

# **INXUBA YETHEMBA MUNICIPALITY**



## **DRAFT INTEGRATED DEVELOPMENT PLAN 2021/2022**

## LIST OF ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
B2B	Back to Basics
BP	Business Plan
CBD	Central Business District
CDK	Cradock
CHDM	Chris Hani District Municipality
COVID-19	coronavirus disease 2019
DEAT	Department of Environmental Affairs and Tourism
DLA	Department of Land Affairs
DPLG & H	Department of Provincial and Local Government and Housing
DWA	Department of Water Affairs
ESCOM	Electricity Supply Commission
GAMAP	General Accepted Municipal Accounting Practices
GRAP	Generally Reporting Accepted Practices
GEAR	Growth Employment and Redistribution
GGP	Gross Geographic Product
HIV	Human Immune Virus
HSRDP	Human Settlement Re-Development Pilot Project
HDI	Human Development
IYM	Inxuba Yethemba Municipality
LG	Local Government
MBG	Middelburg
MEC	Member of the Executive Council
MLL	Minimum Living Level
NEMA	National Environmental Management Act
NEP	Nation Electrification Programme
NER	National Electrification Regulator
NICD	National Institute Of Communicable Diseases
O & M	Operational and Maintenance
RDP	Reconstruction and Development Programme
RSS	Rapid Services Survey
SALGA	South African Local Government Association
SMME	Small Medium and Micro Enterprises
S.P.	Service Provider

## EXECUTIVE SUMMARY

## CHAPTER 1 INTRODUCTION

## **Introduction**

Integrated Development Planning is a process through which municipalities prepare a strategic development plan, for a five-year period. The Integrated Development Plan (IDP) is a product of the integrated development planning process. The IDP is a principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making in a municipality

The IDP approach is based on the principle of inclusivity, representivity, consultation and participation of all residents, communities and stakeholders within a Municipality, as well as representatives from other spheres of government, sectors specialists and other resource persons.

According to the Municipal Systems Act of 2000 all municipalities (i.e. Metros, District Municipalities and Local Municipalities) have to undertake an integrated development planning process to produce integrated development plans (IDPs). As the IDP is a legislative requirement it has a legal status and it supersedes all other plans that guide development at local government level.

According to the Municipal Systems Act, every new council that comes into office after the local government elections has to prepare its own IDP which will guide them for the five years that they are in office. The IDP is therefore linked to the term of office of councillors. The new council has the option either to adopt the IDP of its predecessor should it feel appropriate to do so or develop a new IDP taking into consideration already existing planning documents.

The IDP/Budget Process Plan was also formulated and adopted by IYM Council on 31<sup>st</sup> August 2020. The IDP/Budget Process Plan outlines in detail, the way in which the IYM embarked on its IDP and Budget processes from its commencement in August 2020 to its completion in June 2021. In brief, the Process Plan outlines the time frames of scheduled events, structures involved and their respective roles and responsibilities. These plans were adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for developing the IDP.

Organisational arrangements were put in place as per the Process Plan and all legislative prescripts were adhered to. Of particular note have been the effective and efficient operations of structures such as the IGR Forum and the IDP Representative Forum.

### **1.4 Relevant Documents**

The following documentation should be read with the IDP:

- Municipal Systems Act and relevant regulations
- IDP Guide Pack, with specific reference to Guide 3 and Guide 6
- IYM IDP (2017 - 2022)
- Various sector plans and programmes

- Performance Management Framework
- Eastern Cape Vision 2030
- National Development Plan 2030

### **Organizational Arrangements**

- ❑ **IYM IDP Structures:-** Structures guiding the IDP Process:
  - Budget Steering Committee
  - IDP/PMS/Budget Representative Forum
  - IGR Forum

## **1.2 Schedule of Meetings**

The outline of the public participation process with specific reference to meetings and workshop dates of the various role players are reflected in the table below.

<b>INXUBA YETHEMBA PROCESS PLAN</b>	
<b>PARTICIPATION STRUCTURES &amp; MEETING DATES</b>	
Mayoral Committee Meeting to look on IDP Process Plan	14 August 2019
Council Approval of Process Plan	28 August 2019
IDP/PMS/Budget Representative Forum	26 September 2019
Mayoral Committee Meeting	04 December 2019
IDP Phase Assessment ( Situation Analysis )	October 2020
Mayoral Committee	22 January 2020
Needs Collection	11-20 November 2020
Mayoral Committee	19 February 2020
Council Meeting Adopting Adjustment Budget	26 February 2021
Institutional Strategic planning session	17-18 March 2021

Budget Steering Committee	13 March 2020
Mayoral Committee Meeting	18 March 2020
IDP Rep Forum	25 March 2021
Council approval of the draft IDP & Budget	31 March 2021
Draft IDP and Draft Budget published. Advertise for public comments (21days)	27 March 2020
IDP/ Budget road shows	01 -09 April 2021
IDP/Budget/PMS Steering Committee to incorporate inputs into the IDP Roadshows	April- May 2019
Mayoral Committee	May 2020
IDP Rep Forum	18 May 2021
Council Meeting (Final Adoption of IDP & Budget)	25 May 2021

### **2021-2022 DRAFT IDP and BUDGET ROADSHOWS**

The outline of the Public Participation Process with specific reference to transparency and community involvement during the 2021- 2022 IDP development process.

Date	Time	Ward	Town/Venue
06-09 APRIL  2021			

## **1.5     Alignment with National and Provincial Programs**

The following National programs informed the IDP Process:

- State of the Nation Address (SONA)
- National Development Planning 2030
- State of Local Government in South Africa
  - Municipal Demarcation Board Reports 2015
- COGTA : Local Government Turnaround Strategy (LGTAS)
- COGTA : Operation Clean Audit 2014
- Powers & Functions :
  - Municipal Demarcation Board
  - Local Government MEC
- King III & IV Report, Code on Good Governance for South Africa



## ALIGNMENT MATRIX

Sustainable Development Goals	National Development Plan 2030	Eastern Cape Vision 2030	Chris Hani District Municipality Strategic objectives	Inxuba Yethemba Municipality Institutional Objectives
Promote sustained, inclusive and sustainable economic growth.	An economy that will create more jobs	A growing, inclusive, radical and equitable economy	To consistently create an enabling environment for Economic Growth, Rural Development and Employment opportunities	
Build resilient Infrastructure, inclusive and sustained industrialisation, and foster innovation	Improving Infrastructure		Ensuring provision of Basic Services in a well-structured, efficient and integrated manner	
End hunger, achieve food security and improved nutrition and promote sustainable agric.	An inclusive and integrated rural economy			

Ensure inclusive and equitable quality education and promote life long learning opportunities for all	Improving the quality of education, training and innovation	An educated, empowered and innovative citizenry.	To establish and maintain a skilled labour force guided by policies to function optimally towards the delivery of services to communities.	
Ensure healthy lives & promote well being for all ages	Quality health care for all	A healthy population		
Make cities and human settlements inclusive, safe , resilient and sustainable	Building safer communities	Vibrant and equitable enabled safe communities		
	Reforming the public service	Capable, conscientious and accountable institutions	Ensuring an effective, Efficient and coordinated Financial Management that enables CHDM to deliver its mandate.	
	Transforming society and uniting the country			
	Reversing the spatial effects of apartheid			

			To encourage the involvement and collaboration of Communities and Stakeholders through working together to achieve good governance in an integrated manner.	
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## PROVINCIAL IDP ASSESSMENTS

KPAs	Rating 2018/2019	Rating 2019/2020	Rating 2020/2021
Basic Service Delivery	Medium	Medium	No assessment report from this KPA
Financial Planning and Budgets	Medium	Medium	Medium
Local Economic Development	High	High	High
Good Governance & Public Participation	Medium	Low	Medium
Institutional Arrangements	Low	Low	No assessment report from this KPA
Overall Rating	Medium		

## COGTA RATING DESCRIPTION

COGTA RATING		
Score	Performance Description	Action Required
Low	Poor	Immediate
Medium	Satisfactory	Minimum Support Required
High	Good	Benchmarking

## **CHAPTER 2**

### **Situational Analysis**

#### **1.2 OVERVIEW OF INXUBA YETHEMBA LOCAL MUNICIPALITY**

The Inxuba Yethemba Local Municipality is a Category B municipality (Area:11 663km<sup>2</sup>) located in the Chris Hani District in the Eastern Cape. It is approximately 240km north of Nelson Mandela Metropolitan Municipality and is one of six municipalities in the district, making up a third of its geographical area. Cradock consists of the suburb of Cradock, and the Lingelihle and Michausdal communities, whilst Middelburg has the suburb of Middelburg, with the Kwanonzame Lusaka and

Midros communities. The two urban centres of Cradock and Middelburg are fairly similar, with well-developed CBDs and fair infrastructure. However, a lot of work still needs to be done in the former previously disadvantaged communities. The rural areas of both towns are mostly commercial farms, with small settlements in the rural areas of Fish River Mortimer and Rosmead. The N10 National Road, which is the vital economic link between Port Elizabeth and the north, runs through Cradock and skirts Middelburg. The main Cities or Towns in Inxuba Yethemba Local Municipality are Cradock, Middelburg, and Mount Zebra National Park. The municipality's economic sectors comprise of community services, finance, trade, transport, agriculture, construction, and manufacturing.

Analysis of Inxuba Yethemba Local Municipality must be contextualized globally, thus the following section will provide both the global and local economic outlooks.

#### **1.3 From Global to Local Economic Outlook**

##### **1.3.1 GLOBAL ECONOMIC OUTLOOK**

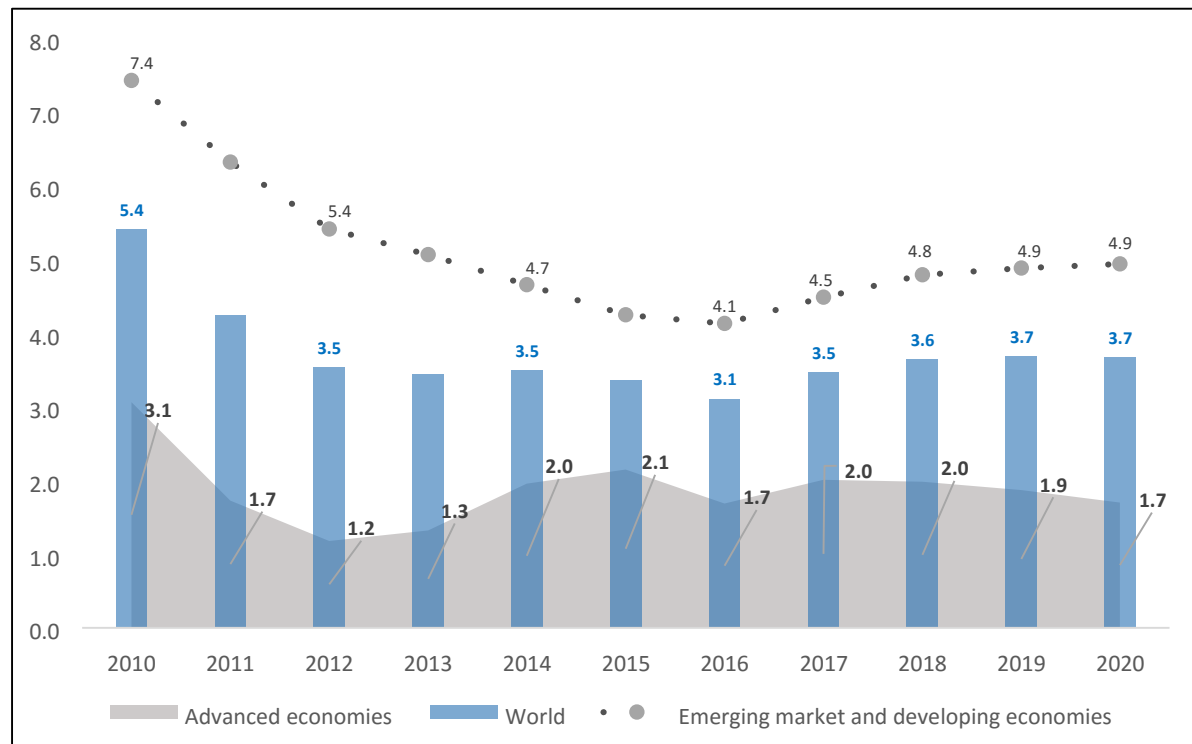
Global economic activity is adopting a long-awaited cyclical recovery in investment, manufacturing, and trade. As per the IMF report, world economic growth is expected to rise from 3.1 percent in 2016 to 3.6 percent in 2018 and 3.7 percent in 2019 (See Chart 1). Stronger activity, expectations of more vigorous global demand, reduced deflationary pressures, and optimistic financial markets are all positive developments. But structural obstructions to a stronger recovery and a balance of risks that remains leaning more to the downside, especially over the medium term, remain important challenges. While growth is still expected to pick up notably for the emerging market and developing economies group, weaker than-expected activity in some large countries has led to small downward revisions to the group's growth prospects for 2017.

For advanced economies, projected growth has been revised upward in the United States, reflecting the assumed fiscal policy easing and an uptick in confidence, which, if it persists, will reinforce the cyclical momentum. The outlook has also improved for Europe and Japan based on a cyclical recovery in global manufacturing and trade that started in the second half of 2016.

The downward revisions to growth forecasts for emerging market and developing economies result from a weaker outlook in several large economies, especially in Latin America and the Middle East, showcasing sustained adjustment to the decline in their terms of trade in recent years, oil production

cuts, and idiosyncratic factors. The 2017 and 2018 growth forecasts have been marked up for China, reflecting stronger-than-expected policy support, as well as for Russia, where activity appears to have bottomed out and higher oil prices bolster the recovery.

1. **CHART 1: WORLD ECONOMIC OUTLOOK: 2010 - 2020**



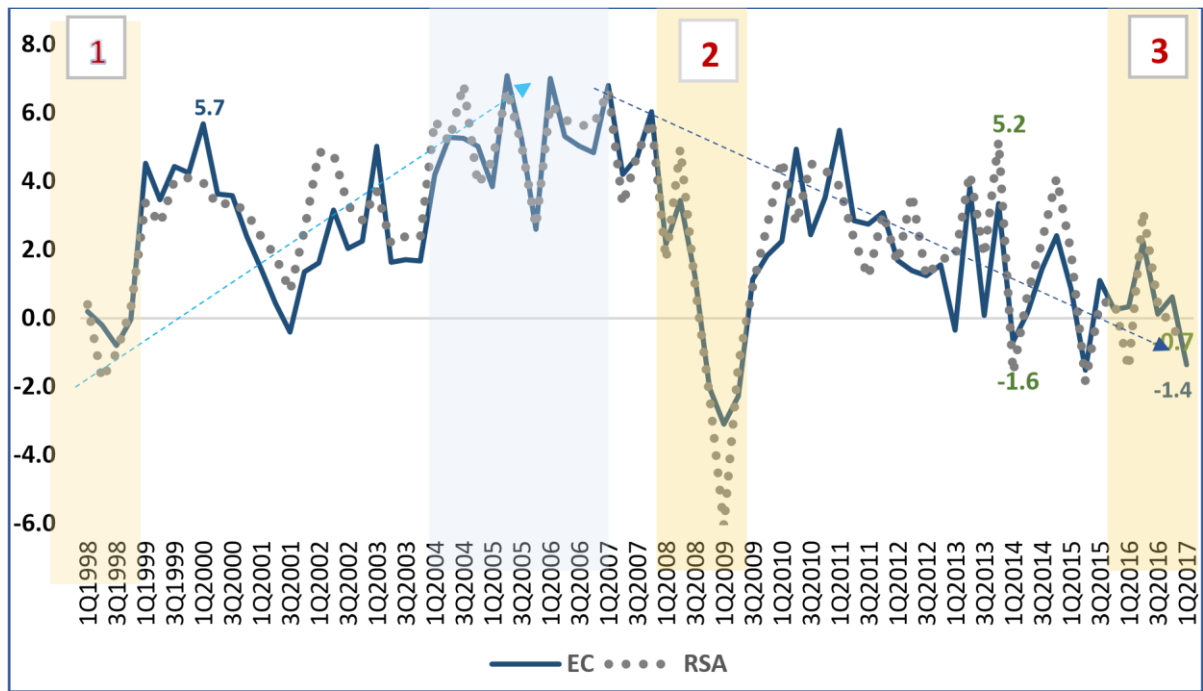
**Source: IMF: World Economic Outlook (Database: October 2017)**

### 1.3.2. SOUTH AFRICA AND EASTERN CAPE ECONOMIC OUTLOOKS

Based on the IMF report, South Africa's economic growth is expected to increase to 1 percent in 2019. This is a 0.2 of a percentage point more than an earlier projection of 0.8 percent. However, South Africa's National Treasury expects growth of 1.3 percent in 2019.

Chart 2 below illustrates how South Africa's economy moved into recession. During the first quarter of 2017, Statistics South Africa reported a decrease of 0, 7 percent in GDP, following a 0, 3 percent contraction in the fourth quarter of 2016. In 2008–2009 there was a recession over three quarters when the country became caught up in the global financial crisis. Summed up, South Africa has experienced three recession since 1997 (See Chart 2).

**CHART 2: SOUTH AFRICA HAS EXPERIENCED THREE RECESSIONS SINCE 1997**



Source: Statistics South Africa and ECSECC (2019)

During the first quarter of 2017, both the secondary and tertiary sectors logged negative growth rates. The trade and manufacturing industries were the major heavyweights that muted production, with trade decreasing by 5, 9% and manufacturing by 3, 7%. Contrary, agriculture and mining industry contributed positively to growth, but it was not enough to avoid the recession. Trade experienced a decline in production across the board, especially in catering, accommodation, and wholesale trade. Manufacturing had lower production levels primarily in food and beverages and petroleum and chemical products. The current economic breakdown demands a radical reprioritization and refocus on catalytic projects.

The section below alludes to both the national and provincial development priorities. The question here should be to check whether these priorities are still relevant in the current economic meltdown dispensation.

## **1.4 NATIONAL AND PROVINCIAL DEVELOPMENT PRIORITIES**

### **1.4.1 NATIONAL DEVELOPMENT PLAN (NDP) AND VISION 2030**

What is the NDP? South Africa's National Development Plan is a detailed blueprint for how the country can eliminate poverty and reduce inequality by the year 2030. The NDP is a plan to unite South Africans, unleash the energies of its citizens, grow an inclusive economy, build capabilities, and enhance the capability of the state and leaders working together to solve complex national problems. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal.

**What are the broad objectives of the National Development Plan? As a long-term strategic plan, the NDP serves four broad objectives:**

- 2. Providing overarching goals for what we want to achieve by 2030.**
- 3. Building consensus on the key obstacles to us achieving these goals and what needs to be done to overcome those obstacles.**
- 4. Providing a shared long-term strategic framework within which more detailed planning can take place in order to advance the long-term goals set out in the NDP.**
- 5. Creating a basis for making choices about how best to use limited resources.**

What is the aim of the NDP and the targets that the NDP seeks to realize? The Plan aims to ensure that all South Africans have a decent standard of living through the elimination of poverty and reduction of inequality. The fundamental elements of a decent standard of living identified in the NDP are: Housing, water, electricity and sanitation; Safe and reliable public transport; Quality education and skills development; Safety and security; Quality health care; Social protection; Employment; Recreation and leisure; Clean environment and Adequate nutrition. These are some of the targets that should be met by 2030.



