revive and expedite development of alternative high value adding economic growth sectors - agriculture, manufacturing, transportation services and products</p> <p>5. Build and support broad-based black economic empowerment and sustainable Small, Medium and Micro Enterprises (SMMEs) business development</p> <p>6. Create an enabling environment for the attraction, retention and expansion of foreign and local investments</p>

KEY PERFORMANCE AREA	PRIORITY	OBJECTIVES
		<p>7. Stimulate and facilitate sustainable tourism development and marketing of Rustenburg City as a world-class destination</p> <p>8. Development of an integrated human resources that empowers communities skills development</p> <p>9. Development of an institutional integrated human resources capability that enhances institutional competence</p>
3. Municipal Financial viability and management	<p>3. Ensure municipal financial viability and management</p> <p><u>Supporting vision components:</u></p> <ul style="list-style-type: none"> Component 6: A city well governed by municipal administration providing decisive leadership. <p><u>Linkage to the NDP objectives</u></p>	<p>3.1 Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability</p> <p>3.2 Implement revenue management strategy to enhance municipal financial viability and sustainability</p> <p>3.3 Implement sound and sustainable financial management and compliance controls</p> <p>3.4 Develop and implement an integrated municipal core projects' funding and acquisition model aligned with funding institutions' terms and conditions</p>
4. Basic service delivery Local Economic Development	<p>4. Maintain clean, green, safe and healthy municipal environment for all</p> <p><u>Supporting vision components:</u></p> <ul style="list-style-type: none"> Component 5: sustainable use and effective management of natural resources. <p><u>Linkage to the NDP objectives</u></p>	<p>4.1 Implement quality and improved health and social services to Communities</p> <p>4.2 Explore and implement alternative eco-friendly and conservation interventions to preserve the environment</p> <p>4.3 Implement integrated community safety and security strategy and measures</p> <p>4.4 Implement an integrated by-law enforcement programme</p>
5. Local Economic Development	<p>5. Transform and maintain a vibrant and sustainable rural development</p> <p><u>Supporting vision components:</u></p> <ul style="list-style-type: none"> Component 4: Citizens enjoy high quality of Life. <p><u>Linkage to the NDP objectives</u></p>	<p>5.1 Drive integrated rural development planning and infrastructural development</p> <p>5.2 Provide conducive environment for rural economic development through sustainable SMME's mentoring</p>
6. Good governance and public participation	<p>6. Uphold good governance and public participation principles</p> <p><u>Supporting vision components:</u></p> <ul style="list-style-type: none"> Component 6: A city well governed by municipal administration providing 	<p>6.1 Drive good governance and legislative compliance in all municipal processes</p> <p>6.2 Promote public participation and partnerships with stakeholders on municipal programmes</p> <p>6.3 Establish and maintain strong partnerships with local (mining) industries to oversee social responsibility programmes, job</p>

KEY PERFORMANCE AREA	PRIORITY	OBJECTIVES
	decisive leadership. <u>Linkage to the NDP objectives</u>	creation and local economic development
7. Municipal Transformation and institutional development	7. Drive optimal municipal institutional development, transformation and capacity building <u>Supporting vision components:</u> <ul style="list-style-type: none"> • Component 3: appropriately skilled labour force <u>Linkage to the NDP objectives</u>	7.1 Develop and implement integrated internal systems and processes 7.2 Develop, implement and review internal policies and procedures on regular basis 7.3 Establish and inculcate a service delivery culture 7.4 Establish quality management processes in the delivery of all services 7.5 Maintain a positive and vibrant image and identity of the municipality 7.6 Provide credible leadership in driving transformation initiatives 7.7 Develop and implement internal capability model (institutional core and critical competencies, scarce skills, maintenance skills) that enhance institutional and external stakeholders' development communities and institutional capability 7.8 Review, realign and implement organisational structure to support the vision and objectives

The following are remedial plans that will be put in place to address challenges and re-ranked community priorities as outlined in the situational analysis.

2.5.1 Directorate Corporate Support Services

Identified Strategies	Changed/re-prioritised community needs
Allocation of Sufficient Budget to address the following <ul style="list-style-type: none"> • Job Evaluation • Job Grading • Appointment of Service provider to develop HR Strategy • Appointment of service provider for employee wellness programmes • Establishment of Occupational Health and safety unit • Vetting of qualifications, criminal records and dismissals for financial misconduct 	<ul style="list-style-type: none"> • Employment of local citizens • Skills development
IT <ul style="list-style-type: none"> • Network upgrade • ERP project implementation • Server Infrastructure upgrade • Data backup and business continuity 	<ul style="list-style-type: none"> • Integrated Business Processes

2.5.2 Directorate Planning

Identified strategies verses Challenges	Changed/reprioritised community needs
Identify role players	Increase of social amenities
Develop implementation protocols	Increase of social amenities
Identified Strategies vs. Challenges	Changed/reprioritised community needs
Creation of a land trust fund and ring-fencing of proceeds from land disposal	Creation of more Institutional properties to accommodate social amenities
From time to time breaches and contraventions occur and land owners, businesses, applicants and general public many claims to have limited experience and knowledge of how the system works.	Extensive community awareness regarding the requirements of the legislation. Applicants and general public complain about financial implications caused by the implementation of the recent – eco or “green” building standards.
Capacity of staff dealing with this function is not practicable enough to carry out the service standards as customers can expect.	Implementations of the municipal court will save municipality lots money spent on private lawyers to deal with municipal by-law cases.

2.5.3 Directorate LED

Strategies v/s Identified Challenges	Changed/reprioritised community needs
More applications received for street trading in other areas in the various parts of the municipality other than the MBP and Taxi rank trading areas. The identified areas are however not demarcated/ alienated for street trading purposes	That more areas across the municipal areas; in the precinct plans and future development should inclusive of street trading activities
Precinct plans and other developmental initiatives do not always cater for street trading	Precinct plans and other developmental initiatives to cater for street trading
Where there is traffic like shopping centres; the street traders do follow that	
Funds were not allocated for the development and installation of the required software. The data was captured manually per economic sector	Funds have to be set aside in the operational budget for procurement of a soft ware for the SMME database system. SMMEs want to do business with the municipality and other external stakeholders like the mines. In the absence of an interactive database; the need to access business opportunities will not be realized
The directorate does not have projects funded in CAPEX and as such; only smaller works and programmes are used as reference from OPEX	Businesses want to be capacitated and to participate in municipal and external stakeholder programmes and projects. With exposure; the SMMEs are destined to get experience and higher CIDB ranking in respect of construction and related works. This requires the implementation of the Contractor Development Programme which will assist SMMEs in construction to be skilled towards growth
The directorate does not have capital projects to implement. Only operational budget for maintenance carried out by day labourers	The Mayoral Outreach elicits the need for job creation across all the wards. The directorate has to assist facilitate the realisation of the intention of other areas in SOPA; ton request for ring fencing of some projects specifically for cooperatives.

	Facilitation of the establishment of cooperatives for bulk buying and establishment of massive warehouses for vendors operating in the taxi ranks should also be considered if an economic impact is to be made on SMMEs. Start small in order to reach greatness. The strategy and policy on ring fencing to be developed and inputs to be sourced from the business community and cooperatives.
The KPI was not well formulated. It should read: Number of SMMEs workshopped on tendering, business planning, export market, cooperative governance, business skills	It remains a fact and an expressed need from the business community is that SMMEs require training so that they should comply with the legal requirement in respect of SARS matters in terms of VAT and personal tax; business management; OHS; procurement processes; project management; etc. The workshops have to be held on an annual basis as new entrants in business are always there. Accredited service providers to be used so that the certificate should be accredited and thus credible.
No internal funding. Funds to be sourced externally; thus to establish which projects could be implemented as a PPP; Build; Operate & Transfer (BoT); and purely by investors.	The community still express the need for a high class city as depicted from the touch point survey conducted on Branding Of The City programme. It is proposed that the KPI be removed from the scorecard.
The budget allocation for this programme is limited and cannot assist the directorate achieve steps towards finalisation of the City's identity.	The project is key for all community members and business as it intends to inform everyone about what makes Rustenburg; what natural resources are available there; what makes it unique as compared to other areas; etc. This then says; an identity for Rustenburg is required as it will assist the municipality to attract investors; compete with municipalities of its stature in the global market; etc.

2.5.4 HUMAN SETTLEMENT

Strategies v/s Identified Challenges	
Directorate Infrastructure to provide bulk water supply, electricity and sanitation	
Rankelenyane- Province was informed of the challenge and is to take action	
Flats were re-allocated to new tenants. Constant monitoring of the flats by the caretaker is effective	
Names of beneficiaries are sent out/advertised at public places	

2.5.5 PUBLIC SAFETY

Challenges	Strategies to address Challenges
Air Pollution, Illegal dumping and illegal squatting.	Air Pollution by-law has been developed and approved, Charge fee structure has also been approved by the court. Special focus has been made to deal with Illegal dumping and illegal squatting.
Inadequate funding to finalize the expansion of the CCTV surveillance room.	Ongoing attempts are being made to source funding from private sector as well as from the Province
Community not interested to be involved. Lack of participation from other stakeholders. Lack of capacity in the Directorate in terms of human resources.	Community Police Forums and Ward Councillors to convene regular meetings to popularise the importance of public participation in matters of governance and policing (public education and awareness/ campaigns Community Safety forums to develop ground rules to be agreed upon by all. Identify critical posts and prioritise them for funding purposes and appoint duly qualified people. Continuous training and development of personnel.
Violent conflicts in mining areas and informal settlements.	Strengthen the effectiveness of mine crime combating forum and CPF's in informal settlements. Reinforcing Conflict Resolution Committee
Taxi drivers are not properly trained on Public Transport issues. Traffic Congestion Some of the vehicles are not tested for roadworthiness.	The Rustenburg Public Transport Regulatory committee has been established to address all issues relating to public transport including workshops on by-laws Special team of law enforcement officers has been dedicated as points men on some busy intersection Traffic Law Enforcement to be strengthened to deal with unroadworthy vehicles and mass overloading by establishing a dedicated teams
No adequate funding for vehicles and equipment.	Maintenance plan to be developed to ensure that vehicles and equipments are utilised properly and efficiently. Conduct physical resource audit to identify the gaps.
No funding to deploy personnel (Fully operationalization of firehouses)	EPWP funding has been secured to appoint fire reservists to be deployed at the firehouses Refresher course for reservists has been prioritised from April 2015.

2.5.6 COMMUNITY DEVELOPMENT

Identified Challenges	Changed/reprioritised community needs
Inadequate manpower and insufficient budget	Appointment of cooperatives for maintenance and management of public toilets
Inadequate manpower and machinery;	Appointment of EPWP to render the services in different wards.
Community disruptions Tlhabane sports facility	Continuous engagement with the community on projects earmarked for their areas and obtain their buy-in through Ward Councillors

Unavailability of home owners for the delivery of wheeled bins. Rejection of wheeled bins by business owners.	Improved communication strategy Implementation of by-laws
Unavailability of internal operational funds	Prioritisation and provision of the operational budget in the 2015/2016 financial year
Insufficient funds for maintenance of air quality monitoring station	Air quality officer is responsible for monthly maintenance of the stations

2.5.7 DIRECTORATE: TECHNICAL AND INFRASTRUCTURE SERVICES

Remedial measures (Strategies)	Changed/reprioritised community needs
<u>Financial Priority</u> <ul style="list-style-type: none"> • Increase of Capital Budget to address Master Plans, upgrade and maintain infrastructure • Recruitment and retention of skilled staff/ filling of vacancies / re-structuring of organogram • Development of road management, pavement management and stormwater management plans • Centralization of fleet and replacement of aged type and fleet section - Relocation of PMU to Directorate Technical and Infrastructure Services - Source alternative funding to continue delivery basis services to the community by engaging all the stakeholders. - Reduction of expenditure on overtime by introducing the shift system and 'as and when' contractors by 35% as well as improving the contract management within the Directorate. <u>Revenue Enhancement (Trading Services)</u> <ul style="list-style-type: none"> - Introduction of alternative energy saving initiatives - Re-visit calculation of all tariffs to determine if there are any shortfalls. - Intensification of Water Conservation and Demand Management programme initiatives (WCDM) <u>Operational Efficiency</u> <ul style="list-style-type: none"> - Introduction of Quality Assurance by establishing the Value Engineering Assessment (VEA) Committee - Introduction of innovative operational systems to improve the turnaround time such as GIS, 	<ul style="list-style-type: none"> - Engagements are ongoing with the mines to fund the unfunded projects. - Decentralisation on all wards through establishment of four regions. - A programme to maintain streetlights and high mast. - DTIS is conducting the exercise with BTO in order to ascertain that the Municipality is not over-stretching in terms of costing. - Several initiatives will be continuing to reduce the water loss, i.e: replacement of AC pipes, installation of valves, installation of telemetry system, etc. - MISA has been engaged to assist in establishing the VEA Committee. - Acquisition of GIS system to be done through DBSA funding, telemetry system through funding by mines and IAMP training to also be done through a DBSA training programme. - Several options are still being considered in order to reach an informed decision. - Establishment of the joint meetings with the indicated Directorates to avoid any duplication.

telemetry and IAMP. - Outsourcing of fleet <u>Co-ordinate Planning (Inter-dependencies)</u> - Strengthening relations with key support Directorates; BTO, DCS and DPHS.	
<u>Job Creation</u> - Increase the utilization of Extended Public Works Programme (EPWP) - Introduction of Community Works Programmes (CWP) <u>New Opportunities</u> - Partnership with the mines to accelerate service delivery programmes.	- Funding from the mines to install telemetry system at all RLM reservoirs.

2.5.8 RUSTENBURG RAPID TRANSPORT

- a) Identified challenges: are listed in Table 1 above.
- b) Changed/reprioritized community: it can be noted that the operations of Yarona™ Phase 1A, C and B services will **not** commence in March 2016, October 2016 and March 2017 respectively as approved by Council on the 3rd June 2014. A revised commencement date will be communicated after Council has noted the report on Overall Project Progress is noted by Council end of April 2015.

2.5.9 OFFICE OF THE EXECUTIVE MAYOR

Strategies v/s Identified Challenges	Strategies v/s changed/reprioritised community needs
Sourcing External funding for School of Excellence and Bursaries for Learners	Road shows with potential funders
Reviewed public participation process for Communication Policy and Strategy	Public participation to be convened in the current financial year
Intranet to be consistent in disseminating information to staff	To work collaboratively with IT Unit in ensuring network efficiency
Visit website daily to monitor site visits and likes	Collaborate with IT unit
Requesting more school shoes to up the target to 20 000 pairs in 2015	Make follow-ups with potential donors

CHAPTER 3

PROJECTS AND IMPLEMENTATION PLAN

Introduction

This section of the IDP consists of programmes and projects that emanate from community consultations that the municipality undertook at all the municipal wards and from various other sector plans. The projects are categorised into the two main groupings which are:

- The prioritised and internally funded
- The unfunded.

The projects above indicate projects with confirmed financial commitment either funded through municipal own reserves or grants allocated directly from the national and provincial departments, the later consist of projects and the programme not having any confirmed financial commitments, with the potential to be funded as per the earlier or through collaboration with various other organs of state, the business community and mines through their Corporate Social Investment or as part of the social labour plans.

The view presented in this section is supported by an **Annexure D** to the main document that will contain detailed project information. The annexure will to some extents show proposed collaborators.

