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## **Provincial Report 2009/2010: Free State**

### **Background:**

The provincial reports have been compiled in response to requests from stakeholders, in particular provincial committees, for provincial profiles, updates and summaries of WSPs.

Information is sourced from the WSPs and ATRs submitted on 30 June 2009, and from the Gaffney's Local Government Yearbook. Information on the actual levy income received and disbursed is drawn from the LGSETA finance system ( 2008/9). Projected expenditure on training drawn from the WSP must be viewed as being unreliable. WSPs financial components are generally poorly compiled and inconsistent.

The analysis and information provided excludes utilities and traditional authorities.

### **Profile:**

The Free State is the 3<sup>rd</sup> largest province in South Africa, covering 10 % of the land mass. The Free State has 5,9% of the total population. In 2007 the Province's contribution to the Gross Domestic Product was 5,4%, placing it 7<sup>th</sup> among the 9 provinces. Average household income ( R 85 391 p.a ) ranks 5<sup>th</sup> provincially – higher than its ranking for its contribution to the GDP. Free State is ranked 5<sup>th</sup> among the provinces with respect to unemployment, with an official unemployment rate of 25,4%. The province has the 4<sup>th</sup> highest proportion of adults ( 20 years + ) with a Grade 12 ( 23,2% ).

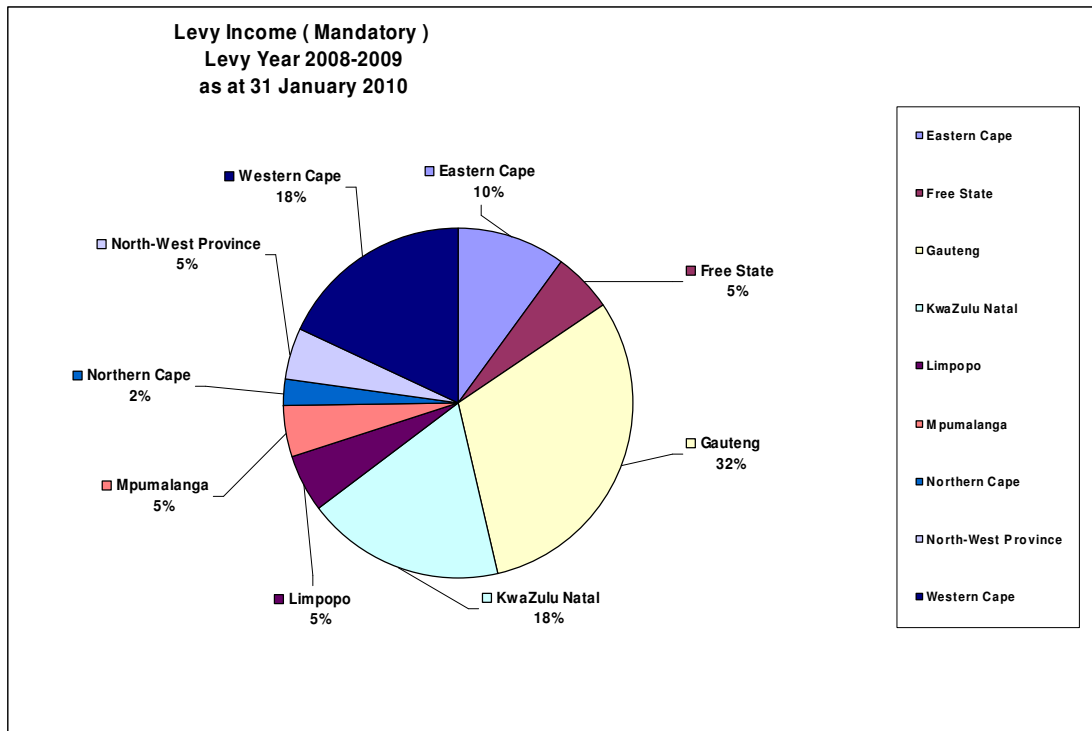
In 2008, some 71% of households lived in formal dwellings placing Free State 6<sup>th</sup> in relation to all provinces. 62% of households received free basic water, 28% received free basic sewerage and sanitation, 61% received free basic electricity and 31% free basic solid waste removal. ( Gaffney's )

The Free State has 5 district municipalities and 20 local municipalities. Mangaung is scheduled to become a metro shortly. The 25 municipalities all submitted WSPs. However, Naledi did not submit an annual training report. Municipalities in the Free State employ approximately 14 500 people.