What are the main priorities articulated in the NDP? Given the complexity of national development, the plan sets out six interlinked priorities:

1. **Uniting all South Africans around a common programme to achieve prosperity and equity.**
2. **Promoting active citizenry to strengthen development, democracy and accountability.**
3. **Bringing about faster economic growth, higher investment and greater labour absorption.**
4. **Focusing on key capabilities of people and the state.**
5. **Building a capable and developmental state.**
6. **Encouraging strong leadership throughout society to work together to solve problems.**

Implementation, monitoring and evaluation of the NDP remain a critical element if the country is to address its challenges.

#### **1.4.2 PROVINCIAL PLANNING PRIORITIES**

What is the Eastern Cape Vision 2030 all about? The provincial vision and long-term plan are intended to mobilize all citizens and sectors of the Eastern Cape around a shared vision. The aim is to provide an opportunity for revisiting social partnerships and development of common goals among citizens, the state and the private sector. The plan promotes mutual accountability between the state, citizens and private sector and enable coherence of the three spheres of the state. It sets the development agenda and priorities for the next 15 years (2015-2030), building on the Provincial Growth and Development Plan (PGDP) of 2004-2014.

**What are the priorities articulated in the Eastern Cape Vision 2030? The plan addresses the following priorities:**

- **Redistributive, inclusive and spatially equitable economic development and growth**
- **Quality health services**
- **Education, training and innovation**
- **Institutional capabilities**

**This set of priorities gives rise to the following five goals of the Vision 2030 PDP:**

**Goal 1:** A developing, inclusive and equitable economy that aims to guarantee a larger and more efficient provincial economy which will lead to more employment and reduced inequalities of income and wealth.

**Goal 2:** A healthy population through an improved health care system for the Eastern Cape.

**Goal 3:** An educated, innovative citizenry. This goal seeks to ensure that people are empowered to define their identity, are capable of sustaining their livelihoods, live healthy

lives and raise healthy families, develop a fair society and economy, and play an effective role in the politics and governance of their communities and nation.

**Goal 4:** Vibrant communities. This goal seeks to generate a shift from the focus on state-driven quantitative housing delivery that has surpassed the need for people to make their own decisions, build and develop their own living spaces and transform spatial patterns as a basis for exciting and unified communities.

**Goal 5:** Capable, conscientious and accountable institutions. This goal seeks to build capable, resilient and accountable institutions to enable and champion rapid inclusive development.

It is vital that the province becomes more coherent and unified around the development agenda it seeks to pursue. This must include strong policy co-ordination and leadership at provincial level (located in the Office of the Premier), and the bedding down of the often complex and unwieldy multilevel governance arrangements that hamstring development.

**The provincial priorities for 2017/18 have been pronounced as follows by the Premier of the Eastern Cape:**

- Province response to the economic downturn and economic uncertainty, particularly through improving efficiency in budget expenditure, reduction in the ratio of compensation of employees to total budget and increased revenue generation.
- Development and implementation of a Provincial Spatial Development Framework, including; small town revitalization, local economic development, integrated Human Settlements and improved roads network infrastructure.
- Improved integration of government programmes and ensuring a functional local government.
- Transforming agriculture; aquaculture, fisheries and forestry.
- Improving the effectiveness of provincial institutions (departments and entities).
- Spear-head the seven-point education plan.
- Improving provincial infrastructure through the Rapid Response Team and the implementation of the 2030 Infrastructure Plan.
- ICT in province, including: Bhisho campus network; broadband and use of transversal contracts.
- Improve health profile of province

### **1.4.3 LOCAL PLANNING PRIORITIES**

#### **1.4.3.1 NDP plan for local government**

The NDP Plan for local government emphasises the need to strengthen the ability of local government to be able to fulfil its developmental role. Municipal Integrated Development Plans (IDPs) need to be used more strategically to focus attention on critical priorities in the NDP that relate to the mandate of local government such as spatial planning, infrastructure and basic services. Like provincial planning processes, municipal IDPs should be used to focus on aspects of the NDP that fit within a municipality's core responsibilities.

This would allow the IDP process to become more manageable and the participation process more meaningful, thus helping to narrow the gap between the aspirations contained in these documents and what can actually be achieved. To do this effectively, the IDP process needs to be led by municipal staff, not outsourced to consultants. As for provinces, there are also many areas where municipalities could start implementation immediately by engaging with aspects of the Plan that speak to their core competencies and identifying how they can action proposals for improving implementation.

## 6. 1.5 SUMMARY OF KEY DEMOGRAPHIC AND SOCIO-ECONOMIC HIGHLIGHTS OF INXUBA YETHEMBA LOCAL MUNICIPALITY

Demographics	2011		2016	
	Number	Percent	Number	Percent
Population	65 560		70 493	
Population growth				1.5
Population profile				
Black African	36 854	56.2	39 740	56.4
Coloured	21 089	32.2	25 216	35.8
Indian or Asian	192	0.3	159	0.2
White	6 888	10.5	5 379	7.6
Population density				
Population by home language				
Afrikaans	28 588	44.6	30 581	44.4
English	1 985	3.1	690	1.0
IsiXhosa	32 027	50.0	36 845	53.5
IsiZulu	123	0.2	71	0.1
Sesotho	274	0.4	99	0.1
Other	1 093	1.7	634	0.9
Number of households	18 801		18 282	
Households size	3.5		3.9	
Gender				
Male	31 671	48.3	33 432	47.4
Female	33 889	51.7	37 061	52.6
Age				
0 - 14	19 106	29.1	24 307	34.5
15 - 34	21 422	32.7	27 519	39.0
35 - 64	20 949	32.0	13 564	19.2
65 +	4 083	6.2	5 103	7.2

Household Services	2011		2016	
	Number	Percent	Number	Percent
Access to housing				
Formal	17 902	97.0	17 987	98.4
Traditional	67	0.4	28	0.2
Informal	381	2.1	161	0.9
Other	113	0.6	107	0.6
Access to water				
Access to piped water	18 599	99.2	17 686	96.7
No Access to piped water	153	0.8	597	3.3
Access to sanitation				
Flush toilet	16 889	91.4	16 819	92.0
Chemical	16	0.1	8	0.0
Pit toilet	510	2.8	275	1.5
Bucket	123	0.7	59	0.3
None	935	5.1	1 106	6.1
Energy for lighting				
Electricity	17 914	95.7	17 546	96.1
Other	804	4.3	718	3.9
Energy for cooking				
Electricity	16 905	90.4	16 847	92.2
Other	1 789	9.6	1 417	7.8
Access to refuse removal				
Removed by local authority at least once a week	15 610	83.2	13 556	74.1
Removed by local authority less often	301	1.6	1 850	10.1
Communal refuse dump	324	1.7	352	1.9
Own refuse dump	1 868	10.0	2 308	12.6
No rubbish disposal	442	2.4	165	0.9

Employment	2011		2016	
	Number	Percent	Number	Percent
Employed	16 835			
Unemployed	5 816			
Employment by industry				
Formal				
Informal				
Private Households				
Economically active population	22 651			
Labour force participation rate		53.5		
Absorption rate		39.7		
Unemployment rate		25.7		

Rating of quality of municipal services	2011		2016	
	Number	Percent	Number	Percent
Water (good)			7 755	42.7
Electricity supply (good)			9 012	50.4
Sanitation (good)			9 120	52.6
Refuse removal (good)			8 455	48.6

Ratio	2011		2016	
	Number	Percent	Number	Percent
Dependency ratio		54.6		63.7
Poverty head count ratio		0.0		0.0
Sex ratio		93.5		90.2

Employment at municipality	2014		2015	
	Number	Percent	Number	Percent
Full-time	359		345	
Part-time	0		0	
Vacant post	101		90	
<b>Total</b>	<b>460</b>		<b>435</b>	

Education	2011		2016	
	Number	Percent	Number	Percent
Level of education (20+)				
No schooling	4 228	10.7	2 420	6.3
Some primary	7 924	20.1	5 801	15.1
Completed primary	2 995	7.6	3 139	8.2
Some secondary	12 826	32.6	14 831	38.5
Grade 12/Matric	7 943	20.2	9 721	25.3
Higher	3 286	8.3	2 271	5.9
Other	176	0.4	309	0.8

Free Basic Services	2014		2015	
	Number	Percent	Number	Percent
Indigent Households	11 588		9 360	
Water	11 588		0	
Electricity	8 823		9 360	
Sewerage & Sanitation	11 588		0	
Solid Waste Management	11 588		9 360	

Agriculture	2011		2016	
	Number	Percent	Number	Percent
Agricultural households			1 894.0	10.4
<b>Cattle</b>				
1 - 10			174	26.9
11 - 100			314	48.5
100+			159	24.6
Total			647	100.0
<b>Sheep</b>				
1 - 10			148	28.4
11 - 100			120	23.0
100+			253	48.6
Total			521	100.0
<b>Goat</b>				
1 - 10			19	9.3
11 - 100			138	67.3
100+			48	23.4
Total			205	100.0
<b>Type of agric activity</b>				
Livestock production			882.0	56.6
Poultry production			999.0	57.8
Vegetable production			441.0	40.8
Other			613.0	12.1

Infrastructure	2011		2016	
	Number	Percent	Number	Percent
Access to telephone lines	2 804	15.0	1 504	8.5
Access to cellular phones	14 539	77.7	15 912	88.4
Access to Internet	4 975	26.5	1 102	6.1

Source: Stats SA, Census 2011 & Community Survey 2016

## 1. DEMOGRAPHY

"Demographics", or "population characteristics" refer to the analysis of the population of a region, the distribution of values within a demographic variable, and across households, as well as trends over time are of interest.

This section provides an overview of the demography of the Inxuba Yethemba Local Municipality and all its surrounding regions, Chris Hani District Municipality, Eastern Cape Province and South Africa as a whole.

### 1.1 TOTAL POPULATION

Population statistics is important during an analysis of an economy. 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 - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBERS PERCENTAGE]**

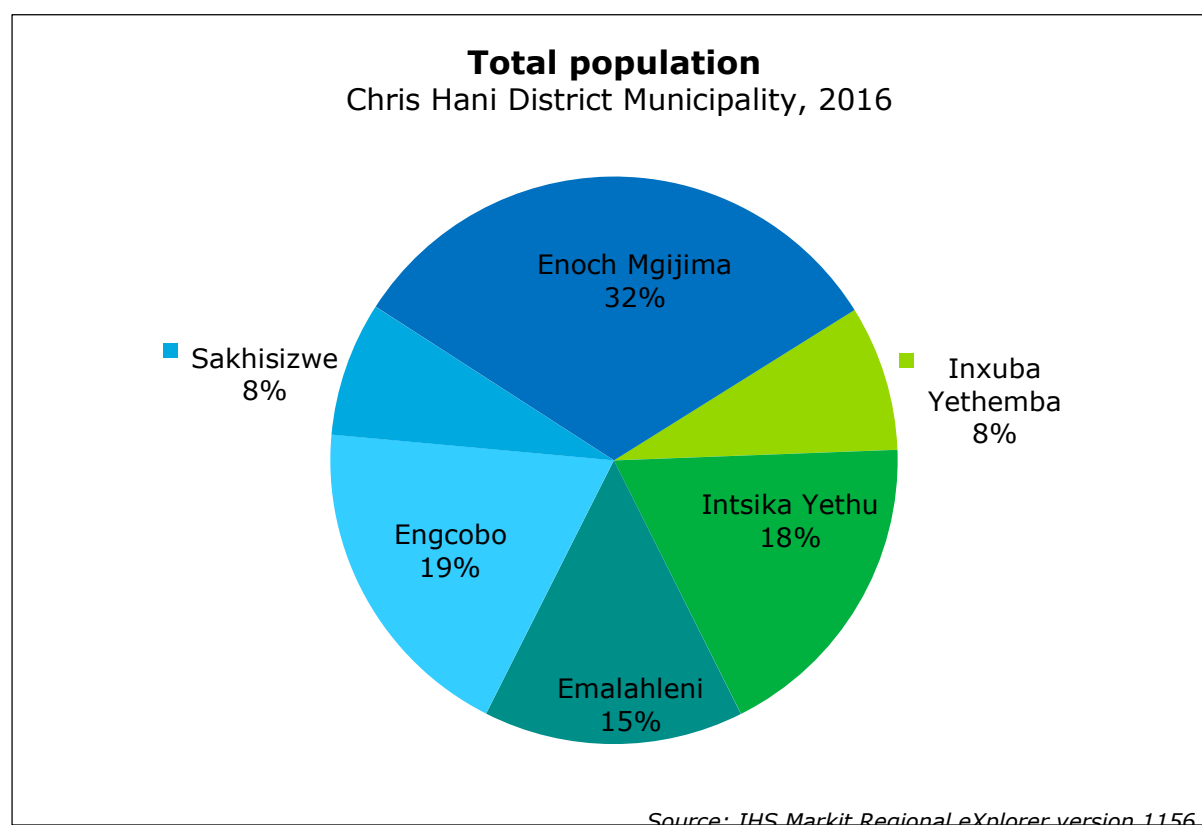
**7. TABLE 1. TOTAL POPULATION - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBERS PERCENTAGE]**

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2006	63,200	804,000	6,450,000	47,800,000	7.9%	0.98%	0.13%
2007	63,500	802,000	6,470,000	48,400,000	7.9%	0.98%	0.13%
2008	63,900	803,000	6,500,000	49,100,000	8.0%	0.98%	0.13%
2009	64,400	806,000	6,540,000	49,800,000	8.0%	0.98%	0.13%
2010	65,100	810,000	6,600,000	50,700,000	8.0%	0.99%	0.13%
2011	65,700	813,000	6,650,000	51,500,000	8.1%	0.99%	0.13%
2012	66,500	816,000	6,710,000	52,400,000	8.1%	0.99%	0.13%
2013	67,200	821,000	6,780,000	53,200,000	8.2%	0.99%	0.13%
2014	68,100	827,000	6,850,000	54,100,000	8.2%	0.99%	0.13%
2015	68,900	834,000	6,930,000	54,900,000	8.3%	0.99%	0.13%
2016	69,800	841,000	7,010,000	55,700,000	8.3%	1.00%	0.13%
<b>Average Annual growth</b>							
2006-2016	<b>0.99%</b>	<b>0.46%</b>	<b>0.83%</b>	<b>1.54%</b>			

Source: IHS Markit Regional eXplorer version 1156

With a population of 69 800 people, the Inxuba Yethemba Local Municipality housed 0.1% of South Africa's total population in 2016. Between 2006 and 2016 the population growth averaged 0.99% per annum which is close to half than the growth rate of South Africa as a whole (1.54%). Compared to Chris Hani's average annual growth rate (0.46%), the growth rate in Inxuba Yethemba's population at 0.99% was more than double than that of the district municipality.

**CHART 3. TOTAL POPULATION - INXUBA YETHEMBA AND THE REST OF CHRIS HANI, 2016 [PERCENTAGE]**



In comparison to other regions, Inxuba Yethemba Local Municipality accounts for a total population of 69,800, or 8.3% of the total population in the Chris Hani District Municipality, ranking as the most populous local municipality in 2016. Inxuba Yethemba increased in importance from ranking sixth in 2006 to fifth in 2016. In terms of its share Inxuba Yethemba Local Municipality was slightly larger in 2016 (8.3%) compared to what it was in 2006 (7.9%). When looking at the average annual growth rate, it is noted that Inxuba Yethemba ranked highest (relative to its peers in terms of growth) with an average annual growth rate of 1.0% between 2006 and 2016.

#### 1.1.1 POPULATION PROJECTIONS

Based on the present age-gender structure and the present fertility, mortality and migration rates,

Inxuba Yethemba's population is projected to grow at an average annual rate of 1.1% from 69 800 in 2016 to 73 800 in 2021.

**TABLE 2. POPULATION PROJECTIONS - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016-2021 [NUMBERS PERCENTAGE]**

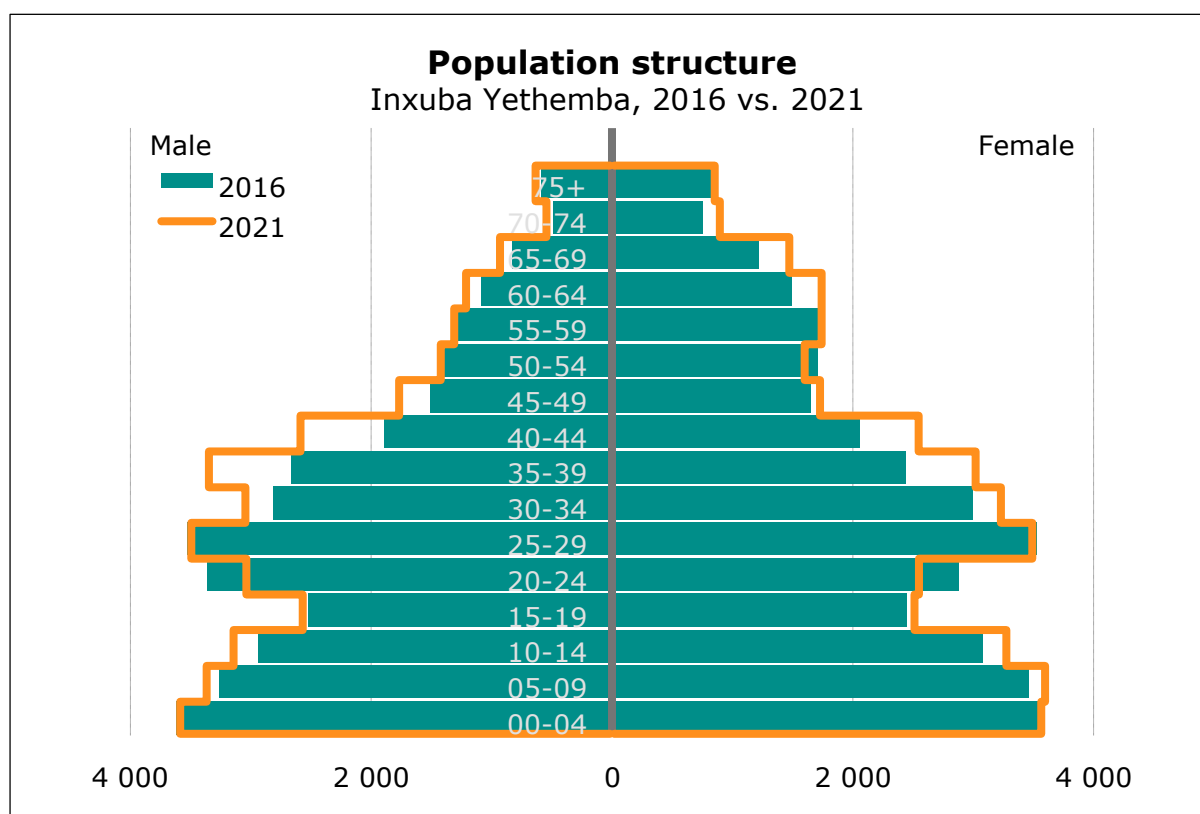
	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2016	69,800	841,000	7,010,000	55,700,000	8.3%	1.00%	0.13%
2017	70,600	849,000	7,080,000	56,500,000	8.3%	1.00%	0.12%
2018	71,500	857,000	7,160,000	57,400,000	8.3%	1.00%	0.12%
2019	72,300	865,000	7,240,000	58,100,000	8.4%	1.00%	0.12%
2020	73,100	872,000	7,310,000	58,900,000	8.4%	1.00%	0.12%
2021	73,800	880,000	7,380,000	59,600,000	8.4%	1.00%	0.12%

#### Average Annual growth

2016-2021	<b>1.14%</b>	<b>0.90%</b>	<b>1.05%</b>	<b>1.37%</b>
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Source: IHS Markit Regional eXplorer version 1156 The population projection of Inxuba Yethemba Local Municipality shows an estimated average annual growth rate of 1.1% between 2016 and 2021. The average annual growth rate in the population over the projection period for Chris Hani District Municipality, Eastern Cape Province and South Africa is 0.9%, 1.0% and 1.4% respectively. The Eastern Cape Province is projected to have an average growth rate of 1.0% which is very similar than that of the Inxuba Yethemba Local Municipality. South Africa as a whole is estimated to have an average annual growth rate of 1.4% which is very similar than that of Inxuba Yethemba's projected growth rate.