MUNICIPAL DEVELOPMENTAL PROJECTS PER WARD

- 1.1. List of project as per draft budget

MUNICIPAL PROJECTS/PROGRAMS FOR 2015/2016

This part represents planned projects and programmes of the municipality for the financial year with Indicators and Targets used to measure the performance of the institution. This is done to meet requirements of the Municipal Systems Acts: Section 26(i).

Nat Out 8		Sustainable Human Settlements And An Improved Quality Of Household Life										
NAT OP 8.2		Improve Access To Basic Services										
PRIORITY 1		Efficient provision of quality basic services and infrastructure within a well-planned spatial structure										
OBJ 1.2		Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning										
KPA 1		Basic Service Delivery										
CHAPACT 8		Human Settlements										
CHAPACT 8.1		Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs										
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
1	% Completion of upgrading of community facilities	Output	Monakato swimming pool;	-Specification - Advert -Appointment Letter -Progress Report - Site Visit Report with Pictures -Handover report -Compl Cert	CRR	DCD	New	1	Procurement process	100% completion		
								Budget R548 089		R548,089		
			2. Construction of perimeter wall at the back of civic centre	Specification - Advert -Appointment Letter -Progress Report - Site Visit Report with Pictures -Handover report -Compl Cert	CRR	DCD	New KPI	June 2015	Procurement	Site Establishment	Construction	June 2015
								Budget 1 500 000		R 200 000	R500 000	R800 000
			Fencing of Kruisbessie park	-Specification - Advert -Appointment	CRR	DCD	New KPI	1	Procurement process	100% completion		

Nat Out 8		Sustainable Human Settlements And An Improved Quality Of Household Life										
NAT OP 8.2		Improve Access To Basic Services										
PRIORITY 1		Efficient provision of quality basic services and infrastructure within a well-planned spatial structure										
OBJ 1.2		Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning										
KPA 1		Basic Service Delivery										
CHAPACT 8		Human Settlements										
CHAPACT 8.1		Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs										
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
				Letter -Progress Report - Site Visit Report with Pictures -Handover report -Completion Certificate				Budget 150 000		R150,000		
			Fencing of park at Karlienpark	Specification - Advert -Appointment Letter -Progress Report - Site Visit Report with Pictures -Handover report -Completion Cert	CRR	DCD	New KPI	1	Procurement process	100% completion		
							Vandalized	Budget 150 000		R150,000		

Nat Out 8		Sustainable Human Settlements And An Improved Quality Of Household Life										
NAT OP 8.2		Improve Access To Basic Services										
PRIORITY 1		Efficient provision of quality basic services and infrastructure within a well-planned spatial structure										
OBJ 1.2		Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning										
KPA 1		Basic Service Delivery										
CHAPACT 8		Human Settlements										
CHAPACT 8.1		Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs										
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
			Palisade Fencing of Donkerhoek cemetery (phase 01)	Specification - Advert -Appoint-ment Letter -Progress Report - Site Visit Report with Pictures -Handover report -Compl Cert	CRR	DCD	Vandaliz ed	01	Procurem ent process	Dec 2014		
								Budget 300 000		R300,000		
			Renovation of ablution block at Rustenburg old sports grounds	Specification - Advert -Appoint-ment Letter -Progress Report - Site Visit Report with Pictures -Handover report -Completion Certificate	CRR	DCD	Vandaliz ed	Dec 2014	Procurem ent process	Dec 2014		
								Budget 210 000	R50,000	R160,000		
3	% improvement in the	Process	Air quality monitoring	Report on impact and remedial	CRR	DCD		12	03	03	03	03

Nat Out 8		Sustainable Human Settlements And An Improved Quality Of Household Life										
NAT OP 8.2		Improve Access To Basic Services										
PRIORITY 1		Efficient provision of quality basic services and infrastructure within a well-planned spatial structure										
OBJ 1.2		Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning										
KPA 1		Basic Service Delivery										
CHAPACT 8		Human Settlements										
CHAPACT 8.1		Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs										
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
	Environment management processes		and data capturing	action taken				Budget 58 291	R14,573	R14,573	R14,573	R14,572
			Environmental awareness and education campaigns	Report on participation.	CRR	DCD		10	03	02	02	03
				Attendance registers			08	Budget R50 000	R20 000	R15000	R10000	R,000
			Waste transfer stations Marikana Tsitsing	Transfer Station	CRR	DCD		50%		15%	30%	50%
					MIG	DCD		Budget 5 000 000	Rezoning			
				Environmental Authorization document	MIG	DCD		Budget 500 000	Lease Agreement	Rezoning	Environmental Impact Assessment	Environmental Authorization

Nat Out 8		Sustainable Human Settlements And An Improved Quality Of Household Life										
NAT OP 8.2		Improve Access To Basic Services										
PRIORITY 1		Efficient provision of quality basic services and infrastructure within a well-planned spatial structure										
OBJ 1.2		Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning										
KPA 1		Basic Service Delivery										
CHAPACT 8		Human Settlements										
CHAPACT 8.1		Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs										
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
			Phokeng		MIG	DCD		Budget 500 000	Lease Agreement	Rezoning	Environmental Impact Assessment	Environmental Authorization
			Robega	Handing over certificate	CRR	DPS	None	June 2015				June 2015
								Budget Opex				

NatOut8	Sustainable Human Settlements And An Improved Quality Of Household Life
NATOP8.2	Improve Access To Basic Services
PRIORITY 1	Efficient provision of quality basic services and infrastructure within a well-planned spatial structure

OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized (RDP) houses	Report	Integrated Residential Development Programme : Phase 2: Top structure Bokamoso 1600 Units	Approval EIA Approval of Building Plans	DPHS	DHS	91581	1600	Report	Report	0	0

NatOut8	Sustainable Human Settlements And An Improved Quality Of Household Life
NATOP8.2	Improve Access To Basic Services
PRIORITY 1	Efficient provision of quality basic services and infrastructure within a well-planned spatial structure

OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized (RDP) houses	Report	Integrated Residential Development Programme Rankelenya ne 65 Units	Approved Beneficiaries	DPHS	DHS	91581	65	Report	Report	0	0
				Happy Letters Completion Certificate								

NatOut8			Sustainable Human Settlements And An Improved Quality Of Household Life									
NATOP8.2			Improve Access To Basic Services									
PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									
OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									

CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized (Social Housing Units) houses	Report	Integrated Residential Development Programme Rustenburg Social Housing	Land available sale agreement	DPHS	DHS	91581	Package d Project	Report	Report	Report	Report
				Social Housing project packaging Approval by SHRA								

NatOut8	Sustainable Human Settlements And An Improved Quality Of Household Life
NATOP8.2	Improve Access To Basic Services
PRIORITY 1	Efficient provision of quality basic services and infrastructure within a well-planned spatial structure
OBJ 1.2	Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning
KPA 1	Basic Service Delivery
CHAPACT 8	Human Settlements

CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized (RDP) houses	Report	Integrated Residential Development Programme : Marikana Ext 2 BNG, 292 Houses	Completion of subsidy application and approval of beneficiaries	DPHS	DHS	91581	Completion of 292 houses	Report	Report	Report	Report
				Happy letters Project hand over								

NatOut8	Sustainable Human Settlements And An Improved Quality Of Household Life
NATOP8.2	Improve Access To Basic Services
PRIORITY 1	Efficient provision of quality basic services and infrastructure within a well-planned spatial structure
OBJ 1.2	Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning
KPA 1	Basic Service Delivery
CHAPACT 8	Human Settlements

CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized (Social Housing) houses	Report	Integrated Residential Development Programme : Marikana Ext 2 Social Housing, 400 Units	Land available sale agreement	DPHS	DHS	91581	Packaging of SH project	Report	Report	Report	Report
				Social Housing project packaging Approval by SHRA								

NatOut8	Sustainable Human Settlements And An Improved Quality Of Household Life
NATOP8.2	Improve Access To Basic Services
PRIORITY 1	Efficient provision of quality basic services and infrastructure within a well-planned spatial structure
OBJ 1.2	Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning
KPA 1	Basic Service Delivery
CHAPACT 8	Human Settlements

CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized (RDP) houses	Report	Project Linked Subsidies: Meriting Ext 4 & 5, 1590	Beneficiary Approval List Happy letters Project handover	DPHS	DHS	91581	Completion of 900 houses	Report	Report	Report	Report

NatOut8	Sustainable Human Settlements And An Improved Quality Of Household Life
NATOP8.2	Improve Access To Basic Services
PRIORITY 1	Efficient provision of quality basic services and infrastructure within a well-planned spatial structure
OBJ 1.2	Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning
KPA 1	Basic Service Delivery
CHAPACT 8	Human Settlements
CHAPACT 8.1	Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs

KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized (Informal Settlement Upgrade) houses	Report	Informal Settlement Upgrade, Seraleng 1200 top structure	Beneficiary Approval List Happy letters Project handover	DPHS	DHS	91581	Completion of 400 houses	Report	Report	Report	Report
			Informal Settlement Upgrade, Mbeki Sun 2000 Units	Incremental housing, Progress Report	DPHS	DHS	91 581	Planning and services	Report	Report	Report	Report
NatOut8			Sustainable Human Settlements And An Improved Quality Of Household Life									
NATOP8.2			Improve Access To Basic Services									
PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									
OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Resources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									

KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized (Incremental Housing) houses	Report	Integrated Residential Development Programme , Phase 1: Planning and Services – Freedom Park (20000 units and Popo Molefe (3000)	Report	DPHS	DHS	91581	Planning and Services	Report	Report	Report	Report

NatOut8			Sustainable Human Settlements And An Improved Quality Of Household Life									
NATOP8.2			Improve Access To Basic Services									
PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									
OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Resources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized (Incremental Housing) houses	Report	Integrated Residential Development Programme , Phase 1: Planning and Services – Yizo Yizo - Boitekong (1500 units) and Mmaditlhok	Report	DPHS	DHS	91581	Planning and Services	Report	Report	Report	Report

NatOut8			Sustainable Human Settlements And An Improved Quality Of Household Life									
NATOP8.2			Improve Access To Basic Services									
PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									
OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
			wa-Marikana (2000)									

NatOut8			Sustainable Human Settlements And An Improved Quality Of Household Life									
---------	--	--	---	--	--	--	--	--	--	--	--	--

NATOP8.2			Improve Access To Basic Services									
PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									
OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized (Incremental Housing) houses	Report	Integrated Residential Development Programme , Phase 1: Planning and Services Sporong Cluster, North & South (2500 units) and Nkaneng	Report	DPHS	DHS	91581	Planning and Services	Report	Report	Report	Report

NatOut8			Sustainable Human Settlements And An Improved Quality Of Household Life									
NATOP8.2			Improve Access To Basic Services									
PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									
OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
			(4000 Units)									

NatOut8			Sustainable Human Settlements And An Improved Quality Of Household Life									
---------	--	--	---	--	--	--	--	--	--	--	--	--

NATOP8.2			Improve Access To Basic Services									
PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									
OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized (Incremental Housing) houses	Report	Integrated Residential Development Programme , Phase 1: Planning and Services Ikemeleng (4000 Units) and Marikana Precint (ALS Properties)	Report	DPHS	DHS	91581	Planning and Services	Report	Report	Report	Report

NatOut8			Sustainable Human Settlements And An Improved Quality Of Household Life									
NATOP8.2			Improve Access To Basic Services									
PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									
OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
			7000 units									

NatOut8			Sustainable Human Settlements And An Improved Quality Of Household Life									
NATOP8.2			Improve Access To Basic Services									
PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									

OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized (RDP) houses	Report	Integrated Residential Development Programme , Top Structure, Lethabong Ext 2 – 2000 Units	Subsidy Administration with list of approved beneficiary Happy Letters	DPHS	DHS	91581	200 completed houses	Report	Report	Report	Report

NatOut8	Sustainable Human Settlements And An Improved Quality Of Household Life
---------	---

NATOP8.2			Improve Access To Basic Services									
PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									
OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized houses	Report	Integrated Residential Development Programme , Top Structure, Boitekong Ext 16, (4000 Units)	Subsidy Administration with list of approved beneficiary Happy Letters	DPHS	DHS	91581	100 completed houses	Report	Report	Report	Report
NatOut8			Sustainable Human Settlements And An Improved Quality Of Household Life									
NATOP8.2			Improve Access To Basic Services									

PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									
OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized houses	Report	Integrated Residential Development Programme , Top Structure, Monakato (294 Units)	Subsidy Administration with list of approved beneficiary Happy Letters	DPHS	DHS	91581	100 completed houses	Report	Report	Report	Report

NatOut8			Sustainable Human Settlements And An Improved Quality Of Household Life									
NATOP8.2			Improve Access To Basic Services									

PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									
OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized rental units (CRU)	Report	Integrated Residential Development Programme , Community Residential Units- Marikana Ext 2 CRU (252 Units)	Compilation of Waiting list of beneficiaries	DPHS	DHS	91581	252 rental Units	Report	Report	Report	Report
				Assessment, allocation and signing of lease contracts								
NatOut8			Sustainable Human Settlements And An Improved Quality Of Household Life									
NATOP8.2			Improve Access To Basic Services									

PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									
OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized houses	Report	Rural Housing : Communal land rights Rustenburg Rural (200 units)	Subsidy Administration with list of approved beneficiary Happy Letters	DPHS	DHS	91581	100 completed houses	Report	Report	Report	Report
NatOut8			Sustainable Human Settlements And An Improved Quality Of Household Life									
NATOP8.2			Improve Access To Basic Services									

PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									
OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized houses	Report	Integrated Residential Development Programme , Karlien Park Human settlement Development	Planning and Services	DPHS	DHS	91581	500 completed houses	Report	Report	Report	Report

NatOut8			Sustainable Human Settlements And An Improved Quality Of Household Life									
NATOP8.2			Improve Access To Basic Services									
PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									
OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized houses	Report	Integrated Residential Development Programme , Top Structure, Boitekong Ext 16, (4000 Units)	Subsidy Administration with list of approved beneficiary Happy Letters	DPHS	DHS	91581	100 completed houses	Report	Report	Report	Report

NatOut8			Sustainable Human Settlements And An Improved Quality Of Household Life									
NATOP8.2			Improve Access To Basic Services									
PRIORITY 1			Efficient provision of quality basic services and infrastructure within a well-planned spatial structure									
OBJ 1.2			Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning									
KPA 1			Basic Service Delivery									
CHAPACT 8			Human Settlements									
CHAPACT 8.1			Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs									
KPI No.	Key Performance Indicator	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
3	Number of government subsidized (Social Housing) houses	Report	Integrated Residential Development Programme, Social Housing, Joubert Park, Protea Park, GeelhoutPark (1500 Units	Land Sales agreements Finalization of business Plans to SHRA	DPHS	DHS	91581	completion of planning process	Report	Report	Report	Report

Nat Out8	Sustainable Human Settlements And An Improved Quality Of Household Life											
NatOtp8.2	Improve Access To Basic Services											
Priority 1	Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning											
OBJ1.2	Basic Service Delivery											
KPI 1	Human Settlements											
CHAP ACT1	Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs											
KPI No.	Key Performance Indicator	Project Initiative	Type of Indicator	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
15	Acquisition of Office Blocks in the CBD by target date	Acquisition of Office blocks	Output	Minutes of the meetings.	CRR	DP	New	June 2016	Negotiations	Offers to purchase	Finalise Deals	(MOU)
				MOU Transfer documents				R106 711 100	-		R50 000 000	R56 711 100
16	Hectares of land Acquired for settlement upgrading by target date	Land Acquisition Boshhoek 103 JQ	Output	Title deeds copies	CRR	DP		June 2016 22.9 hectares	Negotiations	Offer to purchase	Finalise deals	MOU
								R 5 000 000				