### **Financial Profile:**

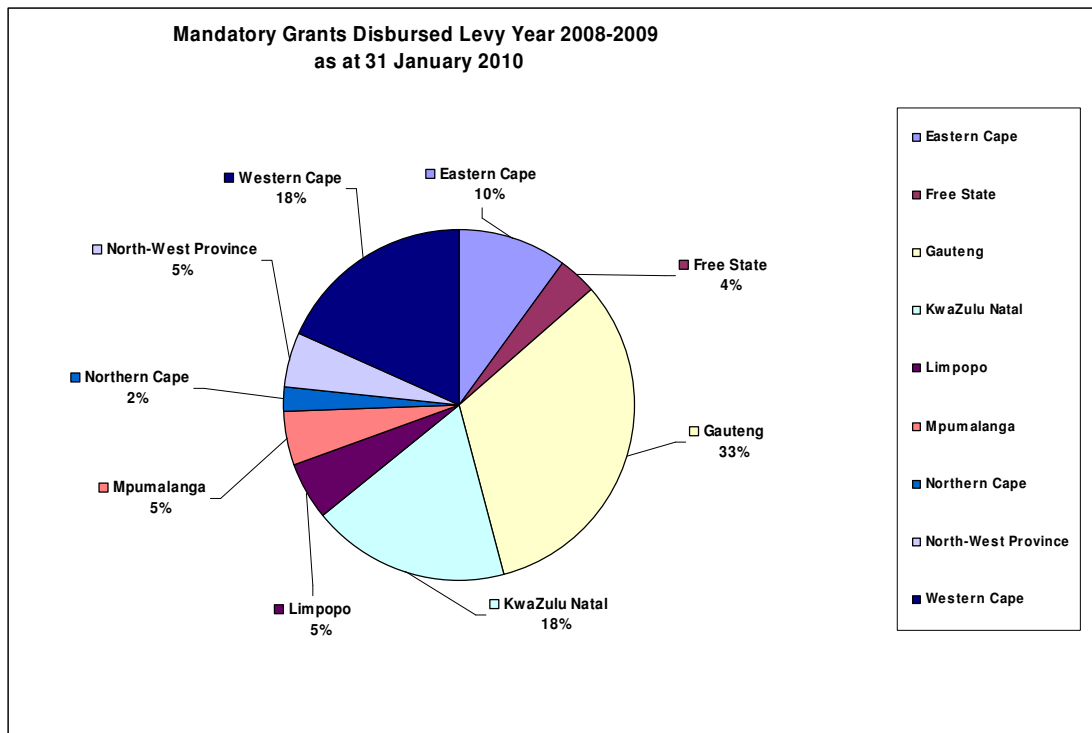
The Free State is the 5<sup>th</sup> largest levy contributor to the LGSETA. Currently, Thabo Mofutsanyane's levy payments are not being received by the LGSETA, but are being misallocated by SARS.

Table 1:



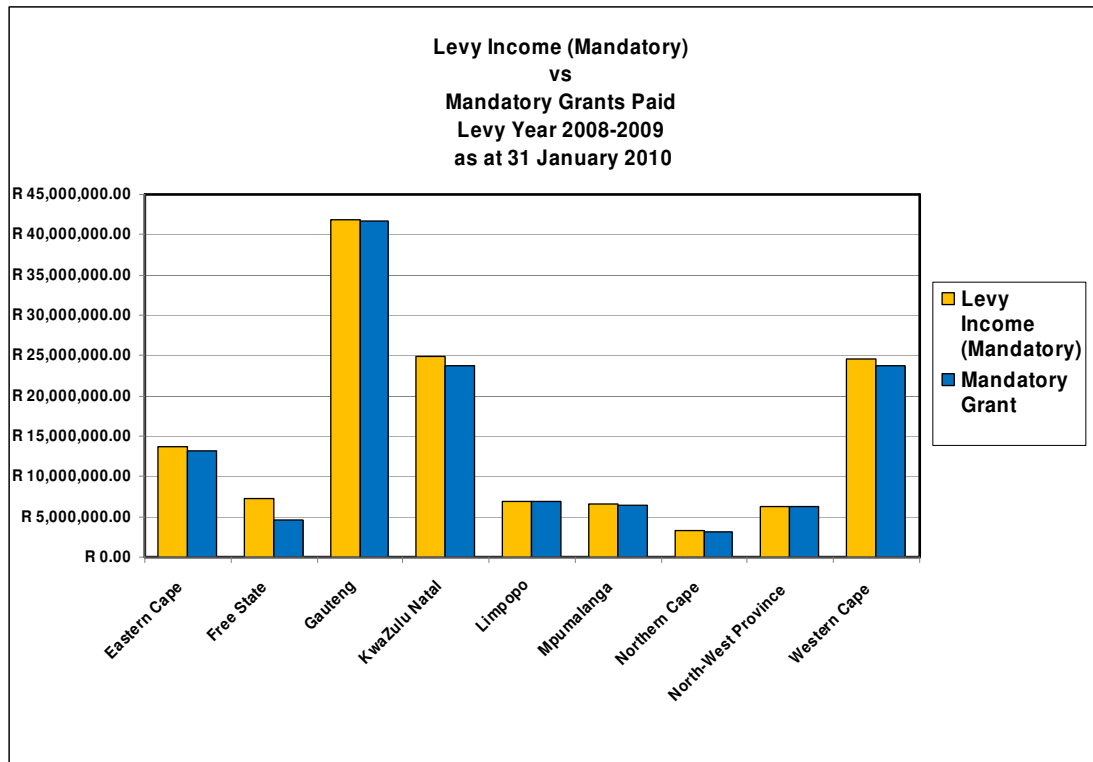
During the 2008/9 levy year, R 7,249,119 was received as mandatory grant levy income from the Free State. Although Thabo Mofutsanyane’s levy payments are not being received by the LGSETA, all Free State municipalities are compliant with respect to their levy payments.

Table 2:



During 2008/9 R 4, 695,382 was disbursed to compliant municipalities within the Free State as mandatory grants. This places Free State as the 2<sup>nd</sup> lowest recipient of mandatory grants after the Northern Cape. The low rate of grant payments for 2008/9 is influenced by the following: Xhariep, Naledi and Mafube submitted late, and Koponong and Mangaung did not submit annual training reports. This rendered 5 municipalities in the province ineligible for grants during the 2008/9 year.

Table 3:



The table 3 above, illustrates the discrepancy between levy income (mandatory) from the province and mandatory grants disbursed to the Province.

**Workplace Skills Plan submission and compliance 2009/ 2010:**

Table 4 below (pg 5) illustrates compliance for 2009/ 2010. A large proportion of municipalities in the province have neither a training committee / human resource development committee or human resource development policies. This is symptomatic of severe weaknesses in the workplace training systems at provincial level. It also questions the level of consultation and participation possible in skills planning processes within municipalities in the Province. A substantial number of municipalities do not have human resource development policies or their policies are in draft form. A lack of human resource policies inhibits effective skills planning and the proper utilisation of skills development funding.

Table 4:

Name of Municipality	Type	Size	No.Of Employees	Levy Compliance	Training Committee s/ Skills development committee	HRD Policies	Signed	WSP/ATR Submission2009-2010
<b>FREE STATE</b>								
<b>Xhariep District</b>				√	No	√	√	√
Letsemeng Local	B	M	138	√	No	No	√	√
Kopanong Local	B	L	541	√	No	No	√	√
Mohokare Local	B	L	214	√	No	√	√	√
<b>Motheo District</b>	C	L	167	√	No	√	√	√
Naledi Local	B	M	146	√	No	No	√	√
Mangaung Local	B	L	3649	√	No	√	√	√
Mantsopa Local	B	L	263	√	√	Not completed	√	√
<b>Lejweleputswa District</b>	C	M	108	√	√	Not completed	√	√
Masilonyana Local	B	L	387	√	No	No	No	√
Tokologo Local	B	L	169	√	√	No	√	√
Tswelopele Local	B	L	226	√	√	No	√	√
Matjhabeng Local	B	L	1791	√	√	√	√	√
Nala Local	B	L	481	√	√	Draft	no	√
<b>Thabo Mofutsanyane District</b>	C	M	82	?	√	No	√	√
Setsoto Local	B	L	678	√	√	√	√	√
Dihlabeng Local	B	L	784	√	√	Draft	√	√
Nketoana Local	B	L	240	√	√	No	√	√
Maluti-A-Phofung Local	B	L	931	√	√	√	√	√
Phumelela Local	B	L	243	√	√	√	√	√
<b>Fezile Dabi District</b>	C	M	100	√	No	No	√	√
Moqhaka Local	B	L	973	√	No	Draft	√	√
Ngwathe Local	B	L	605	√	√	Not completed	No	√
Metsimaholo Local	B	L	858	√	√	√	√	√
Mafube Local	B	L	424	√	√	No	√	√

**Proposed training by strategic focus area ( municipal employees):**

Name of Municipality	Infrastructure and Service Delivery	Financial & Administrative Viability	Community based participation & municipal planning	Management & Leadership	Abet	Workplace training systems	Non priority training
<b>FREE STATE</b>							
<b>Xhariep District</b>	0	6	0	0	0	0	0
Letsemeng Local	41	13	0	13	0	0	20
Kopanong Local	0	5	20	15	220	0	140
Mohokare Local	0	9	17	17	12	0	100
<b>Motheo District</b>	Not completed						
Naledi Local	Not completed						
Mangaung Local	41	764	48	286	0	128	561
Mantsopa Local	87	3	4	4	29	0	16
<b>Lejweleputswa District</b>	0	12	0	4	0	1	41
Masilonyana Local	10	11	0	59	0	0	35
Tokologo Local	94	8	35	7	0	0	144
Tswelopele Local	13	14	0	13	0	0	81
Matjhabeng Local	91	0	22	61	256	0	573
Nala Local	25	13	64	0	50	15	76
<b>Thabo Mofutsanyane District</b>	Not completed						
Setsoto Local	69	71	177	109	0	122	88
Dihlabeng Local	Not completed						
Nketoana Local	47	59	10	20	40	15	217
Maluti-A-Phofung Local	Not completed						
Phumelela Local	63	29	33	19	50	0	32

Name of Municipality	Infrastructure and Service Delivery	Financial & Administrative Viability	Community based participation & municipal planning	Management & Leadership	Abet	Workplace training systems	Non priority training
<b>Fezile Dabi District</b>	0	16	21	24	0	0	121
Moqhaka Local	49	0	0	600	79	0	349
Ngwathe Local	Not completed						
Metsimaholo Local	22	16	97	0	0	6	160
Mafube Local	130	27	1	25	93	0	154
<b>TOTALS</b>	<b>782</b>	<b>1076</b>	<b>549</b>	<b>1276</b>	<b>829</b>	<b>287</b>	<b>2908</b>



Almost half of all training planned in the province for 2009/10 is in non- priority areas. Only 287 training interventions are planned to enable the strengthening of workplace training systems – an area noted from the previous table (table 4). The misalignment of training with key priority areas ( which link to the municipal key performance areas) can only lead to a very limited improvement in municipal functioning. Only 782 training interventions are planned in the area of municipal infrastructure and service delivery, whilst municipalities suffer from scarce skills and poor performance in this area. 6 of the municipalities were unable to satisfactorily indicate what training they were planning – Ngwathe, Maluti-a- Phofung, Dihlabeng, Thabo Mofutsanyane, Naledi and Motheo. It should be noted that two of the municipalities unable to satisfactorily disclose planned training are district municipalities which are supposed to perform a supportive and co-ordinating function in relation to local municipalities.