**CHART 4. POPULATION PYRAMID - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2016 VS. 2021 [PERCENTAGE]**



Source: IHS Markit Regional eXplorer version 1156

The population pyramid shows a projected change in the structure of the population from 2016 and 2021. The differences can be elaborated in the following manner:

- In 2016, there is a expressively larger share of employed youth aged between 20 and 34 (27.4%), in comparison to what is estimated in 2021 (25.5%). This age category of young working age population will decline over time.
- The fertility rate in 2021 is projected to be slightly higher compared to that experienced in 2016.
- The share of children between the ages of 0 to 14 years is projected to be slightly smaller (27.8%) in 2021 when compared to 2016 (28.6%).

In 2016, the female population for the 20 to 34 years age group amounts to 13.5% of the total female population whilst the male population group for the same age amounts to 13.9% of the total male population. In 2021, the male working age population at 13.0% still exceeds that of the female population working age population at 12.6%, although both are at a lower level compared to 2016.

## 1.2 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 classified 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 - INXUBA YETHEMBA AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2016 [NUMBER].**

	Male	Female	Total
Inxuba Yethemba	33,900	35,900	69,800
Intsika Yethu	74,200	79,000	153,000
Emalahleni	60,400	64,500	125,000
Engcobo	75,000	85,000	160,000
Sakhisizwe	31,600	33,000	64,500
Enoch Mgijima	130,000	139,000	269,000
Chris Hani	405,000	437,000	841,000

*Source: IHS Markit Regional eXplorer version 1156* Inxuba Yethemba Local Municipality's male/female split in population was 94.3 males per 100 females in 2016. The Inxuba Yethemba Local Municipality appears to be a fairly stable population with the share of female population (51.46%) being very similar to the national average of (51.07%). In total there were 35 900 (51.46%) females and 33 900 (48.54%) males. This is different from Chris Hani District Municipality as a whole where the female population counted 437 000 which constitutes 51.88% of the total population of 842 000.



**TABLE 4. POPULATION BY POPULATION GROUP, GENDER AND AGE - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2016 [NUMBER].**

	African		White		Coloured	
	Female	Male	Female	Male	Female	Male
00-04	2,330	2,350	150	165	1,110	1,100
05-09	2,150	2,140	158	182	1,150	928
10-14	1,670	1,670	291	207	1,110	1,050
15-19	1,320	1,380	228	159	892	980
20-24	1,780	2,270	174	170	909	913
25-29	2,340	2,510	223	201	957	790
30-34	2,000	2,010	215	181	772	604
35-39	1,510	1,810	205	175	712	667
40-44	1,090	991	237	263	720	625
45-49	867	679	266	257	519	566
50-54	909	625	283	272	515	525
55-59	949	620	287	289	507	428
60-64	761	541	257	166	474	376
65-69	644	377	179	203	388	248
70-74	391	271	149	108	215	110
<b>75+ Total</b>	<b>379</b>	<b>224</b>	<b>264</b>	<b>218</b>	<b>197</b>	<b>131</b>
	<b>21,100</b>	<b>20,500</b>	<b>3,570</b>	<b>3,220</b>	<b>11,100</b>	<b>10,000</b>

*Source: IHS Markit Regional eXplorer version 1156* In 2016, the Inxuba Yethemba Local Municipality's population consisted of 59.57% African (41 600), 9.72% White (6 780), 30.36% Coloured (21 200) and 0.35% Asian (243) people.

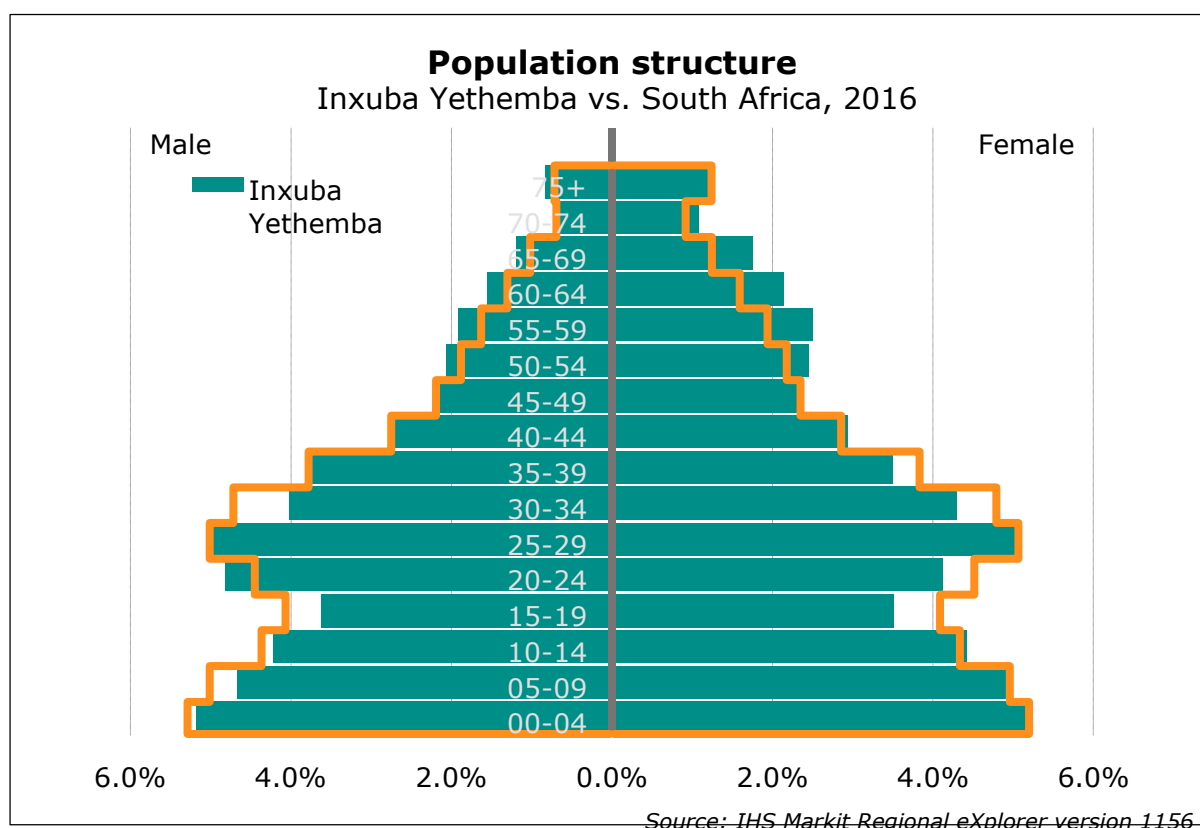
The largest share of population is within the young working age (25-44 years) age category with a total number of 21 900 or 31.4% of the total population. The age category with the second largest number of people is the babies and kids (0-14 years) age category with a total share of 28.6%, followed by the older working age (45-64 years) age category with 12 000 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 4 720 people, as reflected in the population pyramids below.

### 1.2.1 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.

The chart below compares Inxuba Yethemba's population structure of 2016 to that of South Africa.

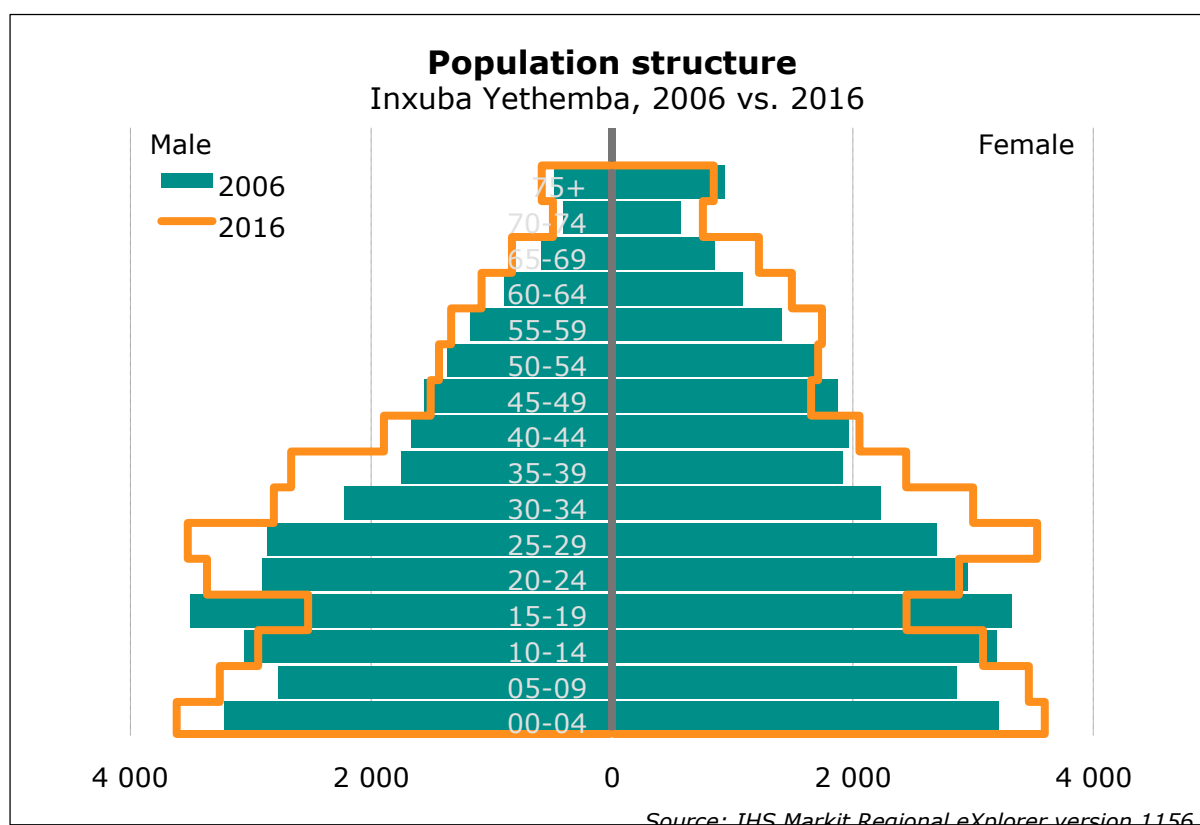
### CHART 5. POPULATION PYRAMID - INXUBA YETHEMBA LOCAL MUNICIPALITY VS. SOUTH AFRICA, 2016 [PERCENTAGE]



By comparing the population pyramid of the Inxuba Yethemba Local Municipality with the national age structure, the most significant differences are:

- There is a significant smaller share of young working age people - aged 20 to 34 (27.4%) - in Inxuba Yethemba, compared to the national picture (28.6%).
- Fertility in Inxuba Yethemba is slightly higher 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 slightly smaller (28.6%) in Inxuba Yethemba compared to South Africa (29.2%). Demand for expenditure on schooling as percentage of total budget within Inxuba Yethemba Local Municipality will therefore be lower than that of South Africa.

**CHART 6. POPULATION PYRAMID - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006 VS. 2016 [PERCENTAGE]**



Comparing the 2006 with the 2016 population pyramid for Inxuba Yethemba Local Municipality, interesting differences are visible:

- **In 2006, there were a significant smaller share of young working age people - aged 20 to 34 (25.1%) - compared to 2016 (27.4%).**
- **Fertility in 2006 was slightly lower compared to that of 2016.**
- **The share of children between the ages of 0 to 14 years is slightly larger in 2006 (29.0%) compared to 2016 (28.6%).**
- **Life expectancy is increasing.**

In 2016, the female population for the 20 to 34 years age group amounted to 12.5% of the total female population while the male population group for the same age amounted to 12.6% of the total male population. In 2006 the male working age population at 13.9% still exceeds that of the female population working age population at 13.5%.

### 1.3 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 2016, the Inxuba Yethemba Local Municipality comprised of 19 700 households. This equates to an average annual growth rate of 1.25% in the

number of households from 2006 to 2016. With an average annual growth rate of 0.99% in the total population, the average household size in the Inxuba Yethemba Local Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2006 decreased from approximately 3.6 individuals per household to 3.5 persons per household in 2016.

**TABLE 5. NUMBER OF HOUSEHOLDS - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER PERCENTAGE]**

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2006	17,400	195,000	1,570,000	13,000,000	8.9%	1.11%	0.13%
2007	17,700	198,000	1,590,000	13,100,000	8.9%	1.11%	0.13%
2008	18,000	203,000	1,620,000	13,400,000	8.9%	1.11%	0.13%
2009	18,300	209,000	1,670,000	13,700,000	8.8%	1.10%	0.13%
2010	18,500	211,000	1,680,000	13,900,000	8.8%	1.10%	0.13%
2011	18,700	213,000	1,700,000	14,200,000	8.8%	1.10%	0.13%
2012	18,900	215,000	1,720,000	14,500,000	8.8%	1.10%	0.13%
2013	19,100	216,000	1,730,000	14,700,000	8.8%	1.10%	0.13%
2014	19,200	216,000	1,740,000	15,000,000	8.9%	1.10%	0.13%
2015	19,500	219,000	1,770,000	15,400,000	8.9%	1.10%	0.13%
2016	19,700	222,000	1,790,000	15,800,000	8.9%	1.10%	0.13%

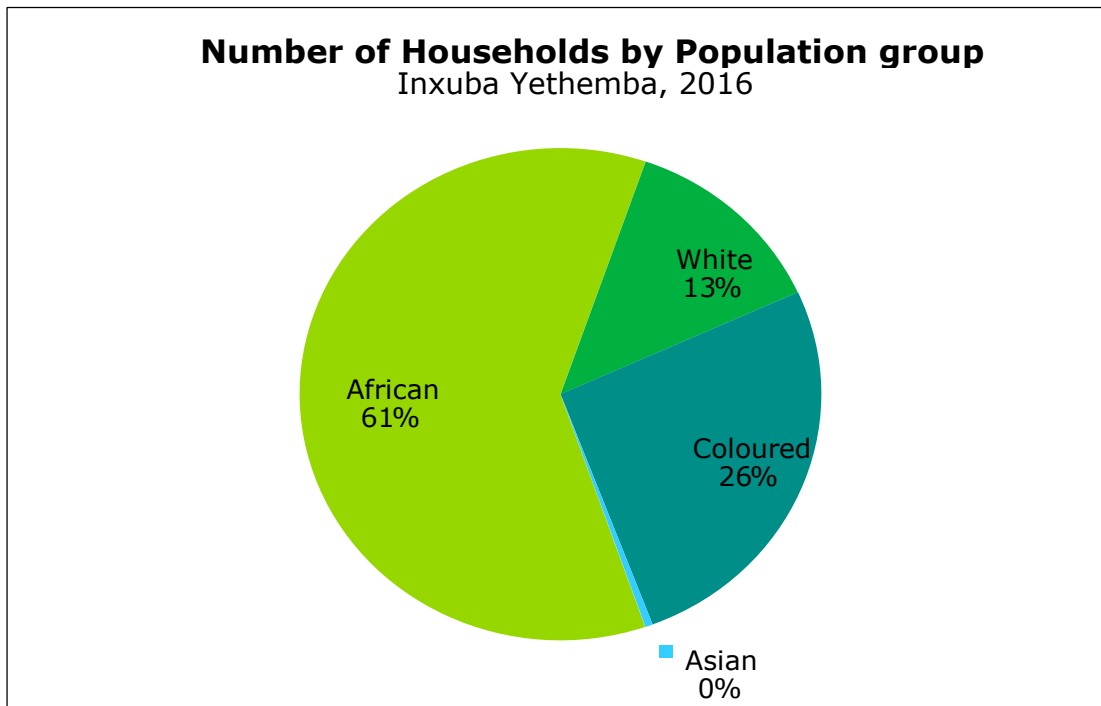
### Average Annual growth

2006-2016	<b>1.25%</b>	<b>1.28%</b>	<b>1.32%</b>	<b>1.97%</b>
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Source: IHS Markit Regional eXplorer version 1156 Relative to the district municipality, the Inxuba Yethemba Local Municipality had a lower average annual growth rate of 1.25% from 2006 to 2016. In contrast, the province had an average annual growth rate of 1.32% from 2006. South Africa as a whole had a total of 15.8 million households, with a growth rate of 1.97%, thus growing at a higher rate than the Inxuba Yethemba.

The composition of the households by population group comprises of 60.6% which is ascribed to the African population group with the largest number of households by population group. The Coloured population group had a total composition of 26.1% (ranking second). The White population group had a total composition of 12.9% of the total households. The smallest population group by households is the Asian population group with only 0.5% in 2016.