Nat Out 8	Sustainable Human Settlements And An Improved Quality Of Household Life											
Nat Otp 8.2	Improve Access To Basic Services											
Priority 1	Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning											
OBJ1.2	Basic Service Delivery											
KPI 1	Human Settlements											
CHAP ACT1	Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs											
KPI No.	Key Performance Indicator	Project Initiative	Type of Indicator	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
17	Rand value of revenue collected for town planning applications and contraventions	- Law enforcement - Town planning application	Output	Monthly Progress Report	CRR	DPHS	New	219 088	54 772	109544	164316	219088
				Completion Certificate				Budget				
	Percentage finalisation of the Township Establishment	Boschpoort Rooiwal Paardekraal	Outcome	Project progress report; Council resolutions	CRR	DP	New	80%	Progress report	Procurement processes 40%	Submission of application 70%	Approval by Council 80%
								R6 000 000				

Nat Out 8	Sustainable Human Settlements And An Improved Quality Of Household Life											
Nat Otp 8.2	Improve Access To Basic Services											
Priority 1	Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning											
OBJ 1.2	Basic Service Delivery											
KPI 1	Human Settlements											
CHAP ACT1	Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Resources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs											
KPI No.	Key Performance Indicator	Project Initiative	Type of Indicator	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
19	Develop CBD Master Plan by target date	Logistic hub Office park	Outcome	1 Proof of procurement done 2 Appointment letter 3 Draft reviewed document 4 Council approval	RCC	DP	NEW	June 2016	Progress report	Procurement process	Submission of inception report and public participation	Approval by council
								R1 000 000				
20	Percentage Finalization of township establishment	Land between Olympia and Golf Course Township	Outcome.	1 Application submitted 2.Report on outcome of	CRR	DP		80%	Submission of application for	Report on outcome of	Acquisition of land and conveyancing (70%)	Council adoption (80%)

	process of one of the project of CBD upgrading project	establishment		objections 3.Confirmation from attorneys of land transferred 4.Council resolution					township establish ment (30%)	objection period.(5 0%		
								Income R15 000 000				

Nat Out 8	Sustainable Human Settlements And An Improved Quality Of Household Life											
Na tOtp 8.2	Improve Access To Basic Services											
Priority 1	Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning											
OBJ 1.2	Basic Service Delivery											
KPI 1	Human Settlements											
CHAP ACT1	Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs											
KPI No.	Key Performance Indicator	Project Initiative	Type of Indicator	Portfolio of Evidence	Source	Director ate	Baseli ne	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
21	Rustenburg Land Use Management Scheme reviewed by target date	Review the Rustenburg Land Use Management Scheme town planning scheme	. Outcome	1. Proof of procurement done 2. Appointment letter 3. Draft reviewed document 4. Council approval	CRR	DP	New	June 2016	Progress report	Procurement process	Submission of draft reviewed document	Approval by council
								(R 800 000)				
22	Percentage completion of land transfer to Safari Investment	Successful transfer of land for mixed Land use node	Outcome	Letter from conveyancer of land transferred		DP	New	100%	Draft sale agreement (25%)	Submission of final draft agreement (50%)	Adoption by Council (80%)	Land transfer and payment (100%)
								Income R77m				

Nat Out 8	Sustainable Human Settlements And An Improved Quality Of Household Life											
Na tOtp 8.2	Improve Access To Basic Services											
Priority 1	Improved Service Delivery Through Provision Of High Quality, Reliable And Cost Effective Infrastructure Based On Integrated Spatial Planning											
OBJ 1.2	Basic Service Delivery											
KPI 1	Human Settlements											
CHAP ACT1	Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs											
KPI No.	Key Performance Indicator	Project Initiative	Type of Indicator	Portfolio of Evidence	Source	Director ate	Baseli ne	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
23	Rustenburg Spatial Development Framework reviewed by target date	Review of the Spatial Development Framework	Outcome	3. Proof of procurement done	CRR	DP		June 2016	Progress report	Appointme nt of service provider	Submissio n of draft reviewed document	Approval by council
				4. Appointment letter 5. Draft reviewed document 6. Council approval								

Nat Out 8		Sustainable Human Settlements And An Improved Quality Of Household Life											
NAT OP 8.2		Improve Access To Basic Services											
PRIORITY		Efficient provision of quality basic services and infrastructure within a well-planned spatial structure											
OBJ1.5		Improve public transport infrastructure											
KPA1		Basic Service Delivery											
CHAPACT 8		Human Settlements											
CHAPACT 18.1		Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs											
Corporate Objective	KPI No.	Weighting	Key Performance Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Base-line	Annual Target	1st Quarter	2 nd Quarter	3rd Quarter	4th Quarter
Improved Public Transport Infrastructure	1a)	4	Percentage Completion of North East Corridor Contract A	Completion of 1.2kilometer of single direction bus-way and mixed traffic lanes	Monthly progress report, actual progress vs program on site	PTIG	RRT	59% overall completion	100%	85%	100%	-	-
						PTIG	RRT		Budget R 118 226 516	R110 000 000	R118 226 516	-	-
	b)	4	Percentage Completion of North East Corridor Contract B	Completion of bridge over railway crossing	Monthly progress report, actual progress vs	PTIG	RRT		100%	60%	70%	85%	100%
						PTIG	RRT	49% overall completion	Budget R261840968	R130 814 144	R183 288 678	R222 564 823	R261 840 968

Nat Out 8		Sustainable Human Settlements And An Improved Quality Of Household Life											
NAT OP 8.2		Improve Access To Basic Services											
PRIORITY		Efficient provision of quality basic services and infrastructure within a well-planned spatial structure											
OBJ1.5		Improve public transport infrastructure											
KPA1		Basic Service Delivery											
CHAPACT 8		Human Settlements											
CHAPACT 18.1		Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs											
Corporate Objective	KPI No.	Weighting	Key Performance Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Base-line	Annual Target	1st Quarter	2 nd Quarter	3rd Quarter	4th Quarter
					program me on site								
	c)	4	Percentage Completion of North East Corridor Contract C	Completion of 7.6 kilometres of dual mixed traffic lanes and dual busways	Monthly progress report, actual progress vs program me on site	PTIG	RRT	35% overall completion	80%	40%	50%	60%	80%
						PTIG	RRT						
									Budget R300 985 940	R 120 394 376	R 150 492 970	R 180 591 564	R 240 788 752

Nat Out 8		Sustainable Human Settlements And An Improved Quality Of Household Life											
NAT OP 8.2		Improve Access To Basic Services											
PRIORITY		Efficient provision of quality basic services and infrastructure within a well-planned spatial structure											
OBJ1.5		Improve public transport infrastructure											
KPA1		Basic Service Delivery											
CHAPACT 8		Human Settlements											
CHAPACT 18.1		Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs											
Corporate Objective	KPI No.	Weighting	Key Performance Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Base-line	Annual Target	1st Quarter	2 nd Quarter	3rd Quarter	4th Quarter
	d)	4	Percentage Completion of North East Corridor Contract D	Completion of 6.1 kilometres of mixed traffic lanes	Monthly progress report, actual progress vs programme on site	PTIG	RRT	0	35%	5%	15%	25%	35%
						PTIG	RRT		Budget R374 207 341	R 18 700 000	R 56 131 101	R 93 551 835	R 130 972 569
	2	7	Construction of Phase 1A Station super structure	6 Number of station super structures complete	Appointment letter and signed contract with contract	PTIG	RRT	Closing register of tender RLM/MM/0212/2013 /14	25%	-	Appointment letter and signed contra with tenderer	5%	25%

Nat Out 8		Sustainable Human Settlements And An Improved Quality Of Household Life											
NAT OP 8.2		Improve Access To Basic Services											
PRIORITY		Efficient provision of quality basic services and infrastructure within a well-planned spatial structure											
OBJ1.5		Improve public transport infrastructure											
KPA1		Basic Service Delivery											
CHAPACT 8		Human Settlements											
CHAPACT 18.1		Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs											
Corporate Objective	KPI No.	Weighting	Key Performance Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Base-line	Annual Target	1st Quarter	2 nd Quarter	3rd Quarter	4th Quarter
					or ,Monthly progress report, actual progress vs program me on site								
	3	5	a)Procurement of depot consultants	Appointment of depot design consultant	Appointment letter and signed service level	PTIG	RRT	Closing register of tenderRLM /MM/2019 /2013/14	Detailed design of depots and a temporary depot	Evaluation Report complete, Recommendation by adjudication committee	Appointment of depot designers	-	-

Nat Out 8		Sustainable Human Settlements And An Improved Quality Of Household Life											
NAT OP 8.2		Improve Access To Basic Services											
PRIORITY		Efficient provision of quality basic services and infrastructure within a well-planned spatial structure											
OBJ1.5		Improve public transport infrastructure											
KPA1		Basic Service Delivery											
CHAPACT 8		Human Settlements											
CHAPACT 18.1		Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs											
Corporate Objective	KPI No.	Weighting	Key Performance Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Base-line	Annual Target	1st Quarter	2 nd Quarter	3rd Quarter	4th Quarter
					agreement								
		5	b)Design of Depots (2) and a temporary depot	Complete detailed design of depots	Report on SACAP stages	PTIG	RRT	Closing register tender RLM/MM/0219/2013/14	Budget R11 000 000	-	-	R3 000 000	R8 000 000
									Final detailed design reports for the depots	-	Inception report	Preliminary design depots	Draft detailed design reports
	4		Development of the Comprehensive	Development of the CIP	Approved CIP2013	PTIG	RRT	Integrated transport Plan 2007-	Approved CIP	Update of Freight& ParkingPolicy	Draft CIP for Public Participation	Analysis of Public Comment on	Council Adopted CIP for IDP

Nat Out 8		Sustainable Human Settlements And An Improved Quality Of Household Life											
NAT OP 8.2		Improve Access To Basic Services											
PRIORITY		Efficient provision of quality basic services and infrastructure within a well-planned spatial structure											
OBJ1.5		Improve public transport infrastructure											
KPA1		Basic Service Delivery											
CHAPACT 8		Human Settlements											
CHAPACT 18.1		Clear Strategy For Densification Of Cities Through Land-Use Planning. Stop Building Houses On Poorly Located Land And Shift Greater Re Sources To Informal Settlement Upgrading, Provided That They Are In Areas Close To Jobs											
Corporate Objective	KPI No.	Weighting	Key Performance Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Base-line	Annual Target	1st Quarter	2 nd Quarter	3rd Quarter	4th Quarter
		5	ive Integrated Transport Plan (CITP)	2013-2018	-2018			2012		development of CITP Chpt		Draft CITP	insertion
	7	3	a)Number of jobs created through municipality's local economic development initiatives including capital projects – Corridor B Construction	Local Job Creation	Monthly reports from CLO,s and site meeting minutes	PTIS	RRT	0	40	10	20	30	40
									Capex				

			B)Number of jobs created through municipality's local economic development initiatives including capital projects – Corridor A Station Superstructure Construction			PTIS	RRT	0	40%	10	20	30	40
		3		Local Job Creation	Monthly reports from CLO,s and site meeting minutes				Capex				

KPI No.	KPI	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
1	Bursaries	Number of bursaries awarded to learners		Payment certificates and	CRR	OEM BTO	17 Learners in 2014	15 Learners	0			15
2.	School of Excellence	Number of Teachers paid salaries		Payment of salaries of teachers	CRR	OEM DCSS	25 Teachers 2 Administrators 1 Project Coordinator					
1	Communication Policy and Strategy	Approved policy document in place		Approved policy and strategy by Council	CRR	Office of the Executive Mayor	Approved official policy and strategy	1 policy document	1			1

IDP Review 2015 – 2016

KPI No.	KPI	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
2	Intranet	Maintained intranet		Up and running intranet	CRR	Office of the Executive Mayor	Up and running intranet	1 intranet	1			1
3	Municipal Website	Updated website		Functional website	CRR	Office of the Executive Mayor	Updated website	1 website	1			1
4	Collect-a-shoe campaign	Number of pairs to be collected in 2015		Reached target of 20 000 pairs	CRR	Office of the Executive Mayor	20 000 pairs of school shoes	20 000 pairs				20 000 pairs
5.	Stakeholder Engagement	Number of Multi-Stakeholder Forum meetings held	4 Meetings	Attendance Registers and Minutes	CRR	OEM	3 Meetings in 2013/14	4 Meetings	1	1	1	1
6.		Number of Meetings with Traditional Leaders	4 Meetings	Attendance Registers and Minutes	CRR	OEM	4 Meetings in 2013/14	4	1	1	1	1
7	Victim Empowerment	Awareness campaign with relevant stakeholders: Build up Activities		Pictures reports	special project unit	OEM, community development						

KPI No.	KPI	Type of Indicator	Project Initiative	Portfolio of Evidence	Source	Directorate	Baseline	Annual Target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
		SASSA and Home Affair assisting communities with ID documents and Grants applications										
	Children's day : Support services to child- headed families	Partnering with relevant stakeholders to empower the child-headed families to better their lives through parenting skills workshops	reports pictures	special project	OEM	30 child headed families to be empowered		1		1	Children's day : Support services to child-headed families	Partnering with relevant stakeholders to empower the child-headed families to better their lives through parenting skills workshops
	Project: Youth Advisory Centre	To better the accessibility and better services to young by Resourcing youth advisory center	reports pictures	special project	OEM, IT UNIT	computer to be sent to Regional community centres					Project: Youth Advisory Centre	To better the accessibility and better services to young by Resourcing youth advisory center
	June 16	Commemoration of June 16 through discussion of economic opportunities	report pictures	special project	OEM, NYDA	hosting of Moses Kotane and JB marks memorial lectures			1		June 16	Commemoration of June 16 through discussion of economic opportunities

PROJECT PLAN (RBA)

ROYAL BAFOKENG ADMINISTRATION				Timeframe/Implementation		Funder		
Ward No.	Areas	Project Name/description	Project cost (c)	Start date	End Date	Funding Source	Temporary	Permanent
4	Luka	Road and Stormawater	5 000 000.00	02-Feb-15	30-Nov-15			
3	Mogono	Road and Stormawater	3 500 000.00	02-Feb-15	30-Nov-15			
5	Phokeng	Road and Stormawater	3 500 000.00	02-Feb-15	30-Nov-15			
6	Phokeng	Road and Stormawater	3 500 000.00	02-Feb-15	30-Nov-15			
7	Lefaragatlha/Bobuampya	Road and Stormawater	3 500 000.00	02-Feb-15	30-Nov-15			
23	Kanana/Serutube/Mafika	Road and Stormawater	3 500 000.00	02-Feb-15	30-Nov-15			
25	Maile	Road and Stormawater	3 500 000.00	02-Feb-15	30-Nov-15			
26	Tsitsing/Tlaseng/Mogajane/Maile	Road and Stormawater	10 000 000.00					
3	Rasimone	Construction of 2200m of gravel road	1 000 000.00	02-Feb-15	30-Nov-15			
	Robega	Construction of 2400m of gravel road	7 790 000.00	02-Feb-15	30-Nov-15			
	Tlapa/Thekwane	Construction of 7000m of gravel road to link Tlapa areas to Thekwane	11 600 000.00	02-Feb-15	30-Nov-15			
3 & 4	Luka & Mogono	Water Bulk supply line	28 000 000.00	02-Feb-15	30-Nov-15			
	Phokeng	Madubu Bulk supply line	8 000 000.00	02-Feb-15	30-Nov-15			
	Phokeng	Kgale East Bulk supply line	5 000 000.00	02-Feb-15	30-Nov-15			
	Phokeng	Kgale West Bulk supply line	5 000 000.00	02-Feb-15	30-Nov-15			
1	Mafenya	Construction of reservoir and upgrading of the main feed	5 000 000.00	02-Feb-15	30-Nov-15			
1,2,3,4,5,2,5,26,23,29,24,38	All area	Waste Collection	12 000 000.00	02-Feb-15	30-Nov-15			
26	Tsitsing	Electrical reticulation of 96 stands	1 962 294.00	02-Feb-15	30-Nov-15			
1	Mafenya	Electrical reticulation of 49	1 001 587.00	02-Feb-15	30-Nov-15			

IDP Review 2015 – 2016

		stands						
26	Tsitsing	Development of a recreational park	3 000 000.00	02-Feb-15	30-Nov-15			
23	Kanana	Development of a recreational park	3 000 000.00	02-Feb-15	30-Nov-15			

CHAPTER 4

INTEGRATION

4.1 Sector Plan Alignment with IDP

The Integrated Development Plan is an important tool used by municipalities to provide vision, guidance and ultimately a roadmap towards developing the municipal area. Municipalities play an important role in ensuring sustainable integration between the cross cutting inter-dimensional sectors in achieving development in the area that is socially, economically and environmentally sustainable. In order to implement the correct developmental approach, projects should be targeted at specific human needs identified during public participation. Each need identified can be allocated to a certain sector and is important in the planning and delivery of services.

The concept of integration is central to the Integrated Development Plan and is led by priority issues identified in each municipality, which provides the focus for planning and development. Furthermore it is important that each sector should be considered in their relevance to the priority issues identified by the public.

Through sector planning the local planning requirements of each specific sector are met and need to feature as part of the IDP process. It is therefore important to make sure that the sector plans of the RLM are aligned with the IDP. In the past the local government only played an administrative and service delivery role. It has changed in the modern day, where local needs inform the active planning of sector-specific development and ultimately contribute towards the compilation of the overall Integrated Development Plan.

Table 5-1 attends to the contribution made by each sector through the identification of their specific objectives/goals/thrusts/issues and the alignment with the priorities (strategic objectives) identified for the IDP. The following sector plans for the RLM are included:

- Spatial Development Framework, 2010
- Disaster Management Plan, 2007
- Integrated Waste Management Plan, 2006
- Water Services Development Plan, 2009
- Integrated Transport Plan, 2008
- Housing Sector Plan, 2012
- Electricity Master Plan, 2009
- Local Economic Development Plan, 2011
- City Development Strategy, 2006.

4.2 Extracts from the SONA and SOPA

The following are matters derived from both the SONA and SOPA impacting on Local Government planning:-

STATE OF THE NATION ADDRESS	STATE OF THE PROVINCE ADDRESS
<ol style="list-style-type: none"> 1. Prepare for Celebration of Africa month in May. 2. Economic Development <ol style="list-style-type: none"> 2.1 Job creation 2.2 Resolving the Energy challenge 2.3 Revitalising agriculture and agro-processing value chain 2.4 Advancing beneficiation or adding value to our mineral wealth 	<ul style="list-style-type: none"> • Access to Electricity • "Poverty, unemployment and equality • "Massive programme of concepts • Clean drinking water • Economic Growth • Human Settlement "Alternative building methods" • Public officials who are found to have allocated themselves RDP Houses will have to be dealt with accordingly

<p>2.5 Effective implementation of the industrial policy action plan</p> <p>2.6 Encourage private sector investment</p> <p>2.7 Moderate workplace conflict</p> <p>2.8 Unlocking the potential of SMMEs, Cooperatives, Township and Rural enterprises</p> <p>2.9 Reform and boost ICT infrastructure</p> <p>3. Crime prevention</p> <p>3.1 fight copper cable and metal theft</p> <p>3.2 women and child abuse: advocate against women and children abuse</p> <p>3.3 participation in the mine crime combating forum</p> <p>3.4 fraud and corruption</p> <p>4. Implementation of the Framework agreement for a Sustainable Mining Industry</p> <p>5. Revitalising distressed mining towns</p> <p>5.1 Informal settlement upgrading programme</p> <p>5.2 Social development support within mining communities</p> <p>5.3 Special Economic Zones</p> <p>5.4 Implementation of the Social contract for the Development of Sustainable Human settlement</p> <p>6. Implement the Back to basics municipal service delivery strategy: Pillars</p> <p>6.1 Good Governance</p> <p>6.2 Public Participation</p> <p>6.3 Basic Services</p> <p>6.4 Sound financial Management</p> <p>6.5 Building capable institutions</p> <p>7. Enterprise Business Development</p> <p>7.1 youth development</p> <p>7.2 develop policy on municipal procurement for purchasing from SMMEs, cooperatives as well as township and rural enterprises</p> <p>7.3</p> <p>8. Effective implementation of the National Infrastructure development programme</p> <p>8.1</p> <p>9. Provision of water for households and industrial use</p> <p>9.1 reduction of water losses</p> <p>9.2 participation in the selection of plumbers or artisans for training by</p>	<ul style="list-style-type: none"> • Back to Basics “Key areas – Financial Management, Basic Service Delivery, Governance and administration, Local Economic Development and Public Participation” • Training Academy be established in the 2015/16 Financial Year “Provincial Training Academy for Local Government” • Application for the RLM Metro Status “Refer more to SOPA” • Integrated Transport Planning “Rail, Commuter busses and Taxis” • Ward Based Planning Model: Construction of roads, water and sanitation, houses, agriculture, arts and tourism. • Renewal and issuing of mining licenses: SLPs - strict monitoring on compliance to approved SLPs. • Economic Development and Energy Challenges <ul style="list-style-type: none"> - Dealing with alternative energy sources through partnering with private entities and individuals - Development of a comprehensive alternative energy strategy - Rebranding, Repositioning and Renewal (RRR) • Rural Development <ul style="list-style-type: none"> - Food security and crop massification programme - Development of livestock breeding material - Agro-processing: <ul style="list-style-type: none"> ○ poultry and red meat ○ Soya, oil seeds, wheat, animal feeds and advanced maize processing ○ Establish and expand the aquaculture industry • Sustainable Arts and Culture <ul style="list-style-type: none"> - Promotion of the Motswako and Setswana Cultural and Dance Brands - Establishment of Arts and Culture forums across the wards - Forums will lead to establishment of Arts and Culture Cooperatives • Recording Studios <ul style="list-style-type: none"> - Page 25: Identification of unoccupied RDP Houses to be converted into recording studios • Tourist attractions <ul style="list-style-type: none"> - Culture - Accommodation <ul style="list-style-type: none"> ○ With specific focus on villages and townships • Leverage BRICS initiatives to foster rural
--	--

<p>the department of water affairs (DWA)</p> <p>10. Expansion of transport networks and improvement of roads</p> <p>10.1</p> <p>11. Planning; building and operating integrated public transport networks</p> <p>12. Human settlement</p> <p>12.1 eradication of backlog of title deeds for pre and post 1994 housing stock</p> <p>12.2</p> <p>13. Unlocking economic opportunities in Mining, bio-technology, gas and tourism sector through operation Phakisa</p> <p>14. Development of a strategy to manage community protests</p> <p>15. Implementation of the Integrated Urban Development Framework</p> <p>16. Implementation of the National Disability Rights Policy</p> <p>17. Promotion of healthy lifestyles</p> <p>17.1 encourage citizens to refrain from smoking and abuse of alcohol and drugs</p> <p>17.2 preparation for the move for health day event to be held on the 10 May 2015</p>	<p>development</p> <ul style="list-style-type: none"> • Preferential Procurement Act Implementation: direct 70% of the procurable services to villages and townships • Create cooperatives for bulk buying and establishment of massive warehouses for vendors operating in taxi ranks • Community Development Workers : to collate information on all formal and informal businesses operating in villages and townships by end of April 2015 • Pg 29 – Development of Villages, Township and Small Dorpie Enterprise Development Strategy “VTSDS” • Fighting Crime and Corruption • Monitoring and Evaluation <ul style="list-style-type: none"> - ICT System which can manage all programmes within the municipality • Contribution of R100pa towards the Provincial Bursary Fund “Kgetsi Ya Tsie Education and Skills Development Fund” • Unwanted and Avoidable Expenditure • Revenue Enhancement Measures <ul style="list-style-type: none"> - Encourage civil servants and businesses to register their vehicles in Bokone-Bophirima - Fleet Management • Saamwerk-Saamtrek. Engagement with Farmers in relation to farm workers eviction • Expanded Public Works “EPWP” Programme Exist Strategy <ul style="list-style-type: none"> - Cooperatives Development Programme - Education and Training - Placement on work opportunity or jobs • Lonmin Platinum Mine R400 Million for below projects <ul style="list-style-type: none"> - Bring Bulk Water Supply - Building high-mast lights to promote public safety in the informal settlement - Upgrading gravel roads • Impala Platinum Contribution R700 million <ul style="list-style-type: none"> - Provided for housing development at Freedom Park
---	--

Linkages of the Municipal Role, to National Outcomes

Outputs	Key spending programmes (National)	Municipal Role programmes/ projects.
1. Improve on the quality of basic education		
1. Improved quality of teaching and learning. 2. Improved early childhood development.	<ul style="list-style-type: none"> • Increase the number of Funza Lushaka bursary recipients from 9300 to 18 100 over the 2011 MTEF • Assess every child in grade 3, 6 and 9 every year • Improve learning and teaching materials to be distributed to primary schools in 2014 • Improve maths and science teaching. 	<ul style="list-style-type: none"> • Collecting needs related to school from communities during mayoral imbizos • Identification and allocation appropriate land and appropriate zoning for school and early childhood development centres • Facilitate zoning and planning processes • Facilitate the eradication of municipal service backlogs in schools by extending appropriate bulk infrastructure and connections.
2. Improved health and life expectancy		
1. Decreased maternal and child mortality. 2. Combating HIV and AIDS and decreased burden of Tuberculosis. 3. Strengthen health services effectiveness. <i>Related IDP objective: (To ensure good health of the community by providing a comprehensive Primary Health care and ensuring the implementation of HIV/AIDS programmes)</i>	<ul style="list-style-type: none"> • Revitalize primary health care • Increase early antenatal visits to 50% • Increase vaccine coverage • Improve hospital and clinic infrastructure • Accredited health facilities • Extend coverage of new child vaccines • Expand HIV prevention and treatment • Increase prevention of mother to child transmission • School health promotion increase school visits by nurses from 5 to 20 % • Enhance TB treatment. 	<ul style="list-style-type: none"> • Offering Primary Health Care at municipal clinics • Increase the percentage of children under 1 year of age that are vaccinated with pneumococcal and rotavirus vaccines • Increase the proportion of pregnant women tested through health care provider-initiated counselling and testing for all pregnant women • Increase the percentage of infants requiring dual therapy for PMTCT • Provide Isonaid Preventive Therapy (IPT) to HIV positive patients with no active TB • Provide Contrimoxazole Preventive therapy (CPT) to HIV-TB co-infected patients • Establishment of the HIV/AIDS support Groups • Conducting workshops on HIV & AIDS Mainstreaming in municipal services.
3. All people in South Africa protected and feel safe		

Outputs	Key spending programmes (National)	Municipal Role programmes/ projects.
<ol style="list-style-type: none"> 1. Reduced overall level of crime. 2. An effective and integrated criminal justice system. 3. Improved perceptions of crime among the population. 4. Improved investor perceptions and trust. 5. Effective and integrated border management. 6. Integrity of identity of citizens and residents secured. <p>Related IDP objective: <i>(To promote safety and security by adequately managing traffic, monitoring public transport; providing adequate disaster management and emergency services and by ensuring compliance to and enforcement of by-laws.)</i></p>	<ul style="list-style-type: none"> • Increase police personnel • Establish tactical response teams in • Occupation-specific dispensation for legal professionals • Deploy SANDF soldiers to South Africa's borders. 	<ul style="list-style-type: none"> • Crime Prevention through Environmental Design – Installation of CCTV cameras • Establishment of Alcohol Testing Centre • Joint law enforcement operation on bylaws and traffic regulations • Integrated communication centre at Fire Department • Construction and manning of fire houses at the regional centres (Marikana and Phatsima) • Strengthened traffic and by law enforcements Joint operations • Special operations on outstanding traffic fines • Extension of Traffic safety programmes to school outside the city core.
<ol style="list-style-type: none"> 7. Integrated ICT system and combated cybercrime. <p>Related IDP objective: <i>(To create an integrated information and communication technology for the municipality by establishing, implementing and monitoring Management Information Systems.)</i></p>	<ul style="list-style-type: none"> • Upgrade IT infrastructure • ICT renewal in justice cluster. 	<ul style="list-style-type: none"> • Revision of the ICT master system plan (ICT Strategy) • Address cybercrime by developing and approving an IT Security and cybercrime policy • Monitoring the implementation of the Security and cyber crime policy • Maintenance of the ICT infrastructure.
4. Decent employment through inclusive economic growth		
<ol style="list-style-type: none"> 1. Faster and sustainable inclusive growth. 2. More labour-absorbing growth. 3. Strategy to reduce youth unemployment. 4. Increase competitiveness to raise net 	<ul style="list-style-type: none"> • Invest in industrial development zones • Industrial sector strategies – automotive industry; clothing and textiles • Youth employment incentive 	<ul style="list-style-type: none"> • Create an enabling environment for investment by streamlining planning application processes • Ensure proper maintenance and rehabilitation of essential services infrastructure

Outputs	Key spending programmes (National)	Municipal Role programmes/ projects.
<p>exports and grow trades.</p> <p>5. Improve support to small business and cooperatives.</p> <p>6. Implement expanded public works programme.</p> <p>Related IDP objectives:</p> <ul style="list-style-type: none"> <i>(To promote, attract and retain investors through maximising private sector investment and facilitate forging of partnerships and creating conditions conducive to entrepreneurial activity and investment.)</i> <i>(To promote a diverse economic development and job creation for local residents by the development of entrepreneurial skills in the management of SMME's, tourism and capital projects undertaken within the municipal area.)</i> 	<ul style="list-style-type: none"> Develop training and systems to improve procurement Skills development and training Reserve accumulation Enterprise financing support New phase of public works programme. 	<ul style="list-style-type: none"> Ensure proper implementation of the EPWP at municipal level Design service delivery processes to be labour intensive Improve procurement systems to eliminate corruption and ensure value for money Utilise community structures to provide services.
5. A skilled and capable workforce to support inclusive growth		
<p>1. A credible skills planning institutional mechanism.</p> <p>2. Increase access to intermediate and high-level learning programmes.</p> <p>3. Increase access to occupation- specific programmes (especially artisan skills training).</p> <p>4. Research, development and innovation in</p>	<ul style="list-style-type: none"> Increase enrolment in FET colleges and training of lecturers Invest in infrastructure and equipment in colleges and technical schools Expand skills development learnerships funded through sector training authorities and National Skills Fund Industry partnership projects for skills and 	<ul style="list-style-type: none"> Conducting of skill audit critical posts of all senior management to ensure that the positions are filled by competent and suitable qualified individuals Develop and extend intern and work experience programmes in municipalities Implementation on Workplace skills plan by appointing accredited providers Implementation of the national treasury competency