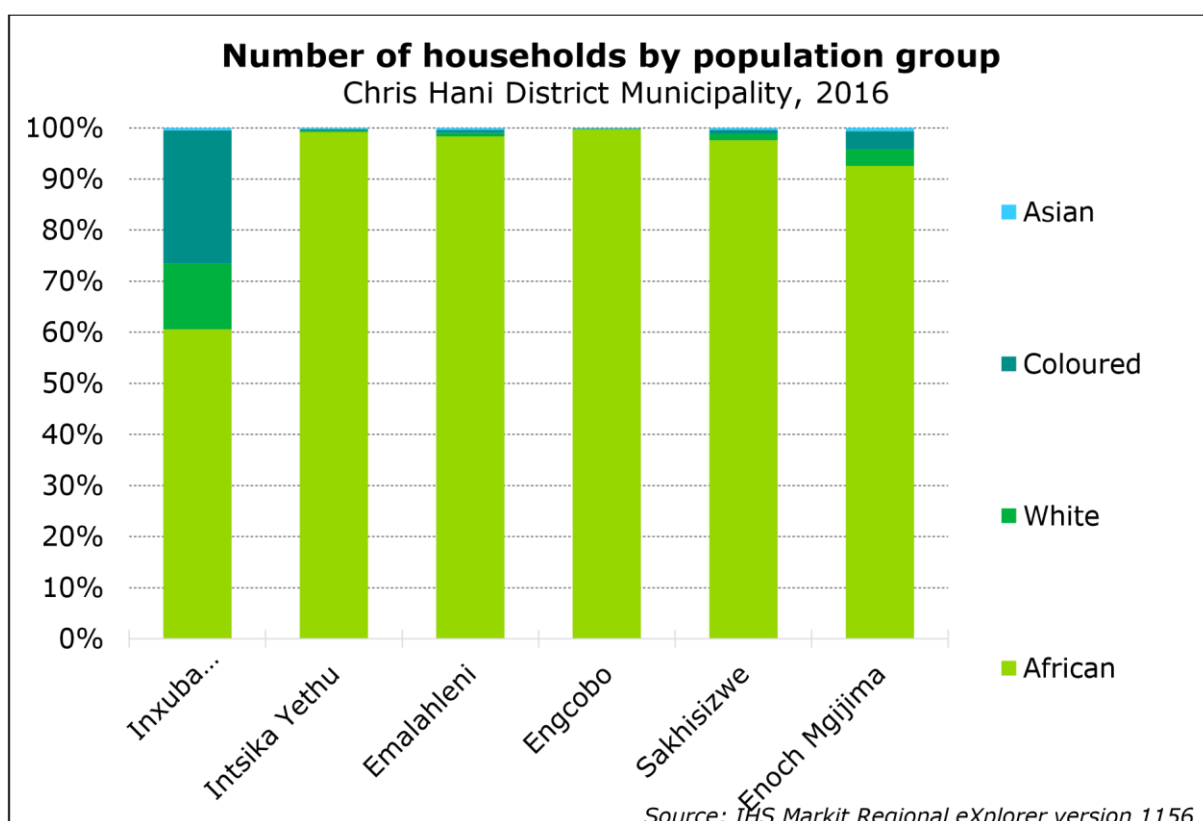
**CHART 7. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2016 [PERCENTAGE]**



*Source: IHS Markit Regional eXplorer version 1156*

The growth in the number of African headed households was on average 2.20% per annum between 2006 and 2016, which translates in the number of households increasing by 2 340 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2006 and 2016 at 18.44%. The average annual growth rate in the number of households for all the other population groups has increased with 1.21%.

**CHART 8. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - INXUBA YETHEMBA LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2016 [PERCENTAGE]**



#### 1.4 HIV+ AND AIDS ESTIMATES

HIV and AIDS can have a considerable 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 6. NUMBER OF HIV+ PEOPLE - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER AND PERCENTAGE]**

Inxuba Yethemba		Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2006	5,040	76,500	622,000	5,320,000	6.6%	0.81%	0.09%
2007	5,140	77,600	626,000	5,370,000	6.6%	0.82%	0.10%

2008	5,220	78,600	631,000	5,400,000	6.6%	0.83%	0.10%
2009	5,300	79,600	643,000	5,480,000	6.7%	0.82%	0.10%
2010	5,430	81,300	660,000	5,590,000	6.7%	0.82%	0.10%
2011	5,590	83,400	676,000	5,680,000	6.7%	0.83%	0.10%
2012	5,810	86,400	691,000	5,760,000	6.7%	0.84%	0.10%
2013	6,000	88,800	712,000	5,880,000	6.8%	0.84%	0.10%
2014	6,220	91,800	736,000	6,010,000	6.8%	0.84%	0.10%
2015	6,440	94,900	760,000	6,130,000	6.8%	0.85%	0.11%
2016	6,670	98,100	786,000	6,280,000	6.8%	0.85%	0.11%

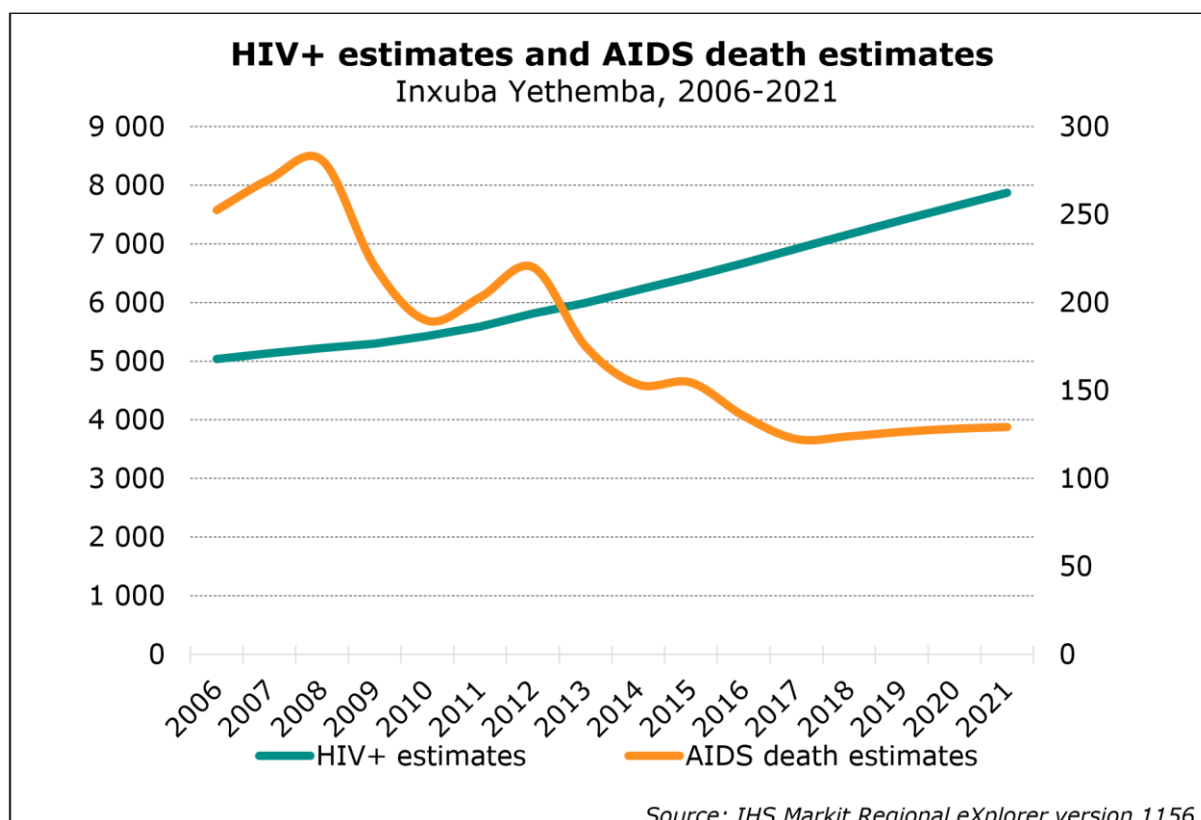
### Average Annual growth

2006-2016      **2.85%**      **2.51%**      **2.37%**      **1.67%**

Source: IHS Markit Regional eXplorer version 1156 In 2016, 6 670 people in the Inxuba Yethemba Local Municipality were infected with HIV. This reflects an increase at an average annual rate of 2.85% since 2006, and in 2016 represented 9.56% of the local municipality's total population. Chris Hani District Municipality had an average annual growth rate of 2.51% from 2006 to 2016 in the number of people infected with HIV, which is lower than that of the Inxuba Yethemba Local Municipality. The number of infections in Eastern Cape Province increased from 622,000 in 2006 to 786,000 in 2016. When looking at South Africa as a whole it can be seen that the number of people that are infected increased from 2006 to 2016 with an average annual growth rate of 1.67%.

*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 9. AIDS PROFILE AND FORECAST - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2021 [NUMBERS]**



Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS amounted to 253 in 2006 and 136 for 2016. This number signifies a decrease from 2006 to 2016

with a high average annual rate of -6.03% (or -117 people). For the year 2016, they represented 0.19% of the total population of the entire local municipality.

## 2. ECONOMY

The economic state of Inxuba Yethemba Local Municipality is put in perspective by comparing it on a spatial level with its surrounding locals, Chris Hani District Municipality, Eastern Cape Province and South Africa.

The Inxuba Yethemba Local Municipality does not function in isolation from Chris Hani, Eastern Cape 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.

### 2.1 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 7. GROSS DOMESTIC PRODUCT (GDP) - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [R BILLIONS, CURRENT PRICES]**

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2006	1.5	10.8	142.2	1,839.4	13.8%	1.05%	0.08%
2007	1.9	12.9	168.2	2,109.5	14.4%	1.11%	0.09%
2008	2.0	13.5	174.1	2,369.1	15.2%	1.17%	0.09%
2009	2.3	15.1	191.2	2,507.7	15.5%	1.23%	0.09%
2010	2.7	16.8	211.6	2,748.0	15.9%	1.26%	0.10%
2011	2.9	18.1	226.1	3,023.7	16.1%	1.29%	0.10%
2012	3.3	20.2	252.2	3,253.9	16.6%	1.33%	0.10%
2013	3.7	21.7	273.2	3,539.8	17.2%	1.37%	0.11%
2014	4.1	23.3	293.9	3,807.7	17.7%	1.40%	0.11%
2015	4.4	25.0	315.6	4,049.8	17.8%	1.41%	0.11%
2016	4.8	26.7	337.8	4,338.9	17.9%	1.41%	0.11%

Source: IHS Markit Regional eXplorer version 1156 With a GDP of R 4.78 billion in 2016 (up from R 1.5 billion in 2006), the Inxuba Yethemba Local Municipality contributed 17.93% to the Chris Hani District Municipality GDP of R 26.7 billion in 2016 increasing in the share of the Chris Hani from 13.80% in 2006. The Inxuba Yethemba Local Municipality contributes 1.41% to the GDP of Eastern Cape Province and 0.11% the GDP of South Africa which had a total GDP of R 4.34 trillion in 2016 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2006 when it contributed 0.08% to South Africa.

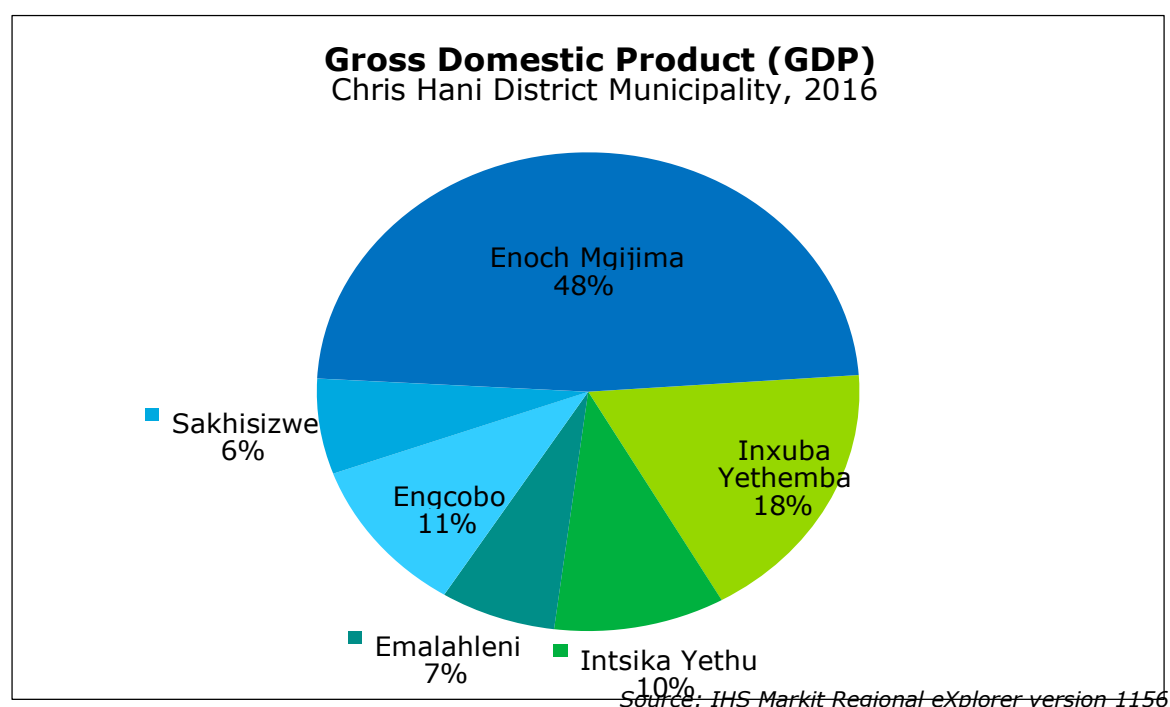


**TABLE 8. GROSS DOMESTIC PRODUCT (GDP) - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]**

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
2006	8.3%	3.5%	5.3%	5.3%
2007	11.1%	5.2%	5.3%	5.4%
2008	8.7%	4.2%	3.2%	3.2%
2009	4.5%	0.7%	-1.0%	-1.5%
2010	5.4%	1.5%	2.4%	3.0%
2011	4.6%	3.6%	3.7%	3.3%
2012	4.9%	1.2%	2.0%	2.2%
2013	4.4%	0.6%	1.4%	2.5%
2014	3.8%	0.9%	1.1%	1.7%
2015	1.6%	1.0%	0.7%	1.3%
2016	0.3%	0.0%	0.2%	0.3%
Average Annual growth 2006-2016+	4.88%	1.88%	1.89%	2.12%

Source: IHS Markit Regional eXplorer version 1156 In 2016, the Inxuba Yethemba Local Municipality achieved an annual growth rate of 0.31% which is a very similar GDP growth than the Eastern Cape Province's 0.25%, but is higher than that of South Africa, where the 2016 GDP growth rate was 0.28%. Contrary to the short-term growth rate of 2016, the longer-term average growth rate for Inxuba Yethemba (4.88%) is significantly higher than that of South Africa (2.12%). The economic growth in Inxuba Yethemba peaked in 2007 at 11.09%.

**CHART 10. GROSS DOMESTIC PRODUCT (GDP) - INXUBA YETHEMBA LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2016 [PERCENTAGE]**



The Inxuba Yethemba Local Municipality had a total GDP of R 4.78 billion and in terms of total contribution towards Chris Hani District Municipality the Inxuba Yethemba Local Municipality ranked second relative to all the regional economies to total Chris Hani District Municipality GDP. This ranking in terms of size compared to other regions of Inxuba Yethemba remained the same since 2006. In terms of its share, it was in 2016 (17.9%) significantly larger compared to what it was in 2006 (13.8%). For the period 2006 to 2016, the average annual growth rate of 4.9% of Inxuba Yethemba was the highest relative to its peers in terms of growth in constant 2010 prices.

**TABLE 9. GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN CHRIS HANI DISTRICT MUNICIPALITY, 2006 TO 2016, SHARE AND GROWTH**

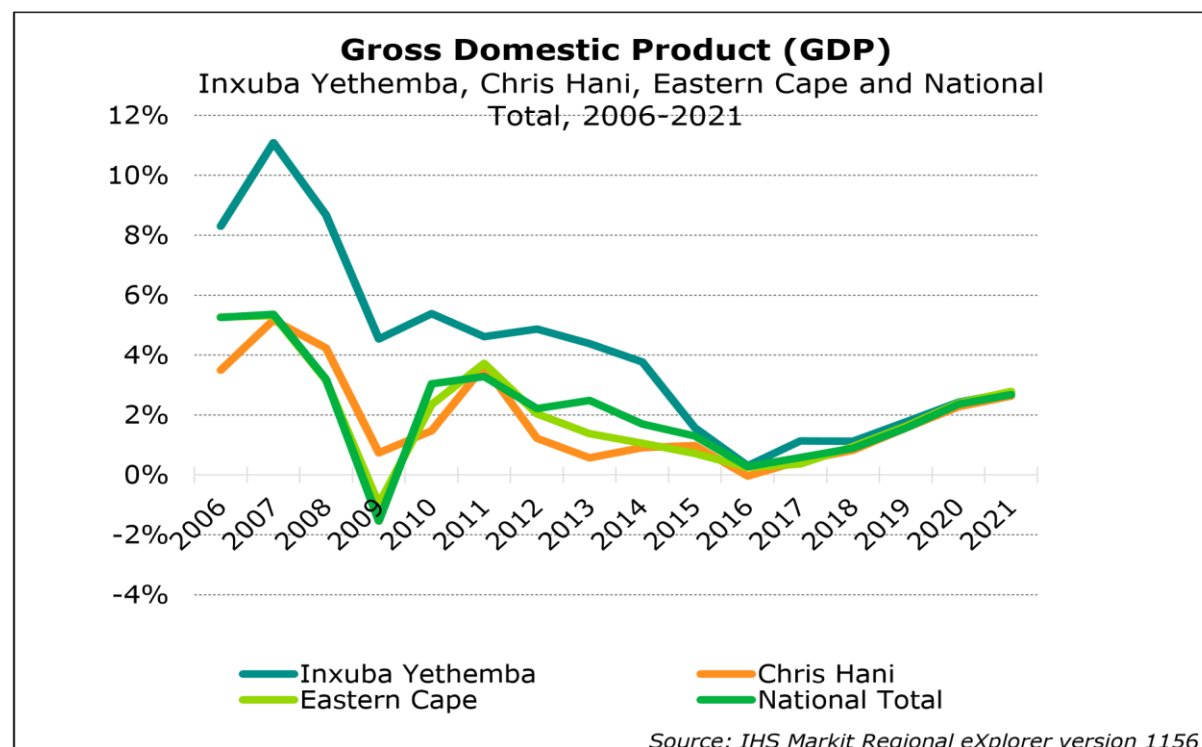
	2016 (Current prices)	Share of local municipality	2006 (Constant prices)	2016 (Constant prices)	Average Annual growth
Inxuba Yethemba	4.78	17.93%	2.03	3.26	4.88%
Intsika Yethu	2.72	10.19%	1.73	1.83	0.58%
Emalahleni	1.84	6.89%	1.11	1.24	1.10%
Engcobo	2.81	10.54%	1.75	1.92	0.93%
Sakhisizwe	1.72	6.44%	1.01	1.17	1.41%
Enoch Mgijima	12.80	48.01%	7.38	8.66	1.61%

Source: IHS Markit Regional eXplorer version 1156 Inxuba Yethemba had the highest average annual economic growth, averaging 4.88% between 2006 and 2016, when compared to the rest of the regions within Chris Hani District Municipality. The Enoch Mgijima local municipality had the second highest average annual growth rate of 1.61%. Intsika Yethu local municipality had the lowest average annual growth rate of 0.58% between 2006 and 2016.

### 2.1.1 ECONOMIC GROWTH FORECAST

It is expected that Inxuba Yethemba Local Municipality will grow at an average annual rate of 1.84% from 2016 to 2021. The average annual growth rate in the GDP of Chris Hani District Municipality and Eastern Cape Province is expected to be 1.55% and 1.62% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.61%, which is lower than that of the Inxuba Yethemba Local Municipality.