Outputs	Key spending programmes (National)	Municipal Role programmes/ projects.
<p>human capital.</p> <p>Related IDP objectives:</p> <ul style="list-style-type: none"> • <i>To promote capacity building through skills development</i> • <i>To ensure that transformation is reflected in all levels of municipality through managing an organisational structure supportive of the Employment Equity.</i> 	<p>technology development</p> <ul style="list-style-type: none"> • National Research Foundation centres excellence, and bursaries and research funding; • Science council applied research programmes. 	<p>regulation, enrolling senior management middle management in high level learning programmes to close the identified skill gaps and to meet the target date of 2013</p> <ul style="list-style-type: none"> • Allocation of Municipal bursaries for further tertiary education of personnel.
6. An efficient, competitive and responsive economic infrastructure network		
<ol style="list-style-type: none"> 1. Improve competition and regulation. 2. Reliable generation, distribution and transmission of energy. 3. Maintain and expand road and rail network, and efficiency, capacity and competitiveness of sea ports. 4. Maintain bulk water infrastructure and ensure water supply. 5. Information and communication technology. 6. Benchmarks for each sector. 	<ul style="list-style-type: none"> • An integrated energy plan and successful independent power producers • Passenger Rail Agency acquisition of rail rolling stock, and refurbishment and upgrade of motor coaches and trailers • Increase infrastructure funding for provinces for the maintenance of provincial roads • Complete Gauteng Freeway Improvement Programme • Complete De Hoop Dam and bulk distribution; • Nandoni pipeline • Invest in broadband network infrastructure. 	<ul style="list-style-type: none"> • Ring-fence water, electricity and sanitation functions so as to facilitate cost-reflecting pricing of these services • Maintain and expand water purification works and waste water treatment works in line with growing demand • Improve maintenance of municipal road networks • Implementations of the bus rapid transport system to link create transports with urban centres.
<p>Ensured reliable generation, distribution and transmission of electricity. Maintenance and supply availability of our bulk water infrastructure</p> <p><i>Related IDP objective :</i></p> <p><i>To ensure provision of quality basic</i></p>	.	<p>Develop programme for interaction through social development vehicle for municipal infrastructure that will be established in collaboration with other departments, business and mines to assist in mobilising private sector infrastructure funding for municipality and also to support the planning and expenditure of CAPEX and OPEX in municipalities.</p>

Outputs	Key spending programmes (National)	Municipal Role programmes/ projects.
<i>services and investment of funds into infrastructure projects to benefit the community.</i>		
7. Vibrant, equitable and sustainable rural communities and food security		
<ol style="list-style-type: none"> 1. Sustainable agrarian reform and improved access to markets for small farmers. 2. Improve access to affordable and diverse food. 3. Improve rural services and access to information to support livelihoods. 4. Improve rural employment opportunities. 5. Enable institutional environment for sustainable and inclusive growth. <p><i>Related IDP objective:</i> <i>To promote a diverse Economic development and job creation for local residents by the development of entrepreneurial skills in the management of SMME's, tourism and capital projects undertaken within the municipal area.</i></p>	<ul style="list-style-type: none"> • Settle 7 000 land restitution claims • Redistribute 283 592 ha of land by 2014 • Support emerging farmers • Soil conservation measures and sustainable land use management • Nutrition education programmes • Improve rural access to services by 2014: <ul style="list-style-type: none"> ○ Water - 74% to 90% ○ Sanitation - 45% to 65% ○ Sanitation - 45% to 65% 	<ul style="list-style-type: none"> • Facilitate the development of local cooperatives and support • Promote home production to enhance food security; through agricultural support programme (strategies of the CDS and LED strata not captured)
<p>Improved access to affordable diverse food Rural job creation linked to skills training and promoting economic livelihoods <i>Related IDP objective:</i> <i>To promote partnerships, public and stakeholder participation by empowering and involving Magosi, communities and ward committees on</i></p>		<ul style="list-style-type: none"> • To strengthen engagement with the traditional authorities on basic services with emphasis on rural development and food security.

Outputs	Key spending programmes (National)	Municipal Role programmes/ projects.
<i>matters of local government.</i>		
8. Sustainable human settlements and improved quality of household life		
1. Accelerate housing delivery. 2. Improve property market. 3. More efficient land utilisation and release of state-owned land. Related IDFP objective: <i>To facilitate an accelerated housing development and promote integrated human settlement through spatial restructuring and integrated land-use management with special emphasis on curbing urban sprawl and promotion of densification.</i>	<ul style="list-style-type: none"> • Increase housing units built from 220 000 to 600 000 a year • Increase construction of social housing units to 80 000 a year • Upgrade informal settlements: 400 000 units by 2014 • Deliver 400 000 low-income houses on state-owned land • Improved urban access to basic services by 2014: <ul style="list-style-type: none"> ○ Water - 92% to 100% ○ Sanitation - 69% to 100% ○ Refuse removal - 64% to 75% ○ Electricity - 81% to 92% 	<ul style="list-style-type: none"> • Accreditation for housing provision • Review spatial plans to ensure new housing developments are in line with national policy on integrated human settlements • Participate in the identification of suitable land for social housing • Ensure capital budgets are appropriately prioritised to maintain existing services and extend services.
9. A responsive and, accountable, effective and efficient local government system		
1. Differentiate approach to municipal financing, planning and support. 2. Community work programme. 3. Support for human settlements. 4. Refine ward committee model to deepen democracy. 5. Improve municipal financial administrative capability. 6. Single coordination window.	<ul style="list-style-type: none"> • Municipal capacity-building grants: <ul style="list-style-type: none"> ○ Systems improvement ○ Financial management (target: 100% unqualified audits) ○ Municipal infrastructure grant ○ Electrification programme ○ Public transport & systems grant ○ Bulk infrastructure & water grants ○ Neighbourhood development partnership grant ○ Increase urban densities ○ Informal settlements upgrades. 	<ul style="list-style-type: none"> • In line with the Guideline to be developed by COGTA the RLM will focus on the Following: <ul style="list-style-type: none"> ○ Develop a framework for priority infrastructure informed by the backlog report ○ Review IDP legal status to include national and provincial sector Commitment ○ In a consultative manner engage internal and external stakeholder for project and implementation alignment. • Development of the financial plan as prescribed by Municipal planning and performance regulation of 2001 • All ward committees functional. (budgeted for stipend, transport costs, stationery and capacity building).participate in IDP planning processes

Outputs	Key spending programmes (National)	Municipal Role programmes/ projects.
		<ul style="list-style-type: none"> • Monitor and table audit reports to Performance Audit Committee and Council in terms of the MFMA timelines • Integrate risk management as part of promoting internal controls and good governance • Use risk identified during audit to compile the operational risk and mitigation strategies and controls • Implement the community work programme in more wards of the municipality • Availing land for housing developments, Town-ship establishment; Administration and allocation of houses to correct beneficiaries • Re-establishment of ward committee after elections and Ensuring that ward committees are representative and fully involved in community consultation processes around the IDP, budget and other strategic service delivery issues • Improve municipal financial and administrative capacity by implementing competency norms and standards and acting against incompetence and corruption.
<p><u>A differentiated approach to municipal financing, Planning and support implemented.</u></p> <ul style="list-style-type: none"> • Produced simplified IDP • A simplified revenue plan to Support the simplified IDP. 	<p>To promote a culture of accountability, transparency and performance excellence through proper implementation of performance management system, other compliance monitoring mechanisms and by ensuring effective internal audit services.</p>	<ul style="list-style-type: none"> • In line with the Guideline to be developed by COGTA the RLM will focus on the Following: <ul style="list-style-type: none"> ○ Develop a framework for priority infrastructure informed by the backlog report ○ Review IDP legal status to include national and provincial sector Commitment ○ In a consultative manner engage internal and external stakeholder for project and implementation alignment ○ Development of the financial plan as prescribed by Municipal planning and performance

Outputs	Key spending programmes (National)	Municipal Role programmes/ projects.
<ul style="list-style-type: none"> Concise Performance contract for municipal manager, senior and middle management developed. <p><i>Related IDP objective: To promote a culture of accountability, transparency and performance excellence through proper implementation of performance management system, other compliance monitoring mechanisms and by ensuring effective internal audit services.</i></p>		<p>regulation of 2001.</p> <ul style="list-style-type: none"> Develop performance agreement for all senior management and middle management and other positions that Council identified as next level of cascading Aggressive implementation of the employee performance assessment and review systems for high performance and cascading to level five including all traffic Officers into the system Ensure that the performance contract of the Municipal Manager is concise and focused on key deliverables Monitor the implementation of IDP & SDBIP and adherence to targets of the programmes Receive regular reports and feedback from municipal entities and Provide quarterly reports to council Ensure that feedback is provided to council on decisions taken at mining forum by the LED directorate Quarterly and Annual Performance reviews.
<p><u>Improved Municipal Financial and Administrative capacities.</u></p> <ul style="list-style-type: none"> Improved Audit outcomes <p>Related IDP Objectives:</p> <ul style="list-style-type: none"> <i>To practice sound and sustainable financial management by strengthening internal control measures and compliance to relevant legislations and policies.</i> <i>To enhance and optimise all current</i> 		<ul style="list-style-type: none"> Update consumer information with correct stand no.; water & electricity meter number and postal address in urban areas Transfer RDP houses to rightful beneficiaries and to complete service level agreements and capture the new consumer information on PROMIS following deed registrations Link farm with correct owner and obtain all consumer contact information to enable successful delivery of municipal account Reconcile the supplementary valuation roll to be received end of March 2011 with PROMIS

Outputs	Key spending programmes (National)	Municipal Role programmes/ projects.
<p><i>and potential revenue resources by cultivating a culture of payment for services.</i></p>		<ul style="list-style-type: none"> • Reduce estimated metered readings by 10% per month, Investigate consumer accounts in credit <ul style="list-style-type: none"> - repay where need be - adjust account where need be • Apply rates & tariffs in accordance with consumer /property categories or usage • Link and consolidate accounts • Enhance collection thru implementation of water pre-paid system • Reduce to below 5% the number arrear accounts that result from transfer of properties • Enter into agreements with employers to collect municipal debt from their employees • Verify correctness of top 1 000 (one thousand) outstanding consumer accounts • Appoint additional employees as debt collectors at Regional Offices • Monitor and table audit reports to Performance Audit Committee and Council in terms of the MFMA timelines • Integrate risk management as part of promoting internal controls and good governance • Use risk identified during audit to compile the operational risk and mitigation strategies and controls • To integrate risk analysis on the SDBIP key deliverable upon completion of the risk sessions • Procedure manuals and standard operation procedure to strengthen the internal control system • Strengthen management oversight financial records and asset management.
<ul style="list-style-type: none"> • Strengthened anti-corruption capacity 		<ul style="list-style-type: none"> • Approval of the anti-fraud and anti-corruption policies

Outputs	Key spending programmes (National)	Municipal Role programmes/ projects.
of the municipality.		<ul style="list-style-type: none"> • Resuscitation of the fraud hotline • Review supply chain policy in line with the Supply chain management regulation to be reviewed • Campaigns on ethics and fraud prevention awareness.
<p><u>Improved access to basic services</u></p> <ul style="list-style-type: none"> • Increased access to basic water • Improved access to basic sanitation • Increased access to basic refuse removal • Increased access to basic electricity <p><i>Related IDP Objective:</i></p> <p><i>To ensure provision of quality basic services and investment of funds into infrastructure projects to benefit the community.</i></p>	To ensure provision of quality basic services and investment of funds into infrastructure projects to benefit the community.	<ul style="list-style-type: none"> • Implementation of projects through own and Grant Funding to reduce backlog on basic services • Water provision will be extended to all areas of the municipality. Adequate resources will be allocated to areas with no access to water • Reduction in backlog on rehabilitation/refurbishment of the old water infrastructure • Reduction in unaccounted water from approximately 39% of supply to 15% by 2013 • The number of households with access to refuse removal services will be increased through the extension of the services to all the areas of the municipality, especially the villages • Household access to electricity should be 100% by 2014. Rustenburg Local Municipality will facilitate the provision of electricity to all its communities through cooperation with ESKOM and other service providers • Maintenance and refurbishment master plan to be reviewed and implemented to ensure efficient supply and minimized power outages • The condition of access and internal roads will be improved • High mast lights will be provided and maintained in the entire area of the municipality • Prioritise those areas without street lighting and those with the greatest need for maintenance.

Outputs	Key spending programmes (National)	Municipal Role programmes/ projects.
<p><u>CWP Implemented in at least two wards in the Municipality</u></p> <ul style="list-style-type: none"> Job opportunities associated with Functional cooperatives <p>Related IDP objective:</p> <p>To promote a diverse economic development and job creation for local residents by the development of entrepreneurial skills in the management of SMME's, tourism and capital projects undertaken within the municipal area.</p>	<p>To promote a diverse economic development and job creation for local residents by the development of entrepreneurial skills in the management of SMME's, tourism and capital projects undertaken within the municipal area.</p>	<ul style="list-style-type: none"> Identification of wards poor wards for implementation Deployment of CWP labourer across the municipal ward with particular focus on poorer wards. Implement the Housing EPWP and link it to the Private Sector Property Development Initiatives. Monitoring and reporting. Training of SMMEs Implement Community Works Programme.(CWP) The CWP is a key initiative to mobilise communities in order to provide regular and predictable work opportunities at the local level. This is a ward-based programme the idea being to identify 'useful work' ranging from 1-2 days a week or one week a month initially targeted at the poorest wards Facilitate grading of the Bread and Breakfast accommodation.
<p><u>Support to the human settlement outcomes</u></p> <ul style="list-style-type: none"> Increased densities in the in human settlements 	<p>To facilitate an accelerated housing development and promote integrated human settlement through spatial restructuring and integrated land-use management with special emphasis on curbing urban sprawl and promotion of densification.</p>	<ul style="list-style-type: none"> The implementation plan of the CWP to ensure that 30% of all jobs opportunities of the CWP are associated with functional cooperatives.
<ul style="list-style-type: none"> Mobilised well located public, private and traditional land for low income and affordable housing. 		<ul style="list-style-type: none"> To participate in the in the development of a Framework to ensure densification Facilitate the establishment of human settlement committee, guided by COGTA Support the review of the Land used planning and management bill. To review the municipal Spatial Development Plan
<ul style="list-style-type: none"> Mobilised well located public, private and traditional land for low income and 		<ul style="list-style-type: none"> To participate in the in the development of a Framework to ensure densification

Outputs	Key spending programmes (National)	Municipal Role programmes/ projects.
affordable housing.		<ul style="list-style-type: none"> Facilitate the establishment of human settlement committee, guided by COGTA Support the review of the Land used planning and management bill. To review the municipal Spatial Development Plan
<ul style="list-style-type: none"> Mobilised well located public, private and traditional land for low income and affordable housing. 		<ul style="list-style-type: none"> To participate in the in the development of a Framework to ensure densification Facilitate the establishment of human settlement committee, guided by COGTA Support the review of the Land used planning and management bill To review the municipal Spatial Development Plan
<ul style="list-style-type: none"> Mobilised well located public, private and traditional land for low income and affordable housing. 		<ul style="list-style-type: none"> To participate in the in the development of a Framework to ensure densification Facilitate the establishment of human settlement committee, guided by COGTA Support the review of the Land used planning and management bill To review the municipal Spatial Development Plan
<ul style="list-style-type: none"> Formalised Settlements under the National Upgrading Support programme (NUSP) 		<ul style="list-style-type: none"> Extend the lessons of the integrated human settlement programme to other new development projects Develop bulk infrastructure in the development nodes A key requirement is a proper functioning land use management system to improve development and zoning processes and systems. In this regard the Municipality will align with the process coordinated by the Presidency in the development of new comprehensive land use management legislation Identification of settlement to be formalised Applications for township establishment.