**CHART 11. GROSS DOMESTIC PRODUCT (GDP) - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2021 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]**



In 2021, Inxuba Yethemba's projected GDP will be an estimated R 3.57 billion (constant 2010 prices) or 18.3% of the total GDP of Chris Hani District Municipality. The ranking in terms of size of the Inxuba Yethemba Local Municipality will remain the same between 2016 and 2021, with a contribution to the Chris Hani District Municipality GDP of 18.3% in 2021 compared to the 18.0% in 2016. At a 1.84% average annual GDP growth rate between 2016 and 2021, Inxuba Yethemba ranked the highest compared to the other regional economies.

**TABLE 10. GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN CHRIS HANI DISTRICT MUNICIPALITY, 2006 TO 2021, SHARE AND GROWTH**

2021 (Current prices)		Share of district municipality		2006 (Constant prices)	2021 (Constant prices)	Average Annual growth
Inxuba Yethemba	6.76	34.63%	3.57	2.03	3.86%	
Intsika Yethu		3.83	19.60%	1.73	1.99	0.93%
Emalahleni		2.53	12.94%	1.11	1.31	1.13%
Engcobo		3.93	20.12%	1.75	2.07	1.13%
Sakhisizwe		2.40	12.30%	1.01	1.26	1.45%
Enoch Mgijima		17.83	91.34%	7.38	9.32	1.56%

Source: IHS Markit Regional eXplorer version 1156

## 2.2 GROSS VALUE ADDED BY REGION (GVA-R)

The Inxuba Yethemba 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 Inxuba Yethemba Local Municipality.

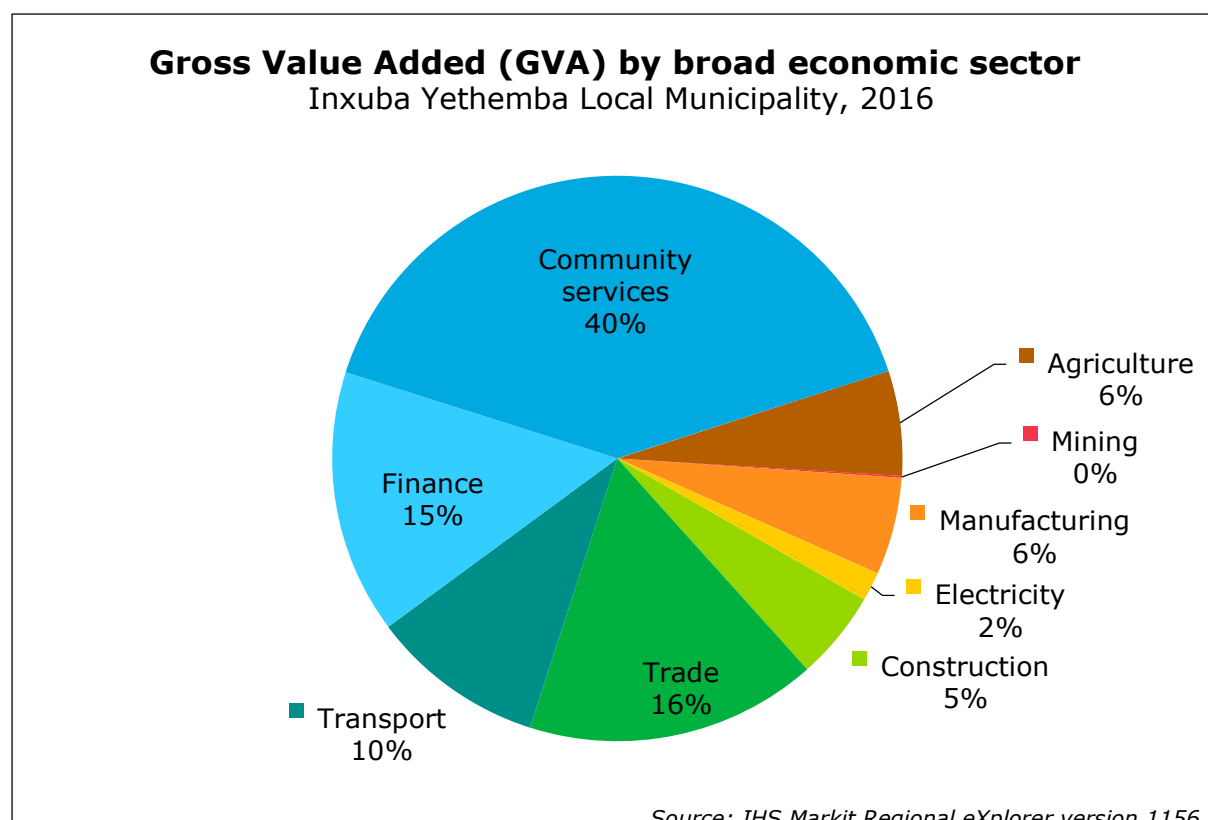
**TABLE 11. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2016 [R BILLIONS, CURRENT PRICES]**

Inxuba  Yethemba		Chris Hani	Eastern Cape	National Total	Inxuba  Yethemba as % of district municipality	Inxuba  Yethemba as % of province	Inxuba  Yethemba as % of national
Agriculture	0.3	0.7	5.9	94.4	35.7%	4.5%	0.28%
Mining	0.0	0.0	0.5	306.2	13.2%	1.1%	0.00%
Manufacturing	0.2	1.2	36.3	517.4	19.8%	0.7%	0.05%
Electricity	0.1	0.4	6.2	144.1	17.9%	1.2%	0.05%
Construction	0.2	1.1	13.2	154.3	19.7%	1.7%	0.14%

Trade	0.7	5.5	61.5	589.7	13.3%	1.2%	0.12%
Transport	0.4	1.9	27.5	389.2	22.3%	1.6%	0.11%
Finance	0.7	3.9	60.5	781.7	17.2%	1.1%	0.08%
Community services	1.8	9.5	89.7	894.1	18.6%	2.0%	0.20%
<b>Total Industries</b>	<b>4.4</b>	<b>24.3</b>	<b>301.2</b>	<b>3,871.2</b>	<b>18.1%</b>	<b>1.5%</b>	<b>0.11%</b>

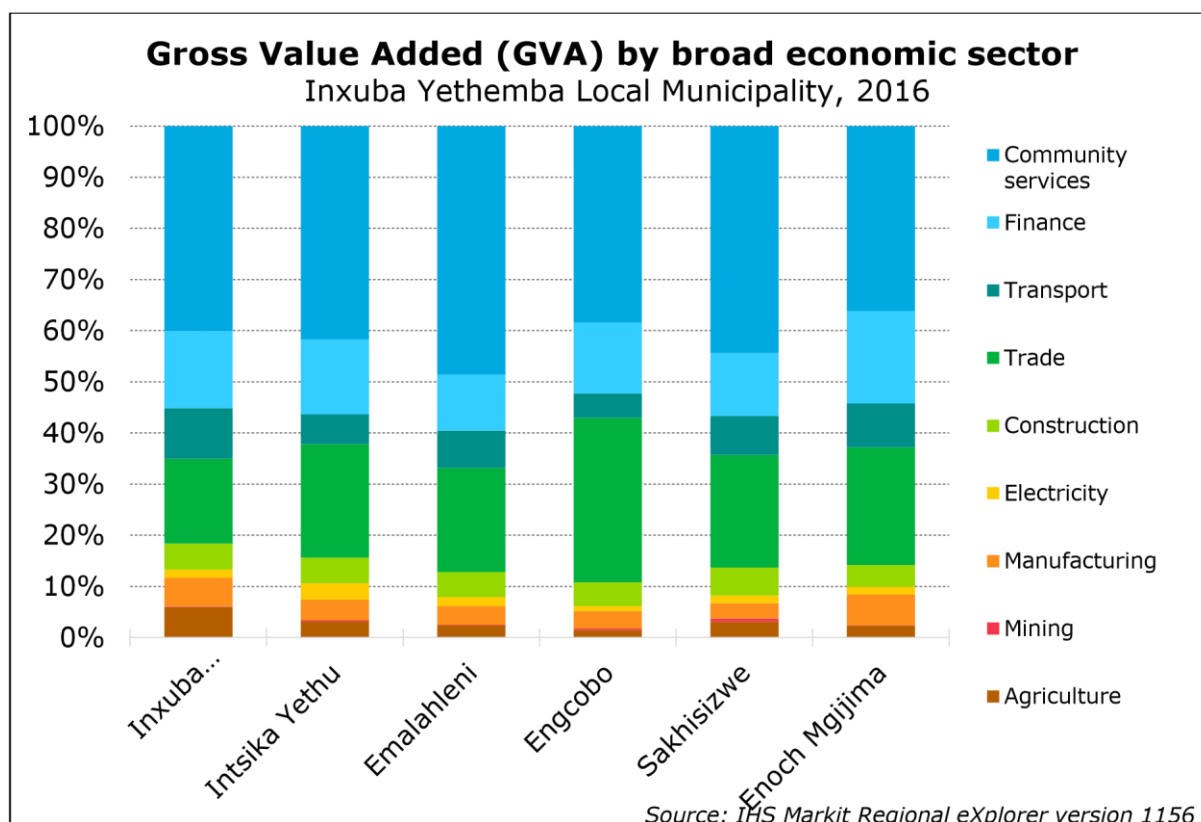
Source: IHS Markit Regional eXplorer version 1156 In 2016, the community services sector is the largest within Inxuba Yethemba Local Municipality accounting for R 1.76 billion or 40.1% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Inxuba Yethemba Local Municipality is the trade sector at 16.6%, followed by the finance sector with 15.1%. The sector that contributes the least to the economy of Inxuba Yethemba Local Municipality is the mining sector with a contribution of R 5.01 million or 0.11% of the total GVA.

**CHART 12. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2016 [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 Chris Hani District Municipality, it is clear that the Enoch Mgijima contributes the most community services towards its own GVA, with 44.73%, relative to the other regions within Chris Hani District Municipality. The Enoch Mgijima contributed R 11.7 billion or 48.25% to the GVA of Chris Hani District Municipality. The region within Chris Hani District Municipality that contributes the most to the GVA of the Chris Hani District Municipality was the Inxuba Yethemba with a total of R 4.39 billion or 18.07%.

**CHART 13. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO, SAKHISIZWE AND ENOCH MGIJIMA, 2016 [PERCENTAGE COMPOSITION]**



### 2.2.1 HISTORICAL ECONOMIC GROWTH

For the period 2016 and 2006, the GVA in the construction sector had the highest average annual growth rate in Inxuba Yethemba at 6.42%. The industry with the second highest average annual growth rate is the finance sector averaging at 5.60% per year. The manufacturing sector had an average annual growth rate of 2.91%, while the electricity sector had the lowest average annual growth of -0.84%. Overall a positive growth existed for all the industries in 2016 with an annual growth rate of 0.38% since 2015.

## GROSS VALUE ADDED (GVA)

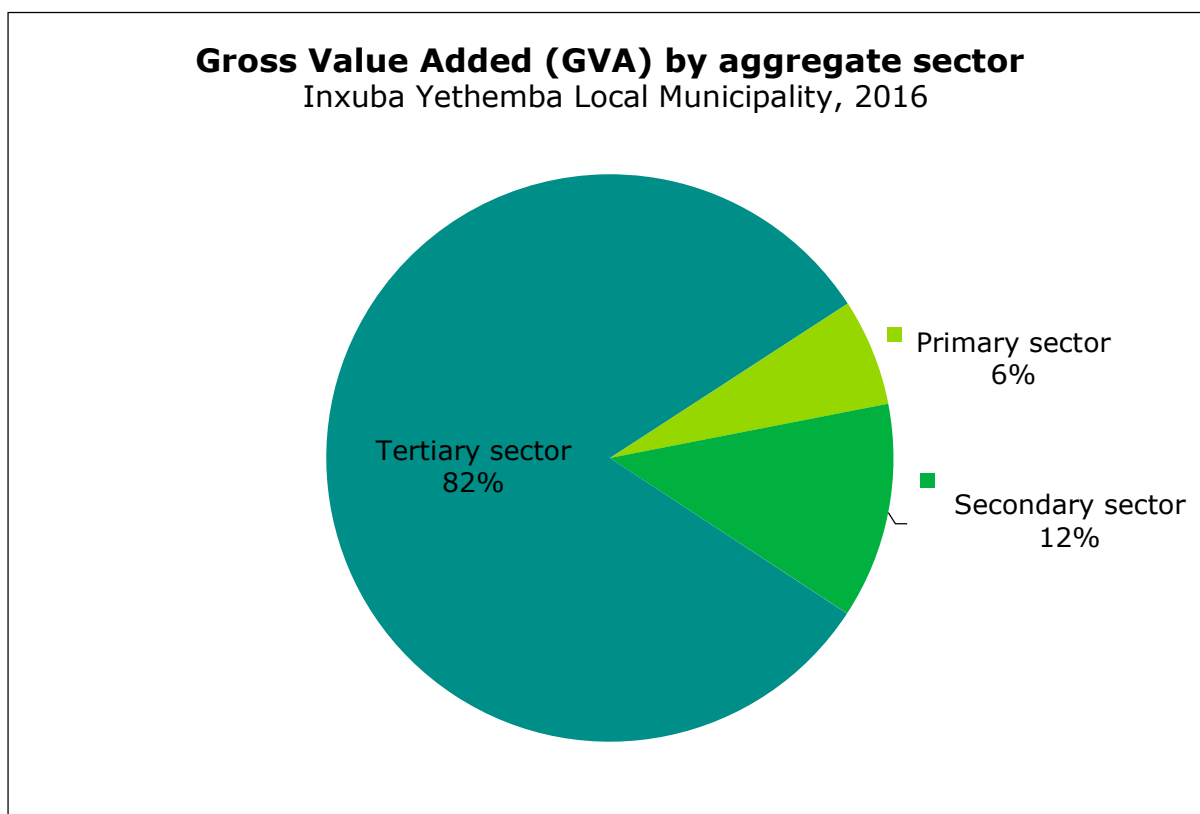
**TABLE 12. VA) BY BROAD ECONOMIC SECTOR - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006, 2011 AND 2016 [R MILLIONS, 2010 CONSTANT PRICES]**

2006	2011	2016	Average Annual growth
Agriculture	85.6	136.0	136.4 4.77%
Mining	5.4	6.3	7.7 3.63%
Manufacturing	140.7	177.1	187.5 2.91%
Electricity	31.1	40.1	28.6 -0.84%
Construction	76.2	122.4	142.0 6.42%
Trade	314.4	437.6	498.9 4.72%
Transport	192.6	258.8	296.0 4.40%
Finance	277.2	395.1	477.9 5.60%
Community services	748.9	1,042.8	1,256.9 5.31%
<b>Total Industries</b>	<b>1,872.1</b>	<b>2,616.2</b>	<b>3,031.9 4.94%</b>

Source: IHS Markit Regional eXplorer version 1156

The tertiary sector contributes the most to the Gross Value Added within the Inxuba Yethemba Local Municipality at 81.6%. This is significantly higher than the national economy (68.6%). The secondary sector contributed a total of 12.3% (ranking second), while the primary sector contributed the least at 6.1%

### CHART 14. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2016 [PERCENTAGE]



*Source: IHS Markit Regional eXplorer version 1156*

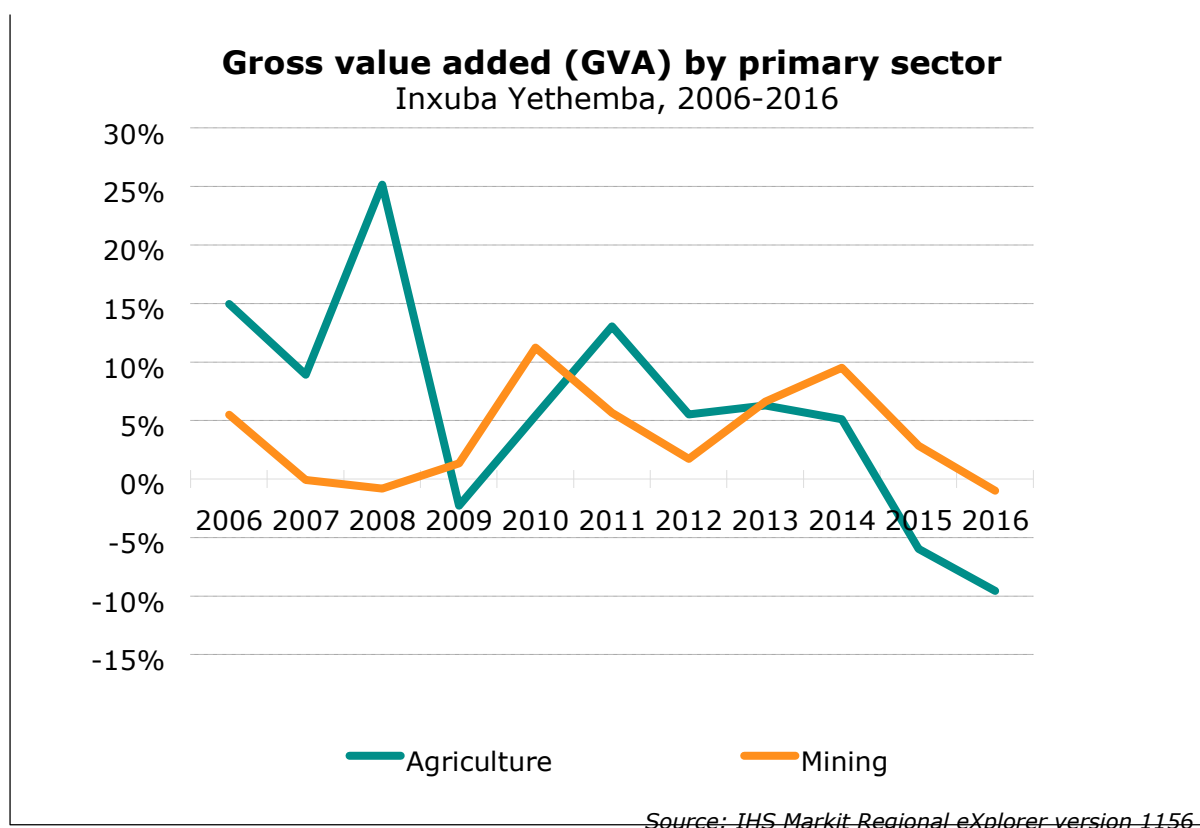
The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

#### 2.2.1.1 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 Inxuba Yethemba Local Municipality from 2006 to 2016.

**CHART 15. GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR - INXUBA YETHEMBA, 2006-2016**  
[ANNUAL PERCENTAGE CHANGE]



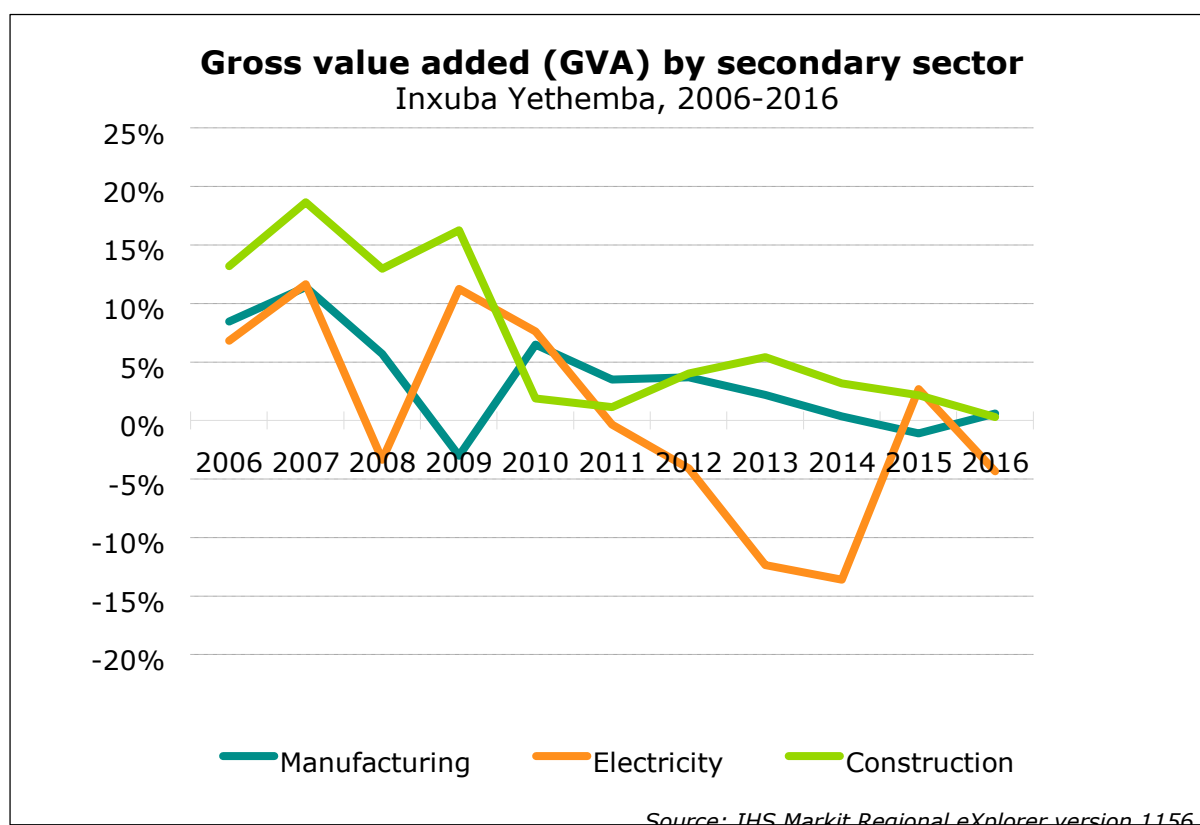


Between 2006 and 2016, the agriculture sector experienced the highest positive growth in 2008 with an average growth rate of 25.2%. The mining sector reached its highest point of growth of 11.2% in 2010. The agricultural sector experienced the lowest growth for the period during 2016 at -9.5%, while the mining sector also had the lowest growth rate in 2016 and it experiences a negative growth rate of -1.0% which is lower growth rate than that of the agricultural sector. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

#### 2.2.1.2 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 Inxuba Yethemba Local Municipality from 2006 to 2016.

**CHART 16. VA) BY SECONDARY SECTOR - INXUBA YETHEMBA, 2006-2016 [ANNUAL PERCENTAGE CHANGE]**

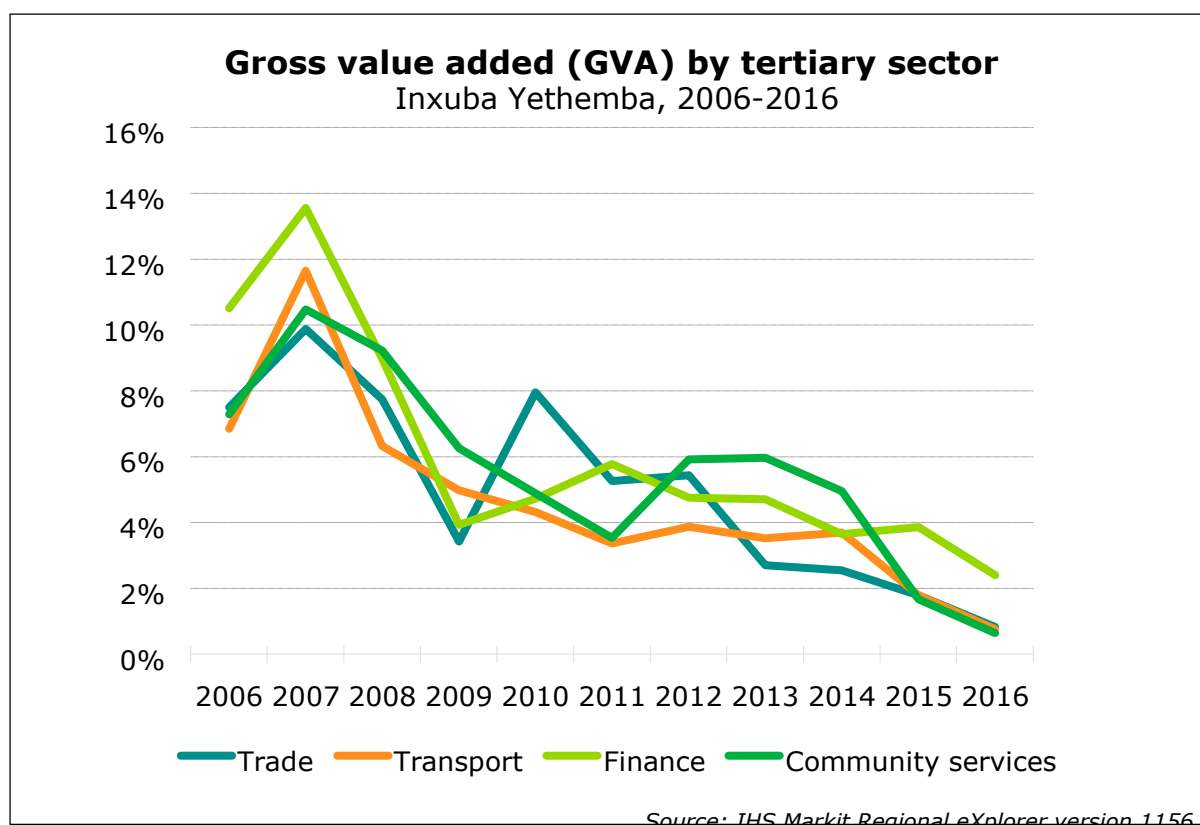


Between 2006 and 2016, the manufacturing sector experienced the highest positive growth in 2007 with a growth rate of 11.4%. It is evident for the construction sector that the highest positive growth rate also existed in 2007 and it experienced a growth rate of 18.7% which is higher than that of the manufacturing sector. The manufacturing sector experienced its lowest growth in 2016 of -3.0%, while construction sector reached its lowest point of growth in 2016 with 0.3% growth rate. The electricity sector experienced the highest growth in 2007 at 11.7%, while it recorded the lowest growth of -13.6% in 2014.

### 2.2.1.3 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 Inxuba Yethemba Local Municipality from 2006 to 2016.

**CHART 17. VA) BY TERTIARY SECTOR - INXUBA YETHEMBA, 2006-2016 [ANNUAL PERCENTAGE CHANGE]**



The trade sector experienced the highest positive growth in 2007 with a growth rate of 9.9%. It is evident for the transport sector that the highest positive growth rate also existed in 2007 at 11.7% which is higher than that of the manufacturing sector. The finance sector experienced the highest growth rate in 2007 when it grew by 13.6% and recorded the lowest growth rate in 2016 at 2.4%. The Trade sector also had the lowest growth rate in 2016 at 0.8%. The community services sector, which largely consists of government, experienced its highest positive growth in 2007 with 10.5% and the lowest growth rate in 2016 with 0.6%.

## 2.2.2 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 (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

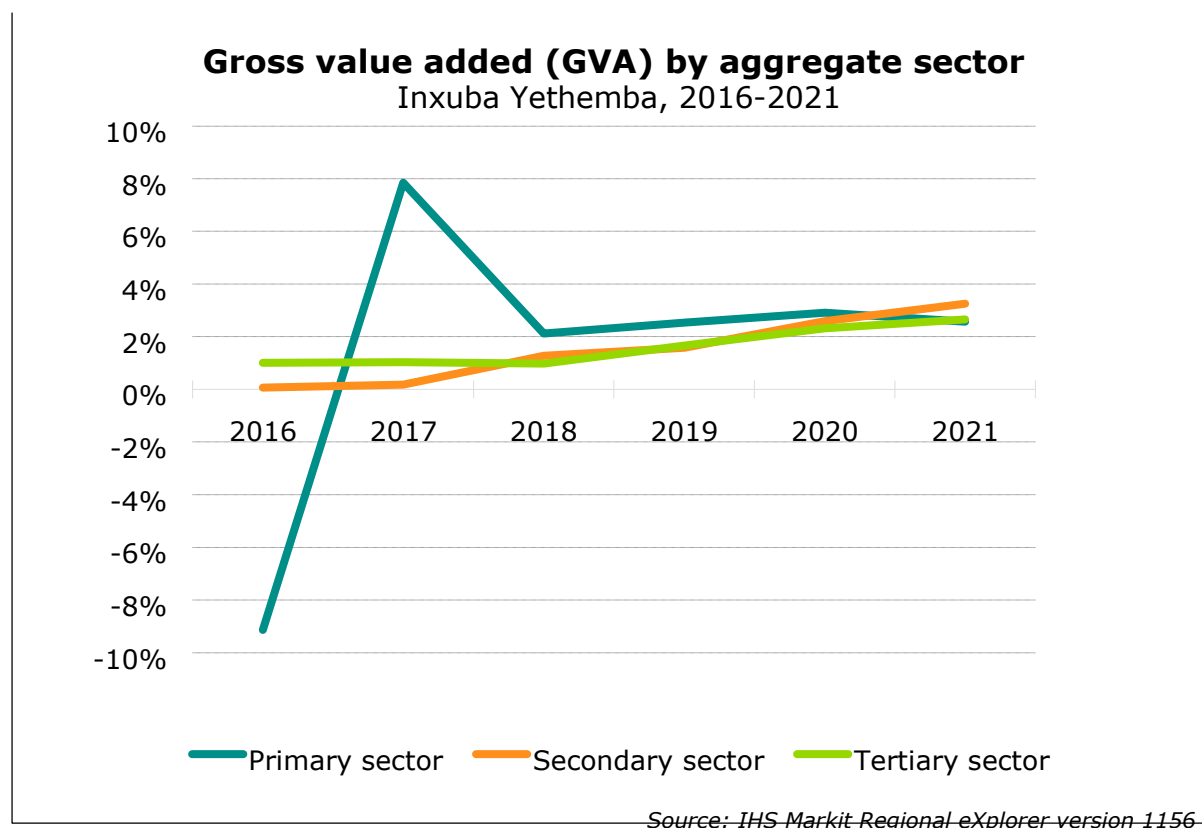
**TABLE 13. GVA BY BROAD ECONOMIC SECTOR - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2016-2021 [R MILLIONS, CONSTANT 2010 PRICES]**

2016	2017	2018	2019	2020	2021	Average Annual growth
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Agriculture	136.4	147.6	151.0	155.0	159.6	163.9	3.75%
Mining	7.7	7.7	7.7	7.7	7.8	7.8	0.35%
Manufacturing	187.5	186.4	188.2	190.3	194.7	199.9	1.29%
Electricity	28.6	28.3	28.2	28.6	29.4	30.3	1.14%
Construction	142.0	144.1	147.1	150.3	154.7	161.1	2.55%
Trade	498.9	503.0	511.6	522.9	539.4	557.2	2.24%
Transport	296.0	299.2	304.5	309.9	318.7	328.6	2.11%
Finance	477.9	479.8	489.1	500.9	514.7	529.5	2.07%
Community services	1,256.9	1,274.3	1,276.4	1,291.3	1,313.3	1,342.6	1.33%
<b>Total Industries</b>	<b>3,031.9</b>	<b>3,070.4</b>	<b>3,103.7</b>	<b>3,156.9</b>	<b>3,232.4</b>	<b>3,320.8</b>	<b>1.84%</b>

Source: IHS Markit Regional eXplorer version 1156 The agriculture sector is expected to grow fastest at an average of 3.75% annually from R 136 million in Inxuba Yethemba Local Municipality to R 164 million in 2021. The community services sector is estimated to be the largest sector within the Inxuba Yethemba Local Municipality in 2021, with a total share of 40.4% of the total GVA (as measured in current prices), growing at an average annual rate of 1.3%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of 0.35%.

**CHART 18. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2016-2021 [ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]**



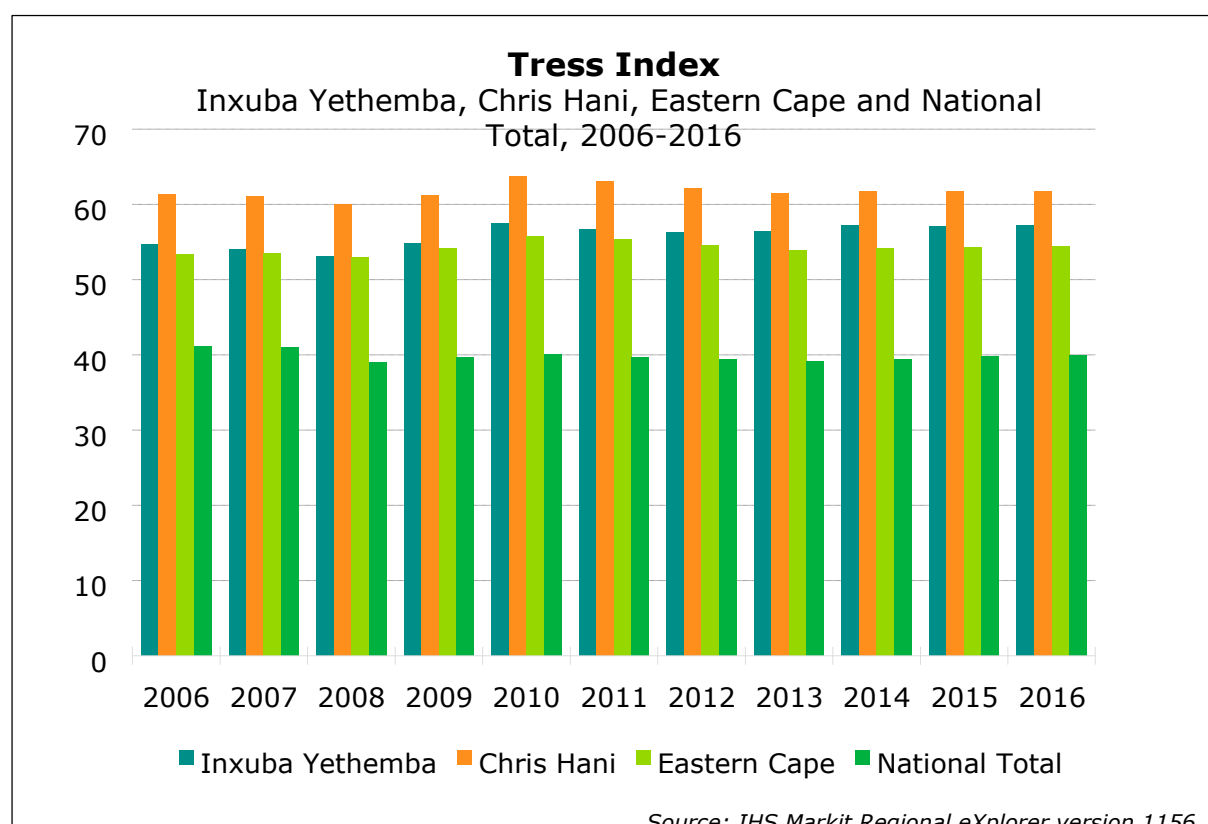
The Primary sector is expected to grow at an average annual rate of 3.58% between 2016 and 2021, with the Secondary sector growing at 1.78% on average annually. The Tertiary sector is expected to grow at an average annual rate of 1.74% for the same period.

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.

## 2.3 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 19. TRESS INDEX - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER]**



In 2016, Inxuba Yethemba's Tress Index was estimated at 57.2 which is lower than the 61.7 of the district municipality and higher than the 61.7 of the provinces. This implies that on average, Inxuba Yethemba Local Municipality is less diversified in terms of its economic activity spread than the province's economy as a whole.

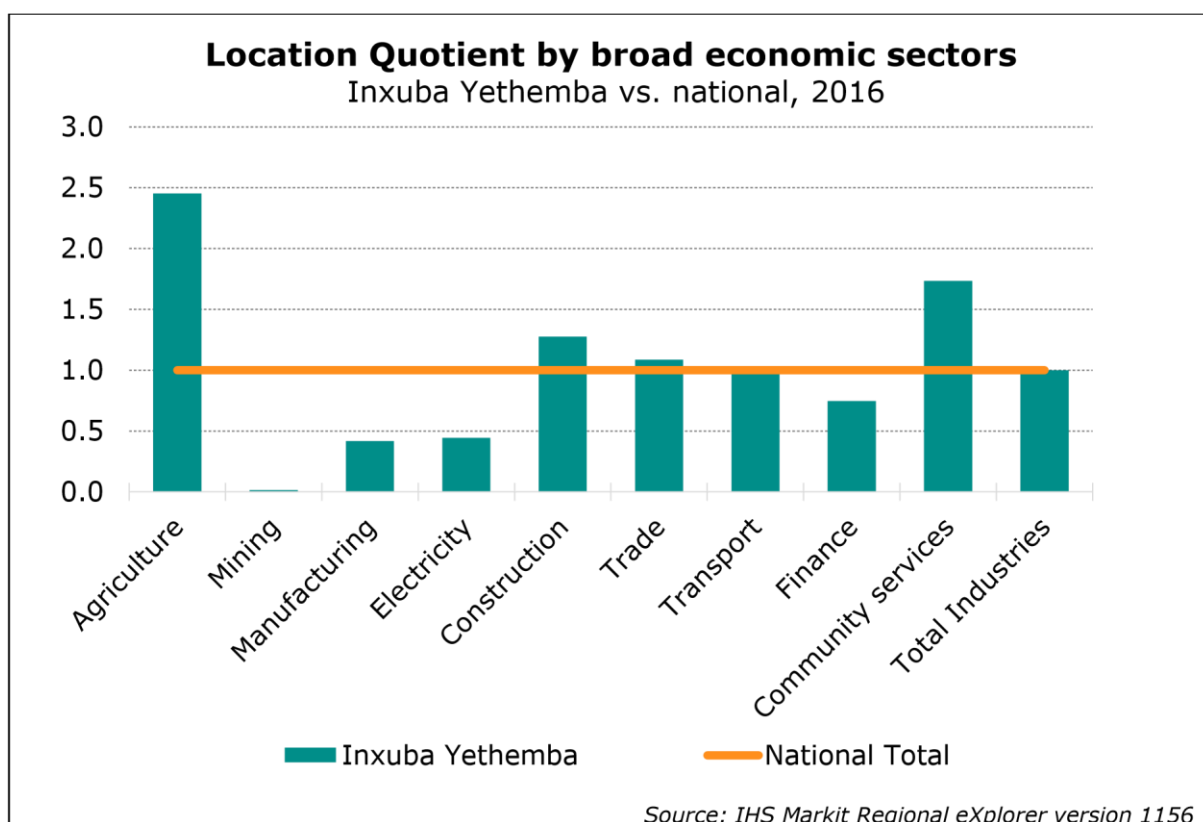
*The more diverse an economy is, the more likely it is to create employment opportunities across all skills levels (and not only - for instance - employment opportunities that cater for highly skilled labourers), and maintain a healthy balance between labour-intensive and capital-intensive **industries**.* 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).