Outputs	Key spending programmes (National)	Municipal Role programmes/ projects.
<u>Refined ward committee model to deepen democracy.</u>	To ensure functionality and sustainability of ward committees, Council committees and Business and Mining consultative forum by positively engaging on issues of common interest and oversight	<ul style="list-style-type: none"> • Development of support measures to ensure that at least 100% of all Ward Committees are fully functional by 2011 • Facilitate election of ward committee in consultation with province. • LG-SETA accredited training for ward committee members. • Support the updating and refinement of wards committee induction material by COGTA
<ul style="list-style-type: none"> • Reduced Municipal debts and enhance revenue collection. 	To enhance and optimize all current and potential revenue resources by cultivating a culture of payment for services	<ul style="list-style-type: none"> • Rollout of comprehensive revenue enhancement programme that includes: <ul style="list-style-type: none"> ○ Debt Collection ○ Indigent management ○ Billing systems and data Cleansing ○ Undertake detailed investment and tariff plan • Co-sourcing debts collections to maximise collection. • Embark on campaign to simultaneously register indigents and make awareness on payment of services and different option of making payments. • Audit all properties and meters to ensure correct levying in terms of zoning and investigate illegal connections, electricity and water losses • Regular audits on Water quality to sustain the blue drop status • Implement the innovative meter reading system linked to GIS
<ul style="list-style-type: none"> • Reduced municipal under spending on capital budget (Capex) 	To practice sound and sustainable financial management by strengthening internal control measures and compliance to relevant legislations and policies.	<ul style="list-style-type: none"> • Implementation of capital projects within the planned timeframes • Reduction in turnaround times in the supply chain processes

Outputs	Key spending programmes (National)	Municipal Role programmes/ projects.
		<ul style="list-style-type: none"> Completion of Purchasing of capital items by the first quarter of the financial year.
<ul style="list-style-type: none"> Reduced over spending on operational budget (opex) 		<ul style="list-style-type: none"> Monitoring and control on overtime and other votes with high potential of over spending.
<ul style="list-style-type: none"> Increased Municipal Spending on repairs and maintenance. 	To maintain and upgrade the level of existing services to meet the required standards and ensure sustainability of assets/ projects.	<ul style="list-style-type: none"> Monitor budget and in year reporting for expenditure on repairs and maintenance.
<ul style="list-style-type: none"> Increased access to occupationally-directed programmes in needed areas Increased level of post matric and post graduate qualification amongst staff and councillors. 	To promote capacity building through skills development	<ul style="list-style-type: none"> Prepare targeted workplace Skills Plan, setting of aggressive skills development targets for the municipal labour force Award bursaries to deserving and qualifying officials Implementation of the national treasury competency regulation for senior and middle management by enrolling Officials and Councillors in the CPMD programmes Coordinate development of a clear institutional plan (illustrating future need for human resources, office space and estimated cost to fund the plan) in line with the Integrated Development Planning guidelines and sector plans Revision of the employment equity plan with clear numeric targets Implementation of the EEP.
10. Protection and enhancement of environmental assets and natural resources		
<ol style="list-style-type: none"> Enhance quality and quantity of water resources Reduce greenhouse gas emissions; mitigate climate change impacts; improve air quality Sustainable environment management Protect biodiversity. 	<ul style="list-style-type: none"> National water resource infrastructure programme reduce water losses from 30% to 15% by 2014 Expanded public works environmental programmes; 100 wetlands rehabilitated a year Forestry management (reduce deforestation to <5% of woodlands) 	<ul style="list-style-type: none"> Review the Strategic Environmental Assessment reports (SEA) Conduct air quality monitoring Develop and implement water management plans to reduce water losses Ensure effective maintenance and rehabilitation of

Outputs	Key spending programmes (National)	Municipal Role programmes/ projects.
<i>Related IDP objective: Ensuring sustainable environment management and protection</i>	<ul style="list-style-type: none"> Biodiversity and conservation (increase land under conservation from 6% to 9%). 	<p>infrastructure</p> <ul style="list-style-type: none"> Run water and <i>electricity saving awareness campaigns</i> <i>Ensure proper management of municipal commonage and urban open spaces</i> Ensure development does not take place on wetlands Review of the Integrated Environmental Management Plan (IEMP) Alignment of the environmental framework with the Spatial Development Framework.
11. A better South Africa, a better and safer Africa and world		
<ol style="list-style-type: none"> Enhance the African agenda and sustainable development Enhance regional integration Reform global governance institutions Enhance trade and investment between South Africa and partners. 	<ul style="list-style-type: none"> International cooperation: proposed establishment of the South African Development Partnership Agency Defence: peace-support operations Participate in post-conflict reconstruction and development Border control: upgrade inland ports of entry Trade and Investment South Africa: <ul style="list-style-type: none"> Support for value – added exports Foreign direct investment promotion. 	Our Role of local government is limited in this area.
12. A development-orientated public service and inclusive citizenship		
<ol style="list-style-type: none"> Improve government performance Government-wide performance monitoring and evaluation Conduct comprehensive expenditure review Information campaign on constitutional rights and responsibilities Celebrate cultural diversity. 	<ul style="list-style-type: none"> Performance monitoring and evaluation: <ul style="list-style-type: none"> Oversight of delivery agreements Statistics SA: Census 2011 – reduce undercount Chapter 9 institutions and civil society: programme to promote constitutional rights; Arts & Culture: promote national symbols and heritage; Sport & Recreation: support mass participation and school sport programmes 	<ul style="list-style-type: none"> Develop performance agreement for all senior management and middle management and other positions that Council identified as next level of cascading Aggressive implementation of the employee performance assessment and review systems Comply with legal financial reporting requirements Review municipal expenditures to eliminate wastage Monitor the implementation of IDP & SDBIP and adherence to targets of the programmes.

DIRECTORATE PLAN	INTERNAL DIRECTORATE AND ROLE	EXTERNAL STAKEHOLDER AND ROLE
Facilitate payment of Bursaries	BTO to ensure payments are processed	Identify Business to be consulted and lobbied for funding
Ensure approval of policy document	EXCO to recommend to Council for approval	Residents to be given opportunity to input on draft policy through public participation.
Maintain intranet daily	IT Unit to ensure server is always working	More information to be disseminated through intranet more often as a culture
Update website daily	IT Unit to assist in ensuring effectiveness of the website	External stakeholders to be encouraged to visit website daily
Coordinate collection of school shoes	All Directorates to donate	Identify more potential donors and approach them for requests

CHAPTER 5

CHAPTER 5

FINANCIAL PLAN: FINANCIALLY ACCOUNTABLE AND SUSTAINABLE CITY**5.1 FINANCIAL PLAN: FINANCIALLY ACCOUNTABLE AND SUSTAINABLE CITY**

The municipality strives to make the most of the financial resources to ensure long term financial viability and sustainability through the following:

- Ensure transparency and accountability
- Manage revenue, expenditure, assets and liabilities in a responsible manner
- Set affordable tariffs
- Effective supply chain management
- Effective use of latest technology to eliminate unnecessary inefficiencies
- Effective cash flow management
- Effective implementation of credit control and debt collection processes
- To seek alternative sources of funding
- To ensure compliance to the prescripts governing the local government sphere
- Attract new businesses and existing business retention

With this plan the municipality will be striving for the sound financial management and viability. Looking at the medium term with regards to the imperatives and related strategies, the plan seeks to address a number of aspects to achieve the desired outcome within the 5 year period.

The objective of the financial plan, it is to ensure that the municipality has effective, efficient and well coordinated financial management.

Based on a review of the IDP of RLM (*Integrated Development Plan Review 2014 - 2015; Approved per item 122 of 30 May 2014*) and various other municipal documents. The capital demand, consisting of asset replacement costs (quantified pursuant to an analysis of the Asset Register) and new capital investments is evaluated against the capacity of the municipality to afford these future capital expenses. In the evaluation it was estimated based on the potential future municipal revenues based on the economy and population of the sub-region. These revenues will in turn inform the funding mix that the municipality can access to finance its future capital needs.

The following sources of information have been scrutinised and taken into consideration in the conclusion of the development of this Long Term Financial Plan:

- a. Financial Statements from 2005/06 to 2013/14
- b. Medium Term Revenue and Expenditure Framework: 2014/15 to 2016/17
- c. Integrated Development Plan Review 2014 - 2015; Approved per item 122 of 30 May 2014
- d. CMIP and
- e. Various other documents of the municipality (where relevant)
- f. Economic data extracted from IHS Global Insight ReX

5.2 Spatial & Demographic Perspective

RLM has a total population of almost 582 000 (2013) people which represents 37% of the population living in the Bojanala District Municipality. The current population growth rate of the municipality is at 2.8% p.a and current annual per capita income is R 51 884.

The economic active population in RLM is 42.8% of the population. The unemployment rate is 20.9%. RLM's total gross economic value add ("GVA"), which reflects the monetary value of the local economy is R 73.3 billion per annum in current prices or R 32.5 billion in constant (2005) prices with the following sectors making a contribution:

Sector	2004	2013
1 Agriculture	0.60%	0.60%
2. Mining	64.80%	54.50%
3. Manufacturing	4.20%	5.40%
4. Utilities	0.50%	0.50%
5. Construction	1.10%	1.70%
6. Trade	8.10%	10.10%
7. Transport	6%	7.50%
8. Finance	9.40%	13.60%
Community Services	5.40%	6.10%

Mining contributes more than 50% of the local economy. Finance and Trade jointly add another 23.7%. As can be expected the Mining sector is also the largest employer with 84 000 workers which amounts to 48.7% of formal employment in the municipality.

Currently the amount of spending related to tourism (leisure, business, people visiting family and friends and other) is in the order of R1.77 billion per annum, which represents 2% of the GVA of RLM. (This excludes any capital expenditure such as the construction of holiday homes). Both the number of tourist trips as well as the tourist spend has increased in recent years.

The average annual GVA growth rate for the period since 1997 is 3.3% p.a., but with the cyclical characteristics that the national economy is subjected to. The average growth rate in the past 5 years was a disappointing 0.3% p.a. however.

The Municipal Revenue Risk Indicator ("MRRI"), which measures the risk of a municipality to generate its own revenues. This risk is on the one hand a function of the economy (GVA, Tress Index and GVA growth rate) and on the other a function of households' ability to pay (measured by the % of households with income in the equitable share bracket, unemployment rate and Human Development Index).

The regional economy and the ability of households to pay for services delivered by the municipality, rates the RLM as a "High" risk on Municipal Revenue Risk Indicator scale. There is a high risk that the municipality will not be able to generate sufficient own revenue and is increasingly dependent on subsidies and grants from other spheres of government.

Financial Perspective

Since 2010/11, both the Total Accounting Surplus/Deficit and the Cash Operating Surplus/Deficit have no specific trend, but of concern is the Accounting deficit of R 37.33 million and Cash Operating Deficit R 181.95 million, for the 2013/14 financial year.

The liquidity position of the municipality is under pressure. The Current Ratio is at almost 1:1 for the 2013/14 financial year. This ratio used to be above the healthy norm of 2:1 but in the recent 2 financial years (2012/13 and 2013/14), it suddenly reduced substantially. Accounts Payable (Excluding Conditional Grants), increased substantially, also pointing towards liquidity pressure. Increasing Creditors and Unspent Conditional Grants as a means of improving Working Capital is not a preferable option. The liquidity level needs to be stabilised and improved upon annually.

Interest bearing Liabilities (Long and Short Term), amounted to R 486 million in 2013/14, pursuant to a substantial increase of R 179 million (59%). Gearing levels are considered low, but in the current environment of low collection rates, it is not considered prudent to utilise this funding source in the medium term - and if it has to be done, then only to fund capital expenses.

The Post-Retirement benefit liabilities, amounting to R166.9 million in 2013/14, are an aspect of concern. The Post-retirement Health Care and the liability increased by 23% from 2013 to 2014. The Health Care Cost Inflation rate is significantly higher than CPI. Although not currently a huge problem it will in future become a significant challenge.

One of the municipality's greatest challenges is to improve its ability to collect debtors' accounts, as the ratio remains below the 95% benchmark throughout. The current payment levels are at unhealthy and unsustainable levels. For every 1% not collected R27 million of cash is forfeited. Household Consumer Debtors were in excess of 80% of Gross Consumer Debtors.

The primary income for the municipality is generated from services rendered to its consumers, contributing 71% of total revenue since 2005/06. Limited ability to generate income from additional sources and the reliance on specific sectors, viz. mining and financial services, poses a risk to the Council.

Salaries expressed as a percentage of Total Expenditure, is within the norm, but no real trend could be identified. As this is the largest expense item of the municipality, it remains a key performance management area for managing productivity against costs.

Unauthorised- (R614.12 million in 2012/13 and R51.17 million in 2013/14) and Irregular Expenditure is of concern.

Repairs and maintenance expenditure at a level of 2% of Total Expenditure is not sufficient and should be increased to a level of 8%.

Electricity Distribution Losses of 19%, for the most recent three years up to 2013/14, are beyond the recommended norm of 8%, and pose a major challenge to the Municipality. Water Distribution Losses at 41% for 2013/14 are of great concern; these stem from theft (illegal connections), non- or incorrect metering or wastage as a result of ageing water infrastructure.

Electricity as a source of revenue is important to the Municipality. It amounted to 52.5% of the budgeted revenue for 2015 (2014: 53.6%). Over a 12-month period (December 2013 to November 2014), Xstrata contributed 57% to sales of electricity. This represents 21.4% of the Total Revenue Budget for 2015 or 24% of the municipality's own revenue. The cost of supplying electricity to Xstrata was at a higher cost per unit. The percentage of units lost during distribution is considered unacceptably high when Xstrata is excluded. An indication that Xstrata is adding a substantial efficiency factor into the equation.

The Municipality has invested R 3.46 billion into CAPEX since 2005/06 up to 2013/14. This was funded mainly by capital grants (72%), external borrowing (13%), own cash generated (19%) and the sale of fixed assets (2%). This adds up to more than 100% of capital expenditure and represents funding received but not used. The bulk of investments made were into infrastructure assets required to serve the community, with the highest contribution (32%) to roads and stormwater.

The municipality has managed its credit score within the BBB-band with levels increasing significantly between 2010/11 and 2012/13. It is imperative, notwithstanding the current challenges, that the municipality maintains an investment grade level to ensure that it will attract investors.