## 2.4 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 20. LOCATION QUOTIENT BY BROAD ECONOMIC SECTORS - INXUBA YETHEMBA LOCAL MUNICIPALITY AND SOUTH AFRICA, 2016 [NUMBER]**



For 2016 Inxuba Yethemba Local Municipality has a very large comparative advantage in the agriculture sector. The community services sector also has a very large comparative advantage. The construction also has a comparative advantage when comparing it to the South Africa economy as a whole, although less prominent. The Inxuba Yethemba Local Municipality has a comparative disadvantage when it comes to the mining and manufacturing sector which has a very large comparative disadvantage. In general mining is a very concentrated economic sector. Unfortunately, the Inxuba Yethemba Local Municipality area currently does not have a lot of mining activity, with an LQ of only 0.0144.

### 3. 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 14. WORKING AGE POPULATION IN INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006 AND 2016 [NUMBER]**

	Inxuba Yethemba		Chris Hani		Eastern Cape		National Total	
	2006	2016	2006	2016	2006	2016	2006	2016
15-19	6,820	4,970	108,000	74,800	803,000	634,000	5,290,000	4,550,000
20-24	5,860	6,240	77,000	76,100	701,000	694,000	5,260,000	5,000,000
25-29	5,560	7,050	56,800	74,200	530,000	684,000	4,550,000	5,620,000
30-34	4,460	5,810	36,900	62,200	355,000	589,000	3,570,000	5,300,000
35-39	3,670	5,110	30,900	49,300	288,000	438,000	2,930,000	4,240,000
40-44	3,630	3,950	32,800	33,200	286,000	298,000	2,610,000	3,120,000
45-49	3,430	3,160	34,700	28,800	286,000	247,000	2,290,000	2,530,000
50-54	3,100	3,150	30,800	31,300	241,000	249,000	1,880,000	2,260,000
55-59	2,580	3,080	26,300	33,400	205,000	249,000	1,520,000	1,990,000
60-64	1,980	2,580	25,000	28,600	171,000	207,000	1,170,000	1,610,000
<b>Total</b>	<b>41,107</b>	<b>45,097</b>	<b>459,219</b>	<b>492,034</b>	<b>3,866,790</b>	<b>4,289,261</b>	<b>31,071,485</b>	<b>36,220,290</b>

Source: IHS Markit Regional eXplorer version 1156 the working age population in Inxuba Yethemba in 2016 was 45 100, increasing at an average annual rate of 0.93% since 2006. For the same period the working age population for Chris Hani District Municipality increased at 0.69% annually, while that of Eastern Cape Province increased at 1.04% annually. South Africa's working age population has increased annually by 1.55% from 31.1 million in 2006 to 36.2 million in 2016.

*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 denser concentration of working age people is supposed to decrease dependency ratios - given that the additional labour which is offered to the market, is absorbed.*

#### 3.1 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 15. ECONOMICALLY ACTIVE POPULATION (EAP) - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER, PERCENTAGE]**

Inxuba Yethemba		Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2006	25,500	183,000	1,840,000	17,500,000	13.9%	1.39%	0.15%
2007	25,400	183,000	1,850,000	18,000,000	13.9%	1.38%	0.14%
2008	25,200	182,000	1,840,000	18,400,000	13.8%	1.37%	0.14%
2009	24,500	177,000	1,790,000	18,300,000	13.9%	1.37%	0.13%
2010	23,700	170,000	1,730,000	18,100,000	13.9%	1.37%	0.13%
2011	23,600	170,000	1,740,000	18,300,000	13.9%	1.36%	0.13%
2012	24,000	173,000	1,770,000	18,700,000	13.9%	1.36%	0.13%
2013	25,300	182,000	1,840,000	19,300,000	13.9%	1.37%	0.13%
2014	27,000	195,000	1,940,000	20,100,000	13.9%	1.39%	0.13%
2015	28,200	204,000	2,000,000	20,800,000	13.8%	1.41%	0.14%
2016	29,000	210,000	2,060,000	21,300,000	13.8%	1.41%	0.14%

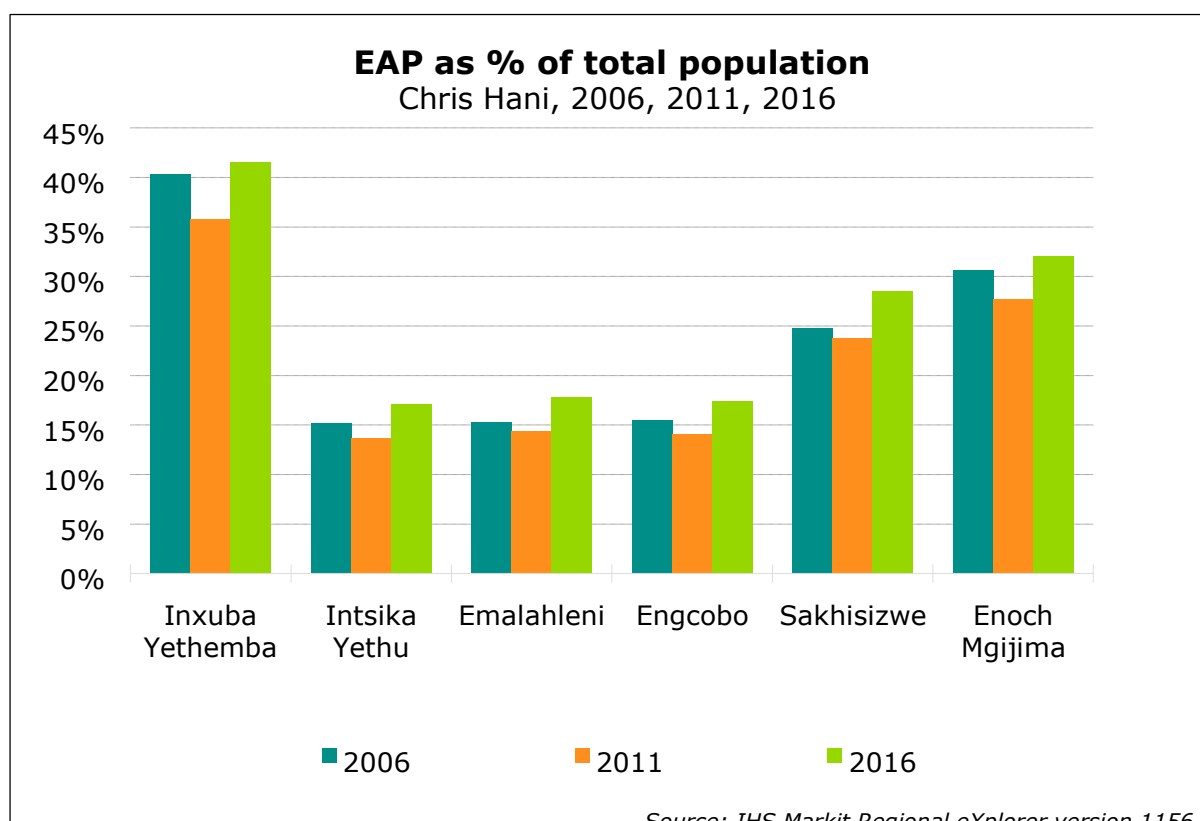
**Average Annual growth**

2006-2016	1.29%	1.40%	1.12%	1.97%
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Source: IHS Markit Regional eXplorer version 1156 Inxuba Yethemba Local Municipality's EAP was 29 000 in 2016, which is 41.55% of its total population of 69 800, and roughly 13.79% of the total EAP of the Chris Hani District Municipality. From 2006 to 2016, the average annual increase in the EAP in the Inxuba Yethemba Local Municipality was 1.29%, which is 0.109 percentage points lower than the growth in the EAP of Chris Hani's for the same period.

**CHART 21. EAP AS % OF TOTAL POPULATION - INXUBA YETHEMBA AND THE REST OF CHRIS HANI, 2006, 2011, 2016 [PERCENTAGE]**





In 2006, 40.3% of the total population in Inxuba Yethemba Local Municipality were classified as economically active which increased to 41.6% in 2016. Compared to the other regions in Chris Hani District Municipality, Inxuba Yethemba 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, Intsika Yethu local municipality had the lowest EAP with 17.2% people classified as economically active population in 2016.

### 3.1.1 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 a representation of the labour participation rate of the Inxuba Yethemba, Chris Hani, Eastern Cape and National Total as a whole.

**TABLE 16. THE LABOUR FORCE PARTICIPATION RATE - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]**

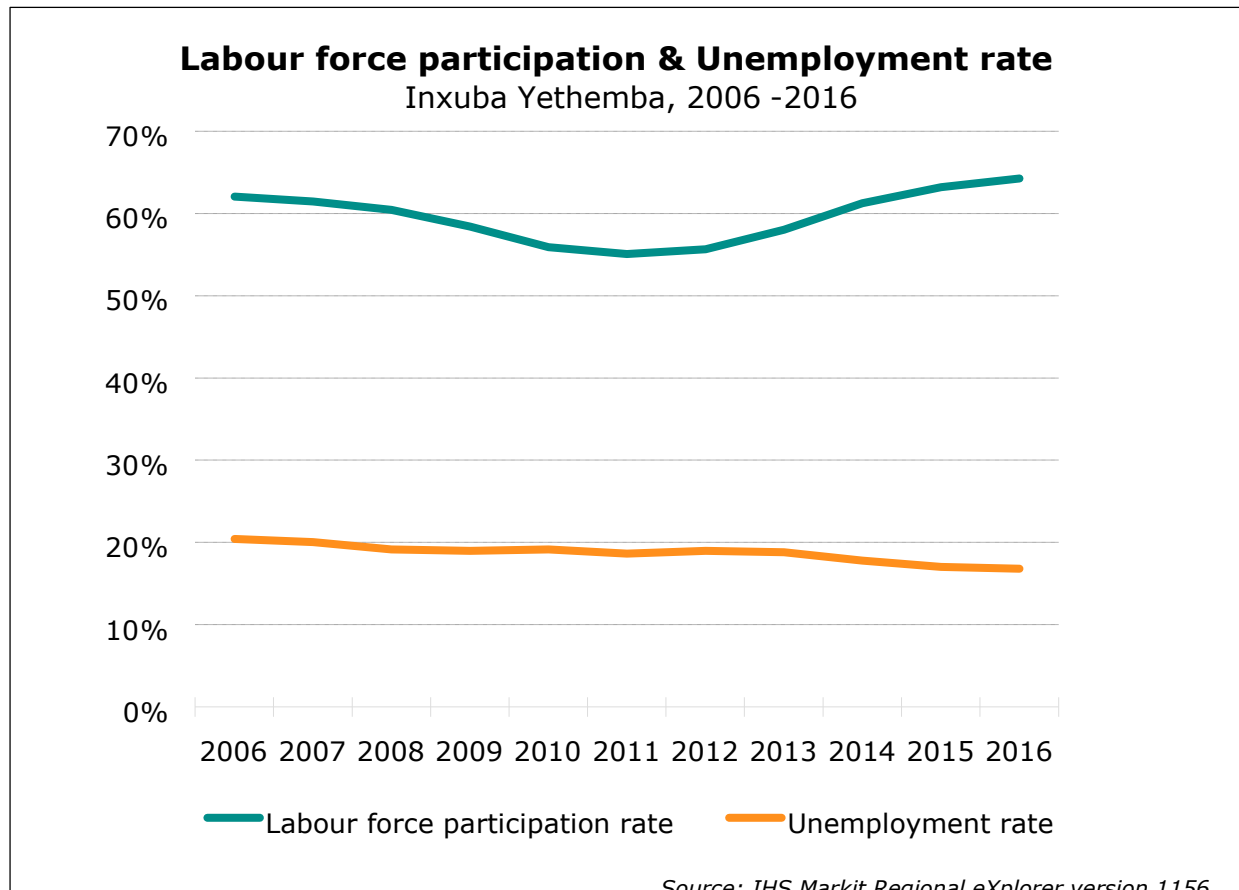
	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
2006	62.1%	39.9%	47.6%	56.4%
2007	61.5%	39.7%	47.3%	57.0%
2008	60.5%	39.1%	46.5%	57.4%
2009	58.4%	37.7%	44.9%	56.2%
2010	55.9%	36.0%	42.9%	54.5%
2011	55.1%	35.7%	42.6%	54.3%
2012	55.7%	36.2%	43.1%	54.7%

2013	58.0%	38.0%	44.4%	55.7%
2014	61.3%	40.3%	46.2%	57.1%
2015	63.2%	41.8%	47.3%	58.1%
2016	64.3%	42.7%	47.9%	58.8

**Source: IHS Markit Regional eXplorer version 1156**

The Inxuba Yethemba Local Municipality's labour force participation rate increased from 62.07% to 64.29% which is an increase of 2.2 percentage points. The Chris Hani District Municipality increased from 39.86% to 42.73%, Eastern Cape Province increased from 47.58% to 47.93% and South Africa increased from 56.37% to 58.77% from 2006 to 2016. The Inxuba Yethemba Local Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2006 to 2016. The Inxuba Yethemba Local Municipality had a higher labour force participation rate when compared to South Africa in 2016.

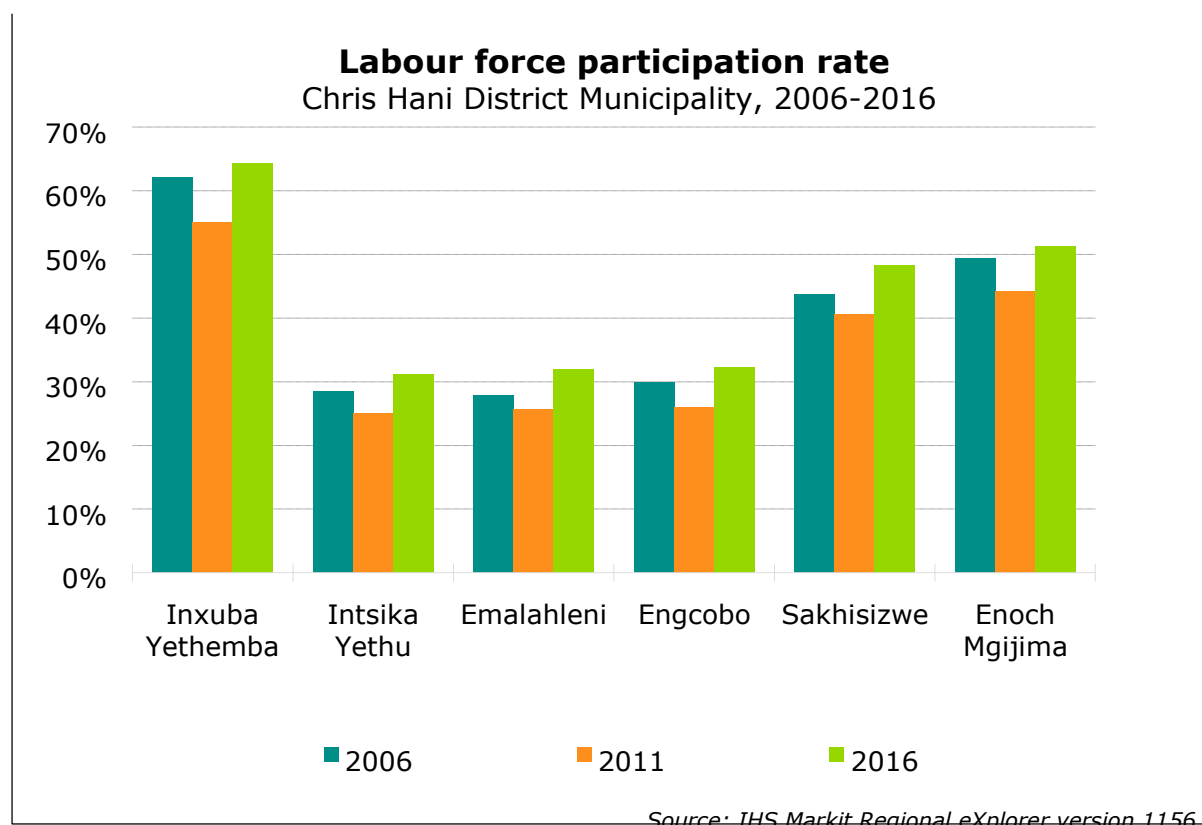
**CHART 22. THE LABOUR FORCE PARTICIPATION RATE - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016 [PERCENTAGE]**



In 2016 the labour force participation rate for Inxuba Yethemba was at 64.3% which is slightly higher when compared to the 62.1% in 2006. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2006, the unemployment rate for Inxuba Yethemba was 20.4% and decreased overtime to 16.8% in 2016. The gap between the labour

force participation rate and the unemployment rate increased which indicates a positive outlook for the employment within Inxuba Yethemba Local Municipality.

**CHART 23. THE LABOUR FORCE PARTICIPATION RATE - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGOBO, SAKHISIZWE AND ENOCH MGIJIMA, 2006, 2011 AND 2016 [PERCENTAGE]**



Inxuba Yethemba local municipality had the highest labour force participation rate with 64.3% in 2016 increasing from 62.1% in 2006. Intsika Yethu local municipality had the lowest labour force participation rate of 31.2% in 2016, this increased from 28.5% in 2006.

### 3.2 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 17. TOTAL EMPLOYMENT - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBERS]**

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
2006	20,100	120,000	1,330,000	13,000,000
2007	20,100	121,000	1,350,000	13,500,000
2008	20,100	123,000	1,350,000	14,100,000
2009	19,600	120,000	1,320,000	14,000,000
2010	18,900	115,000	1,260,000	13,600,000
2011	18,900	115,000	1,260,000	13,800,000
2012	19,200	115,000	1,270,000	14,000,000
2013	20,300	119,000	1,310,000	14,500,000
2014	21,900	128,000	1,370,000	15,100,000
2015	23,000	136,000	1,430,000	15,500,000
2016	23,700	140,000	1,460,000	15,700,000
<b>Average Annual growth 2006-2016</b>	<b>1.69%</b>	<b>1.57%</b>	<b>0.91%</b>	<b>1.89%</b>

Source: IHS Markit Regional eXplorer version 1156 In 2016, Inxuba Yethemba employed 23 700 people which is 16.99% of the total employment in Chris Hani District Municipality (140 000), 1.63% of total employment in Eastern Cape Province (1.46 million), and 0.15% of the total employment of 15.7 million in South Africa. Employment within Inxuba Yethemba increased annually at an average rate of 1.69% from 2006 to 2016. The Inxuba Yethemba Local Municipality average annual employment growth rate of 1.69% exceeds the average annual labour force growth rate of 1.29% resulting in unemployment decreasing from 20.43% in 2006 to 16.80% in 2016 in the local municipality.