5.4 Sustainability

A number of interrelated matters were raised on both the revenue as well as expenditure side that threatens financial sustainability of the municipality:

- The low collection rate was advanced by management as one of the most critical risk areas of the municipality. A Revenue Management Committee is tasked to improve internal systems, ensure that meters are accessible and that broken meters are referred to Technical Services for repairs. A proposal was made to also establish a Revenue Enhancement Committee. RLM is considering installing prepaid water meters and charge for the payment of arrears (40%) and new purchases (60%). The municipality also considers selling its debtors book.
- The very high water losses were also identified as of particular concern. For this purpose the RLM raised a R80 million loan from the DBSA for replacing ageing infrastructure but it needs to still see the results. RLM has undertaken water demand management.
- The tariffs of the municipality are not cost reflective and a review of tariffs should be done in order to be cost reflective.

Rentals charged to tenants of houses owned by the RLM are not market related. Equally rentals of the stadium and civic centre also do not generate enough revenue and the municipality should have market related tariffs in order to generate revenue.

In addition to 50kWh free electricity, refuse removal and sanitation services, indigents receive 12kl free water. For coming years the free 12kl of water should be reduced to 6kl.

The RLM does not provide basic services to the Royal Bafokeng area as the TA provides services directly to its people. The RLM already maintains certain roads in the area and there is a case to be made to determine the cost benefit for the RLM to provide all services in the Royal Bafokeng area.

ESKOM distributes electricity to more townships than RLM. Consideration should be given for the RLM to perform these duties as ESKOM's agent on condition that this is financially beneficial for the municipality.

Management observed that large amounts are spent on small items that do not follow the comprehensive SCM processes. It would be prudent to investigate the commodities requiring the most transactions and consider awarding term contracts to improve cost benefits and more efficient management and internal controls as well as the centralization of purchases.

Cost containment on items such as consultants, catering, travelling and similar expenditure items should be implemented strictly.

The municipality should focus on its core functions which excludes housing.

The municipality has spent its own funding on capital projects previously and must now focus should be on projects that can attract grants.

Future municipal revenues

The future Gross Value Add ("GVA") of RLM was estimated based on a view of the future economic growth of the region and the cyclical nature thereof as well as an estimate of future population of RLM. The average annual economic growth rate for the 10-years period is 1.9% p.a. The future Municipal Revenue was then calculated by employing the relationship between Municipal Revenues ("MR"), GVA and Population, i.e. $MR = f(GVA, Population)$. This estimate was calibrated against the municipality's forecast of future revenues in its MTREF and Adjustment Budget.

The future annual average growth in revenues amounts to 9.8% p.a. This is 3.3% above the assumed CPI for the period, i.e. a Real Municipal Revenue Growth Rate of 3.3% p.a. This growth cannot be achieved through an increase in tariffs alone but consists of a combination of (i) increased sales, (ii) increase in tariffs and (iii) new revenue sources. This revenue growth is lower than the municipality's own liberal estimate in the MTREF, which expects a significant increase in revenue during the first year of the 10 year period. The historic Real Municipal Revenue Growth Rate (excluding Grants) for the period between 2006 and 2014 was 17% p.a. The lower future growth rate provides comfort in the light of a growing proportion of the indigent population and expected slower economic growth rate.

The relationship of RLM's Real Municipal Revenue *per Capita* and the Real GVA *per Capita* over time (viz. 2006 and 2013) was compared to the sample of municipalities. For a decline in real GVA per capita of -2.7% p.a. the real revenues per capita have increased on average by 6.4% p.a. over the 7 year period. only marginally so in 2013. This would indicate that theoretically there should be potential of increasing the own municipal revenues per capita. In comparison the municipality's model estimates that the real GVA per capita in 2024 is R55 261 p.a. and the municipal real revenue (excluding grants) per capita at that time is R2 977 p.a.

The municipality's own revenue per capita has increased at a faster rate than the GVA per capita during the same period (2006 to 2013). The Real Revenue per Capita is below the expected revenues for a similar size economy and indicates that some potential exists to increase revenues *per capita* marginally in future. However, due to a higher proportion of low income households in future and a slower expected economic

growth rate the Real Revenue per Capita in 2024 is estimated to approximate the level that is projected.

The municipal revenues as predicted above, exclude grants and subsidies, as these are not dependent on the local economy. However, the model does take grants into account by including Unconditional Operational Grants (Equitable Share) in Revenue but excluding Conditional Grants in Revenue and reducing Expenditure with the same amount. The Equitable Share receipts during the past 2 years amounted to approximately R240 and R285 million p.a. An estimate of capital grants, based on historic trends (but excluding ad hoc grants), is included in the capital funding mix.

Once the annual municipal revenues were determined the ability of the municipality to pay for operational- and capital expenditure and the level of expenditure was estimated based on a range of assumptions, as discussed in more detail further on in this report.

Future operational expenditure

A review of the current expenditure trends of RLM indicates the need to align the expenditure budget to anticipated revenue growth in an attempt to generate accounting and cash surpluses. Therefore stringent expenditure management remains as important as ensuring that revenues are collected.

There is limited scope to substantially increase any costs without negatively impacting on the overall operational performance of the Municipality, therefore requiring stringent management of the increases in current expenses.

It is important to assess the expenditure trends over time and monitor any future variations. Where possible the impact needs to be anticipated and staggered over multiple years to reduce the impact. This will enable RLM to stabilise its financial position and start turning the operational performance around.

For RLM to truly make a positive impact on its financial position, specific and in-depth attention has to be drawn to expenditure patterns and cost cutting measures will be required in the short term.

Every expenditure line item should be reviewed and particular the escalation in general expenses which are expenses other than:

- Salaries, wages and allowances (inclusive of Councillors)
- Expenditure for Electricity Services
- Expenditure for Water Services
- Debt Impairment
- Depreciation
- Repairs and maintenance
- Finance charges

The financial model has assumed cost increases similar to the increases in the approved Adjustment Budget for 2014/15 and judicious application of escalation rates for each expenditure item thereafter.

Demand for future capital expenditure

Integrated asset management acknowledges the link between the 3 elements of cost associated with asset

management, viz. New Capital Expenditure, Asset Replacement Cost and Repairs and Maintenance Expenditure. The extension of the life of an asset beyond its Useful Life may save on Replacement Costs but will increase the Repairs and Maintenance expenditure. Any new assets created will also have an impact on the Repairs and Maintenance budget in future.

By analysing the asset registers and reviewing the IDP and various sector master plans of the municipality, a demand of future replacement cost of exiting assets and investments in new assets is important.

Asset Replacement Expenditure

The "Replacement Cost" at a future "Replacement Date" for all the assets in the asset registers was determined. "Replacement" could also imply rehabilitation, enhancement (upgrade) or renewal (refurbishment) of that asset, but excludes routine repairs and maintenance.

The calculation is done mechanistically and does not cater for engineering judgement. The model only uses the Estimated Useful Life of the asset component as a criterion. The model calculates the Replacement Cost (in nominal terms) of assets for a 10 year period, i.e. up to and including 2024. Some asset classes were not reviewed for replacement, viz. "Cemeteries", "Heritage Assets", "Investment Properties" and "Parks & Gardens".

According to the analysis the nominal replacement cost for the 10-year period amounts to R4 297 million. This is a mechanistic calculation of the replacement cost of assets in the asset registers that have reached the end of their useful lives.

Municipality has amended the estimated replacement costs. This was achieved by reducing the replacement of Residential Gravel Streets which amount to R1.5 billion in the 10 year period by 70%, reducing the cost of replacement of Water Pipes of R1.2 billion in 2020/21 by 80% and limiting the cost of replacement of building components to R10.9 million p.a. and smoothing the constant 2015 value over the 10 years and reverting these back to nominal values. The more realistic 10-year total asset replacement cost - albeit not necessarily affordable - was reduced from the original R4.3 billion to R2.5 billion.

Affordability of future capital expenditure

The municipality has developed a "Capital Investment Model" that forecasts the future capital expenditure that a municipality can afford; based on the Revenues it can expect to generate.

The cash available to service any new debt is calculated by subtracting from the Revenues as determined above a waterfall of expenses, starting with operational expenses, existing debt service and investment for liquidity- and other reserves.

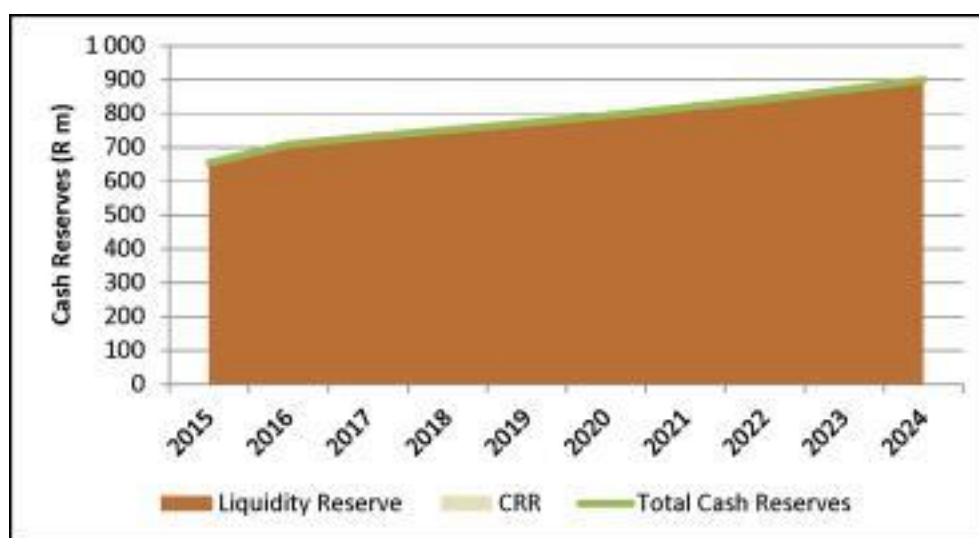
The New Debt that the municipality can afford plus any remaining cash as well as estimated capital grants and other capital contributions can then be allocated towards capital expenditure.

The total 10-year affordable capital expenditure amounts to R 8 762 million (nominal) and R 6 182million (constant - 2014) This funding mix assumes that a liquidity reserve, which includes at least one month's working capital, will be funded prior to utilising the cash for capex spending. It also assumes a collection rate of 91% into the future. During the 10-year period disposal of Investment Property / PPE of R200 million was

modelled. This funding mix is conditional to prudent management of the municipality's finances.

The investment in capital assets only proceeds after a Liquidity Reserve is funded to the extent required in the proposed Liquidity policy. The precarious cash generating ability of the municipality does however prevent it from funding a Capital Replacement Reserve ("CRR") to the extent required in the proposed policies. This does however not prevent the municipality to work towards funding a CRR in future. The future balances of these two reserve funds, viz. Liquidity- and CRR are illustrated in the graph below:

Balance of Liquidity and Capital Replacement Reserve



The 10-year funding mix consists of the following funding sources:

Funding Future Affordable Capital Expenditure

Sources of Funds	Amount Rm	%
New Loans	R 2,219 m	25.3%
Own Cash	R 1,581 m	18.0%
Grants	R 4,962 m	56.6%
Total	R 8,762 m	100.0%

The amount of Grants was informed by historical trends. However, ad hoc capital grants, e.g. Public Transport Infrastructure Grants were excluded from future estimates. The amounts of Own Cash and Grants together amount to app. 75% of the funding mix in the next 10 years.

The long term liabilities ("LTL") as a percentage of Income remain below the benchmark of 30% and the Debt Service (Interest and Capital) to Total Expense Ratio exceeds the benchmark of 7.5% after 2022, but remains within manageable limits. The realisation that only a proportion of the capital investment demand is affordable requires the municipality to prioritise its investment programme. To avoid any deterioration in the asset quality and address future capital expenditure needs, the municipality should proportionally increase repairs and maintenance expenses and increase the collection rates.

5.3 Financial model

The proposed financial plan is based on the assumptions in the Base Case Financial Model. The municipality has taken a cognisance of the fact that future cash flows may be influenced by a variety of variables. The assumptions made for the Base Case are summarized below. The variables that were kept constant for all scenarios are listed in the Table below.

Base Case Assumptions: General

Variable	VALUE
Model Period	10 Years: 01-07-2014 to 30-06-2024
CPI growth rate	6.50% p.a.
Days Receivable	50 days
Days Payable	120 days
Depreciation rate	5.0% p.a.
Investment Property: Acquisition	R 0 million
Investment Property / PPE: Disposal	R 200 million
No of months WC in liquidity reserve	1 month
Funding of Capital Replacement Reserve	None
Interest Rate on Positive Bank Balance	-1.0% below CPI
Interest Rate on Overdraft	4.5% above CPI
Opening balances	30-06-2014 (adapted)
New debt tenor	10 Years
New debt interest rate	CPI + 4.50% p.a.
Capital Grants as a % of Total Revenue	12.0%

Most of these variables are self-explanatory. Suffice it to highlight that the assumed CPI growth rate is 6.5% p.a. An amount of R200 million disposal of investment property / PPE is assumed. The liquidity reserve includes one month working capital and the CRR remains unfunded.

In the Base Case it is assumed that the average 10-year GVA growth rate is 1.9% p.a. and the average population growth rate is 1.4% p.a. No structural change in the expenses for Salaries and Wages (as a result of rationalisation of the staff complement) will be effected. The factor 1.00 against each Expense Item indicates that these will escalate at rates as assumed in the Input Sheet. The revenue collection rate is 91%, i.e. 9% will be impaired. This rate is more optimistic than the actual historical collection rates of RLM, but is the minimum target to pursue to ensure financial sustainability.

The outcome of the Base Case is reflected in the table below:

Base Case Outcome

OUTCOME	AMOUNT	UNIT
Average annual % increase in Revenue	9.8%	% p.a.
Surplus accumulated during 10 years	3 689	Rm
10-year cash from operations after debt service	2 392	Rm
10-year LT Debt Raised	2 219	Rm
10-year capital investment programme	8 762	Rm
Cash investments after 10 years	933	Rm

The Base Case provides that in the 10 year period a surplus of R3 689 million and operating cash after debt service of R2 392 million is accumulated. Long term debt of R2 219 million can be raised for a total capital investment programme of R8 762 million. The cash investments after 10 years to back a liquidity reserve and CRR amount to R933 million.

The 10-year capital investment programme of R10 188 million is largest, when the collection rate is improved to 95%. When the collection rate is reduced to 75%, a capital investment programme of only R5 112 million can be afforded, restricted to grants as a source of funding. The municipality's efforts to improve the collection rate are absolutely essential as this has a significant impact in future performance and sustainability. The amount borrowed in the 10-year period remains fairly consistent between R2 200 and R2 400 million except where it reduces to R1 650 as a result of increased operating expenditure and where new loans become unaffordable as a result of the low collection rate.

Recent experience of the actual collection rate was 40% on average per month for the period 1 January 2014 to 31 December 2014. It assumes a collection rate of 75% and the fact that the cash balance reduces to a negative R5 billion is indicative of the serious implication of a low collection rate.

The model is less sensitive for changes in macro-economic and demographic variables, viz. GVA- and Population growth rates, largely due to the fact that Rustenburg already operates at that side of the Revenue p. capita vs GVA p Capita curve where a real increase in GVA per capita does not result in a real increase in Revenue per capita.

5.4 Liquidity & ratio management

Healthy Liquidity is considered the key factor to effectively managing the financial viability of RLM in the longer term in conjunction with the necessary financial ratios against which to monitor actual performance. A proposed framework is provided below, within which to manage liquidity, operational performance and external gearing. The indicators provided are interrelated as the weakness in one could be the reason another is limited and therefore the combined performance in terms of all indicators needs to be considered to actively monitor financial performance and against these indicators the turn-around in performance can be measured and reported on to the Management, Council and key stakeholders.

In January 2014 National Treasury issued MFMA Circular No. 71 under the Municipal Finance Management Act No. 56 of 2007. The purpose of this circular is to provide a set of uniform key financial ratios and norms suitable and applicable to municipalities and municipal entities. The MFMA Circular 71 provides a far broader base of ratios as a guideline than proposed below. As an

indication the framework below will reflect the proposed MFMA standard where similar ratios are proposed.

The municipality considers these ratios as the key indicators and the broader MFMA framework can be considered by the municipality as it further promotes prudent financial management. A draft liquidity policy is in essence the policy recommends the following:

5.4.1 Liquidity Ratios

Standard Liquidity Ratio (The ability to fully provide for current liabilities with current assets.)

Minimum norm:

1:1

Healthy norm: 2:1

MFMA norm: 1.5

- 2:1

10.1. Quick Liquidity Ratio (The ability to provide for current liabilities with liquid current assets therefore current assets including only 30 day debtors.)

Minimum norm:

1:1

Healthy norm: 2:1

MFMA norm:

None

Minimum Liquidity Level (Holding sufficient cash and investments to fully provide for the sum of unspent conditional grants, short term provisions, ceded investments, cash backed reserves and provisions and at least one month of operating expenditure (excluding non-cash expenses).

Minimum norm: 1:1

Healthy norm: 1:1 plus an additional month's operational expenditure

MFMA norm: 1 - 3 months

MFMA calculation excludes cash backed reserves and short term provisions; however an additional ratio is stipulated in Circular 71 regarding the Level of Cash Backed Reserves.

Overdraft to Total Income (Preferably a municipality should not have an overdraft facility at all at year end, however should an overdraft facility be used it should not exceed 5% of Total Income.)

Maximum norm: 5%

Healthy norm: 0%

MFMA: None

Other ratios as stipulated below are to be managed at levels applicable to RLM and although

industry benchmarks exist it is more prudent to set objectives given the financial context of Rustenburg LM. The following ratios are recommended for consideration and it would be prudent to report hereon on a quarterly basis to the Finance Committee:

5.4.2 Operational Ratios

Total Accounting Surplus (The ability to post an accounting operational surplus where Total Income exceeds Total Expenditure with a positive margin.)

Minimum norm: Break-even of the above calculation
Healthy norm: Positive margin that is maintained
MFMA norm: Breakeven or >0

Cash Operating Surplus (The ability to generate surplus cash from operational performance therefore Total Income less conditional transfers less total expenditure excluding non-cash items adjusted for changes in working capital should be positive.)

Minimum norm: Break-even of the above calculation
Healthy norm: Positive margin that is maintained
MFMA norm: None

10.2. **Repairs and maintenance to Total Expenditure** (The ability of the municipality to effectively maintain the infrastructure assets from which it derives its primary income.)

Minimum norm: 5%
Healthy norm: 7%
MFMA norm: 8%

MFMA calculation differs in using the Property, Plant and Equipment (carrying value) as the base of the ratio instead of Total Expenditure.

Consumer Collection Levels (For a municipality to maintain its viability it should maintain its collection levels at least above 90%. Growth in gross consumer debtors including debts written off in the financial year as a percentage of billed income including equitable share, will provide the non-collection level therefore the difference will indicate the consumer collection level.)

Minimum norm: 90%
Healthy norm: 95%+
MFMA norm: 95%

Staff Costs, Allowances and Wages (The level of staff costs, allowances and wages to total operational expenditure needs to be effectively managed to ensure that costs aren't considered too high, but also that the municipality is not under capacitated and employment levels are too low.)

Minimum norm: 25%
Healthy norm: 25% to 30%
MFMA norm: 25% to 40%

5.4.3 External Gearing Ratios

It is important to note that External Gearing ratios are subject to Liquidity ratios being within recommended levels. A draft Borrowing, Funds and Reserves Policy will be tabled to Council as part of the budget for consideration.

External Loan Liability Paid Coverage Ratio (The ability to at least cover the External Interest and Capital Payable with the cash generated from operations before interest.)

Minimum norm: 1:1 Healthy norm: 2:1 MFMA norm: None

External Interest and Capital Paid to Total Expenditure (The percentage of Total Expenditure utilised to service external loan repayments.)

Maximum norm: 10%

Healthy norm: 7.5%

MFMA norm: 6% - 8%

External Gearing Ratio (The level to which the municipality has geared itself is calculated as Total External Interest Bearing Debt as a percentage of Total Income less conditional grant funding.)

Maximum: 30%

Healthy norm: 25%

MFMA norm: 45%

Recommendations

The recommendations are categorized into 4 timeframes:

Immediate Actions consist of actions to be implemented in the remainder of the current financial year 2014/15. The main objective over the next few months must be to:

- Stabilise the cash flow

Short term recommendations consist of interventions that should be implemented immediately – Implementation of recovery plan.

Medium term recommendations entail initiatives that should be put in place as soon as possible but for which the results will probably only be achieved in 2 to 3 years' time.

Long term recommendations are initiatives to ensure long term financial sustainability of the municipality and maximise on its growth and development potential. Many of these initiatives can already be implemented within the next few years and up to and including year 10.

5.5 IMMEDIATE ACTIONS FOR THE 2015 FINANCIAL YEAR

1. Address the debtors' collection rate with the objective to improve the rate significantly.
2. Devise a plan to ensure a breakeven cash flow position at the end of June 2015.

3. Ascertain the accuracy of the Accounts Payable and manage the level down.
4. When preparing the 2016 Budget, take into account the current financial state of the municipality.
5. Identify the main risks and devise a strategy to mitigate these risks wherever possible.
6. Monitor all actions and allocate responsibility for implementing all the actions.
7. Ensure every staff member as well as the Council buys into the actions proposed.

5.6 SHORT TERM RECOMMENDATIONS:

The municipality needs to reduce the annual increase of outstanding debtors and address the annual water and electricity losses. Significant inroads must be made in reducing these expenses and losses before a long term financial plan can be implemented. The recommendations are as follows:

1. Reverse the culture of Non-Payment

The non-payment of debtors' balances has a significant impact on municipal cash flow and prevents the municipality in fulfilling its service delivery and developmental obligations. Implement measures and use all political means to improve the current collection rate, which in the period from 1 January 2014 to 31 December 2014 dropped to an unsustainable and critical level of 40%. These measures should include enforcement of credit control, communication programmes and engineering solutions.

2. Strict Cost Control

Based on RLM's AFS of 30 June 2014 a 10% saving on the non-regulated cash items of "Contracted Services" and "General Expenses", would result in the equivalent of 3% increase in collection rate on service charges, i.e. app. R57 million p.a. which could service debt of more than R300 million for infrastructure development immediately.

Closely monitor the working of overtime and introduce initiatives to reduce the abuse of such practices.

Notwithstanding the productivity of the administration as measured by the Salaries and Wages Bill as a percentage of Total Expenditure it is essential to continuously explore saving on the Salaries and Wages Bill as this is the largest single expense item.

3. Align the Budget to Real Cash Flow

Align the budget to real cash flow by allocating actual receipts to expenditure items and limiting reliance on an unrealistic budget as well as by ensuring that funds allocated towards capital expenditure are in actual fact received by the departments.

4. Value for Money

Extend the use of the tendering process in an attempt to obtain better prices for the supply of bulk items. Investigate the commodities requiring the most transactions (albeit for small value items) and consider awarding term contracts to improve cost benefits and more efficient management and internal controls as well as the centralization of purchases.

Implement processes to ensure that the municipality receives "Value for Money" for products and services it acquires and strengthen the capacity to make such assessments. Apply Section 32 of the Municipal Supply Chain Management Regulations judiciously by also ensuring appropriateness of the product or service supplied and value thereof. Apply price benchmarking, and introduction of procurement planning, aligned to the cash flow forecast.

5. Implement Water Demand Strategies

The water losses in excess of 50% are not sustainable. Combine a selection of initiatives in an attempt to reduce non-revenue water:

- Initiate a leak detection program (in partnership with RWST and Mines)
- Repair / replace ageing infrastructure
- Installation or/and replacement of water pressure valves
- Awareness campaigns on water usage and conservation
- Installation of smart meters

5.7 MEDIUM TERM RECOMMENDATIONS:

1. Increase Revenue

The municipality will become increasingly dependent on transfers from National Government (viz. Equitable Share) due to the increasing indigent population. It is however essential that the municipality increases its own revenue by more than the CPI rate on average by (i) identifying new revenue sources, (ii) selling a greater quantity of services and (iii) increasing rates/tariffs.

2. Improve Collection Rate

A collection rate of in excess of 90% and closer to 95%, must be aimed for and action plans must be put in place to achieve this target.

3. Tariffs to Reflect Costs

Future operations can only be sustainable if tariffs are reflective of costs. One of the key aspects relating to financial recovery is tariff modelling. Ensure that the tariff structure and -quantum covers all direct and indirect costs. Provision should be made in the tariff structure for the depreciation charge of assets.

4. Implement an Integrated System of Debt Collection and Credit Control

Revenue enhancement is one of the arsenals of "turn around strategies" that can and should be used to

address the challenge of future sustainability. In this context a suitably experienced private sector service provider can improve efficiencies in rendering debt collection and other administrative services.

5. Prioritise Projects

The asset register provides guidance on the assets that need replacement, a clear prioritisation of future new infrastructure projects must be undertaken. The municipality should not neglect the replacement of its existing assets and a prioritisation should compare the need for new infrastructure with the need of replacing existing infrastructure.

Limit the discretionary amount of the capital budget allocated to wards to a nominal amount and rationalise the prioritisation of projects by introducing a model with decision making criteria and weighting each of these when comparing projects with each other. Typical criteria include:

- Meeting strategic objectives
- Meeting master plan objectives
- Project dynamics, viz. funding source, roll-over from previous years, etc.
- Project Consequence, viz. impact if project is not implemented

6. Adopt a Municipal Viability Framework

Healthy Liquidity is considered the key factor to effectively manage the financial viability of the Municipality in the longer term in conjunction with the necessary financial ratios against which to monitor actual performance. The framework provided to presents ratios within which to manage liquidity, operational performance and external gearing. The indicators provided are interrelated as the weakness in one could be the reason another is limited and therefore the combined performance in terms of all indicators needs to be considered to actively monitor financial performance and against these indicators the turn-around in performance can be measured and reported on to Management, Council and key stakeholders.

7. Adopt a Liquidity Policy

The policy will require the municipality to :-

- Maintain a quick liquidity ratio of at least 1:1.
- Maintain a cash backed liquidity reserve of at least one month's operational expenses in addition to maintaining reserves for unspent conditional grants, short term provisions and cash backed reserves.
- Sufficient provisions need to be made in cash for the escalation in short term provisions for employee benefits.

8. Implement Cost Accounting

It would appear that the costs of repairs and maintenance, rehabilitation and replacement of asset components are not all properly allocated to these assets. The introduction of SCOA will eventually lead to the collation of information from the different systems into an integrated finance system, allow cost accounting per asset component, inform maintenance and asset replacement and assess value for money (also from contracted services). The introduction of costing system will ensure that all expenses, including contracts, labour, materials and equipment costs are recorded against the relevant asset.

5.8 LONG TERM RECOMMENDATIONS:

1. Facilitate Economic Development

RLM exhibits a vulnerable economy. The largest sector, viz. Mining is experiencing volatility in output demand and is shedding labour. Ideally a sector that can absorb labour, possibly agro processing or other light industry should be promoted. A growing economy is essential to grow the municipal revenues.

The municipality should intensify its efforts in facilitating the diversification of the local economy, by concentrating on its comparative advantages. The Municipality should do so without burdening its financial resources.

2. ESKOM's Agent for Distribution of Electricity

SALGA and Eskom have committed to engage in a process of active partnering for the purpose of establishing a cooperative and collaborative working relationship which seeks to work towards bringing about the long term sustainability of electricity reticulation by addressing both electricity distribution industry issues in general, and the specific operational challenges impacting delivery of electricity to end users. A Partnering Agreement was signed in November 2014.

Explore the possibility, from a cost benefit perspective, of acting as agent for ESKOM in areas where ESKOM currently distributes electricity. The institutional arrangements will have to be negotiated collectively by participating in processes of SALGA.

3. Unlock the Balance Sheet by Selling Investment Property

The Municipality holds R240 million worth of Investment Property on its balance sheet. The municipality has modelled the sale of investment property, the proceeds of which will be applied towards capital expenditure.

4. Implement integrated asset management

Integrated asset management aims to meet a required level of service, in the most cost effective manner, through the management of assets for present and future customers. This encompasses practices associated with considering management strategies as part of the asset lifecycle by minimizing long term costs. Such practices include management of assets, asset information (such as location and condition), demand forecasts, risk assessment and mitigation, maintenance procedures, refurbishment and renewal procedures.

5. Implement Special Ratings Areas

The diverse communities and their different expectations regarding level of service received from the municipality, their household affordability levels and different categories of properties, lends itself to the introduction of Special Ratings Areas as contemplated in Article 22 of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004).

This would enhance the vision of the municipality as a tourist destination and allow it to levy an additional rate on property in a specific area for the purpose of raising funds for improving or upgrading that area only; and differentiate between categories of properties when levying an additional rate.

It also provides the opportunity to recover the costs of providing a higher level of service infrastructure in an area from those communities that so demand.

CHAPTER 6

ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

6.1 Introduction

The Municipal scorecard sets the broad five year targets which are assessed annually. Five-year targets coincide with the term of office of new Councillors. The performance management system is broken down into the development of the individual performance plans for senior management and the revision of the municipal scorecard. The Municipal scorecard can be read with the national KPAs and against the Eight Point Plan of the IDP.

The five National Key Performance Areas are:

1. Basic Service Delivery
2. Local Economic Development
3. Good Governance and Public Participation
4. Municipal Institutional Development and Transformation
5. Municipal Financial Viability and Management.

The table below outlines the relevant assessment authority that ensures legal compliance of each of the processes: **National and Provincial Assessment Process for each Task**

Process	Provincial	National
IDP	COGTA	Department of Provincial and Local Government (DPLG) National Treasury
Budget	-	National treasury Auditor General
SDBIP	-	National Treasury
PMS	-	National treasury Auditor General

6.2 Objectives of Performance Management

The objectives of the Municipal Wide Performance Management System aim to:

- The most important objective of the performance management system is to ensure that the entire municipality in synchrony with a common vision and mission and that all the objectives and strategies of the municipality as contained in the IDP are achieved
- The establishment of a framework for effective and regular performance feedback and reporting
- To create management information that enables the municipality to take decisions with reference to other Human Resource processes, such as remuneration and training, for example
- Ensure that the top Layer SDBIP is aligned to the IDP, and therefore, to political priorities
- Develop a Implementation Plan that reflects tangible programmes, activities and targets to achieve the priorities
- Ensure effective linkage between planning and budgeting through SDBIP
- Ensure that SDBIP form the basis of an effective organisational and employee performance management system
- Develop a monitoring and evaluation system that guarantees performance management and reporting against performance
- Install a performance-oriented culture across the municipality.