**TABLE 18. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - INXUBA YETHEMBA AND THE REST OF CHRIS HANI, 2016 [NUMBERS]**

	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Sakhisizwe	Enoch Mgijima	Total Chris Hani
Agriculture	3,140	909	699	365	1,270	4,620	11,006
Mining	5	14	11	18	11	64	122
Manufacturing	1,160	736	420	607	259	3,300	6,490
Electricity	66	38	43	30	63	224	464
Construction	2,770	2,400	1,570	2,130	2,020	7,040	17,926
Trade	3,650	3,110	2,050	3,350	2,290	14,000	28,412
Transport	1,240	587	315	481	242	2,330	5,194
Finance	1,910	1,130	709	1,210	755	6,240	11,951

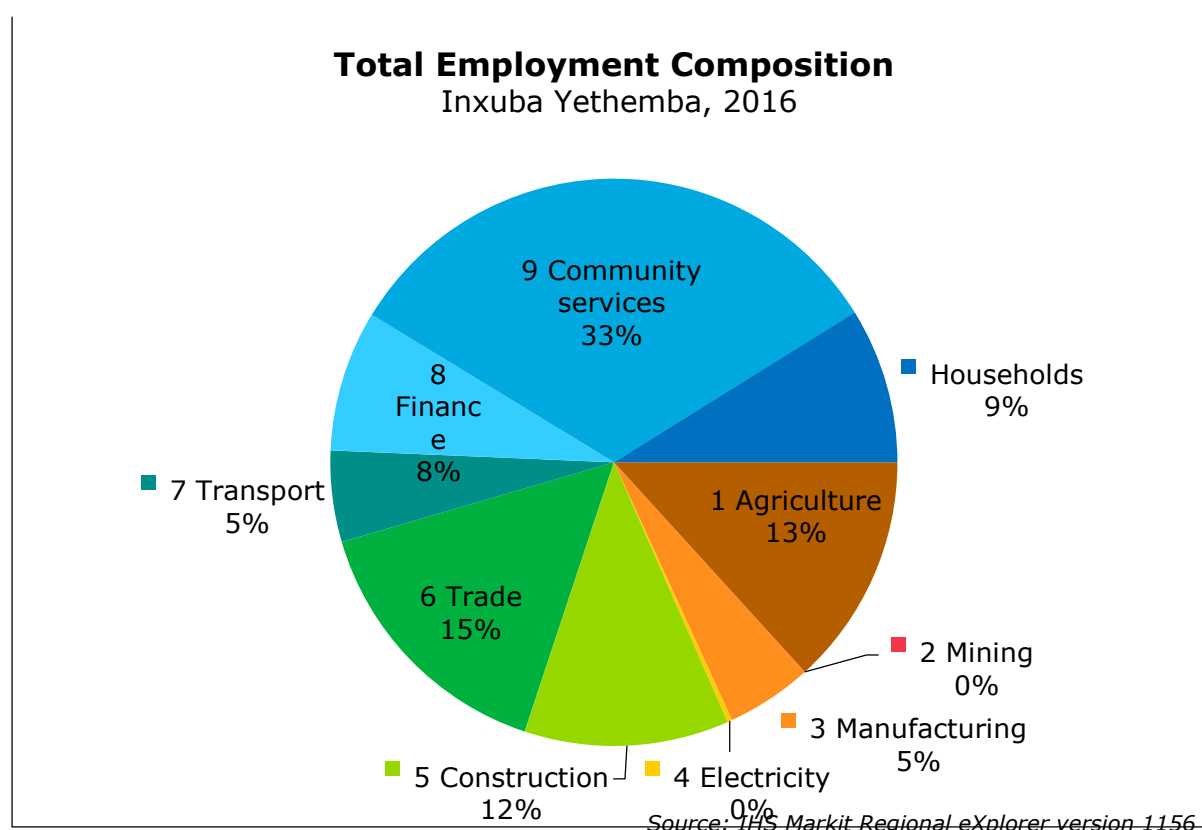
Community services	7,700	4,910	3,010	5,040	3,400	21,300	45,377
Households	2,100	1,170	846	809	899	6,940	12,761
<b>Total</b>	<b>23,700</b>	<b>15,000</b>	<b>9,680</b>	<b>14,000</b>	<b>11,200</b>	<b>66,000</b>	<b>139,701</b>

Source: IHS Markit Regional eXplorer version 1156

Inxuba Yethemba Local Municipality employs a total number of 23 700 people within its local municipality. The local municipality that employs the highest number of people relative to the other regions within Chris Hani District Municipality is Enoch Mgijima local municipality with a total number of 66 000. The local municipality that employs the lowest number of people relative to the other regions within Chris Hani District Municipality is Emalahleni local municipality with a total number of 9 680 employed people.

In Inxuba Yethemba Local Municipality the economic sectors that recorded the largest number of employment in 2016 were the community services sector with a total of 7 700 employed people or 32.4% of total employment in the local municipality. The trade sector with a total of 3 650 (15.4%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 4.64 (0.0%) is the sector that employs the least number of people in Inxuba Yethemba Local Municipality, followed by the electricity sector with 66 (0.3%) people employed.

**CHART 24. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2016 [PERCENTAGE]**



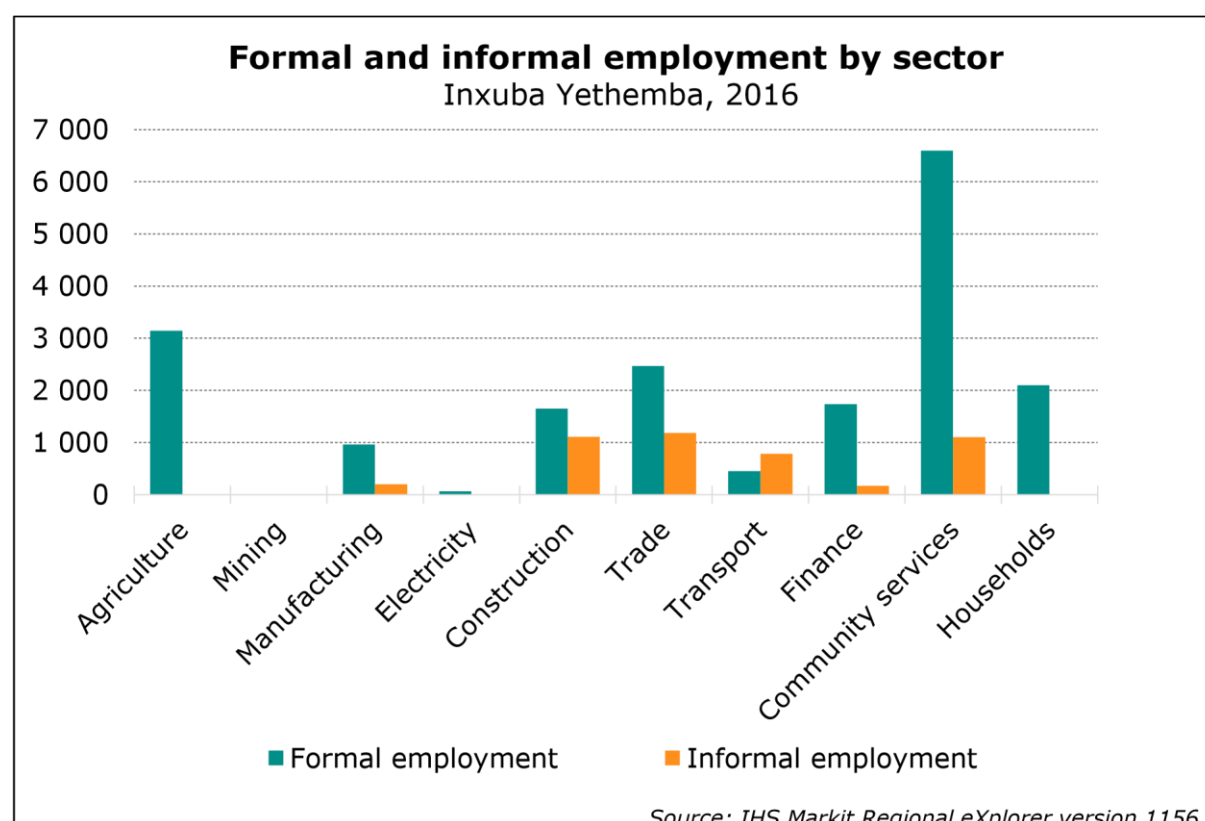
### 3.3 FORMAL AND INFORMAL EMPLOYMENT

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 Inxuba Yethemba Local Municipality counted 19 200 in 2016, which is about 80.83% of total employment, while the number of people employed in the informal sector counted 4 550 or 19.17% of the total employment. Informal employment in Inxuba Yethemba decreased from 5 160 in 2006 to an estimated 4 550 in 2016.

**CHART 25. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2016 [NUMBERS]**



*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 2016 the Trade sector recorded the highest number of informally employed, with a total of 1 180 employees or 25.99% 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

Finance sector has the lowest informal employment with 169 and only contributes 3.71% to total informal employment.

**TABLE 19. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2016 [NUMBERS]**

	Formal employment	Informal employment
Agriculture	3,140	N/A
Mining	5	N/A
Manufacturing	964	200
Electricity	66	N/A
Construction	1,650	1,110
Trade	2,470	1,180
Transport	454	782
Finance	1,740	169
Community services	6,600	1,100
<u>Households</u>	<u>2,100</u>	<u>N/A</u>

*Source: IHS Markit Regional eXplorer version 1156*

*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.*

### 3.4 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 20. UNEMPLOYMENT (OFFICIAL DEFINITION) - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER PERCENTAGE]**

Inxuba Yethemba		Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2006	5,210	59,800	512,000	4,510,000	8.7%	1.02%	0.12%
2007	5,090	58,700	503,000	4,460,000	8.7%	1.01%	0.11%
2008	4,820	55,800	488,000	4,350,000	8.6%	0.99%	0.11%
2009	4,660	53,600	483,000	4,370,000	8.7%	0.97%	0.11%
2010	4,540	51,700	480,000	4,490,000	8.8%	0.94%	0.10%
2011	4,400	50,400	485,000	4,570,000	8.7%	0.91%	0.10%
2012	4,560	54,000	508,000	4,690,000	8.5%	0.90%	0.10%
2013	4,760	58,200	542,000	4,850,000	8.2%	0.88%	0.10%
2014	4,810	61,100	569,000	5,060,000	7.9%	0.85%	0.10%
2015	4,790	62,400	583,000	5,290,000	7.7%	0.82%	0.09%
2016	4,870	64,800	603,000	5,600,000	7.5%	0.81%	0.09%

#### 8. Average Annual growth

2006-2016	<b>-0.67%</b>	<b>0.81%</b>	<b>1.65%</b>	<b>2.19%</b>
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*Source: IHS Markit Regional eXplorer version 1156* In 2016, there were a total number of 4 870 people unemployed in Inxuba Yethemba, which is a decrease of -340 from 5 210 in 2006. The total number of unemployed people within Inxuba Yethemba constitutes 7.52% of the total number of unemployed people in Chris Hani District Municipality. The Inxuba Yethemba Local Municipality experienced an average annual decrease of -0.67% in the number of unemployed people, which is better than that of the Chris Hani District Municipality which had an average annual increase in unemployment of 0.81%.



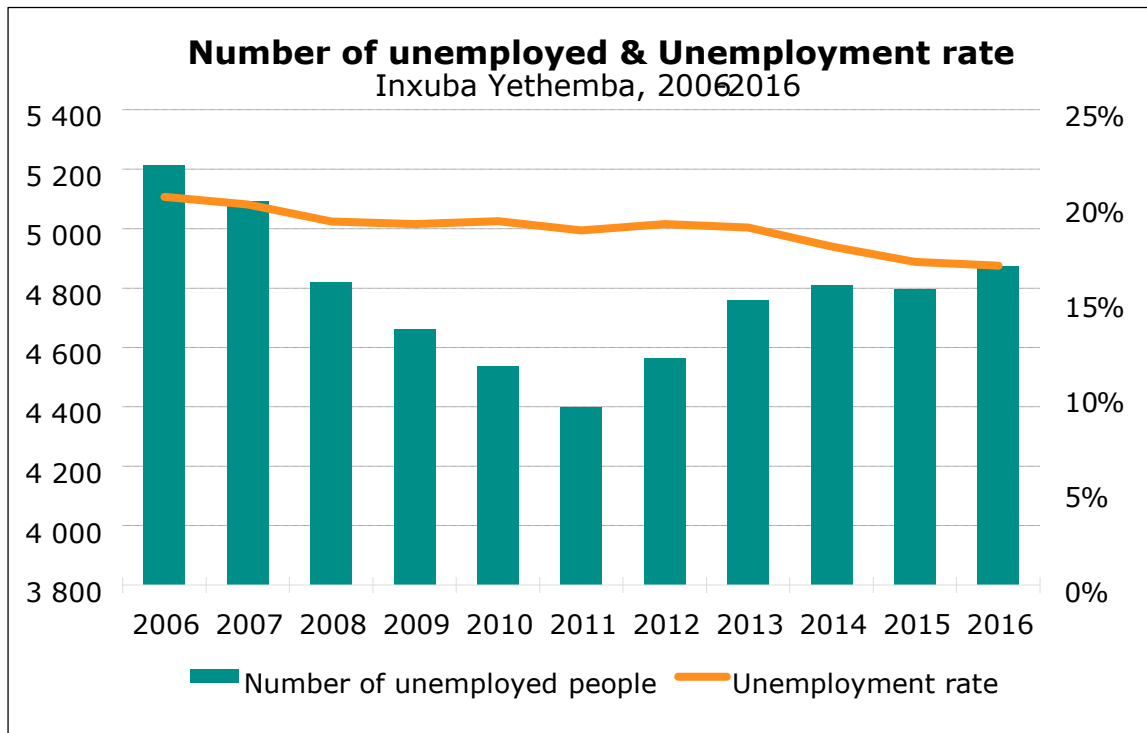
**TABLE 21. UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]**

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
2006	20.4%	32.7%	27.8%	25.8%
2007	20.0%	32.0%	27.2%	24.8%
2008	19.1%	30.6%	26.6%	23.6%
2009	19.0%	30.3%	26.9%	23.8%
2010	19.1%	30.4%	27.7%	24.8%
2011	18.7%	29.7%	27.9%	24.9%
2012	19.0%	31.2%	28.7%	25.0%
2013	18.8%	32.0%	29.4%	25.1%
2014	17.8%	31.4%	29.4%	25.1%
2015	17.0%	30.7%	29.1%	25.5%
2016	16.8%	30.8%	29.3%	26.3%

Source: IHS Markit Regional eXplorer version 1156

In 2016, the unemployment rate in Inxuba Yethemba Local Municipality (based on the official definition of unemployment) was 16.80%, which is a decrease of -3.62 percentage points. The unemployment rate in Inxuba Yethemba Local Municipality is lower than that of Chris Hani. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Inxuba Yethemba Local Municipality was lower than that of Eastern Cape which was 29.34%. The unemployment rate for South Africa was 26.33% in 2016, which is a increase of -0.563 percentage points from 25.77% in 2006.

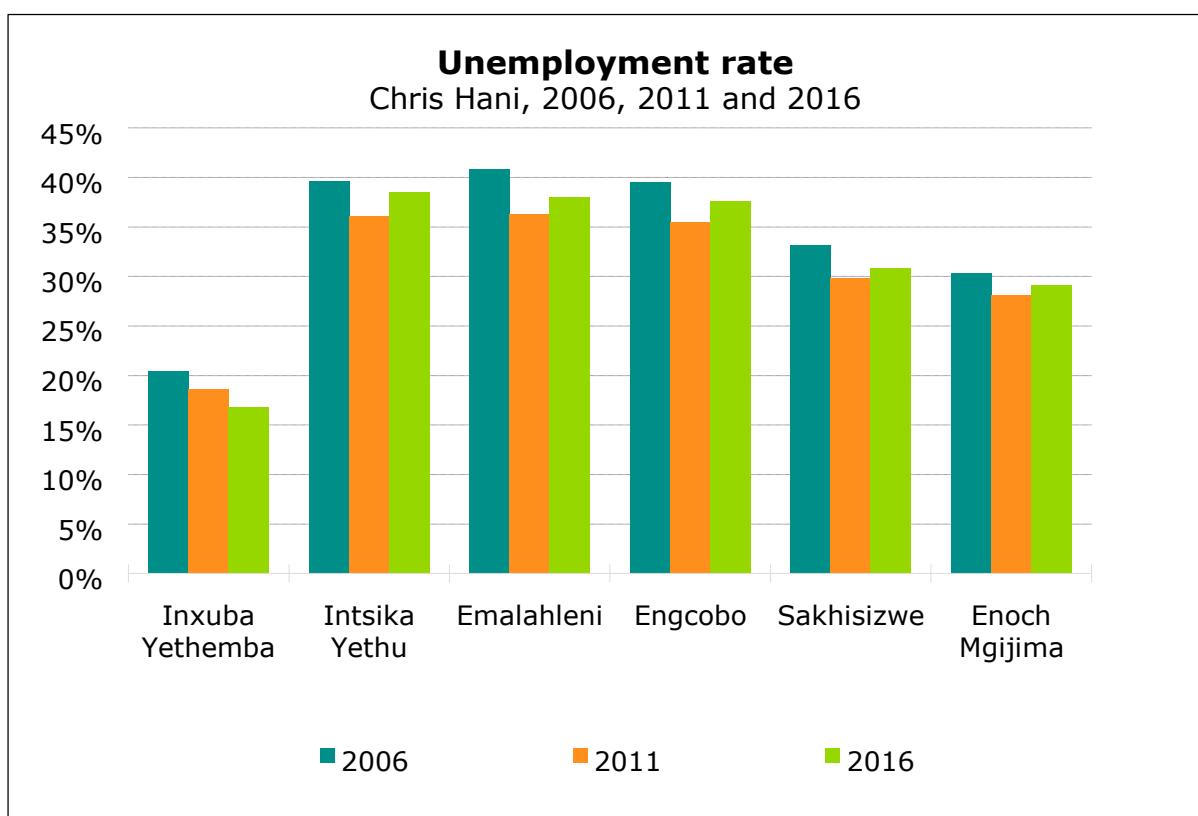
**CHART 26. UNEMPLOYMENT AND UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016 [NUMBER PERCENTAGE]**



*Source: IHS Markit Regional eXplorer version 1156*

When comparing unemployment rates among regions within Chris Hani District Municipality, Intsika Yethu local municipality has indicated the highest unemployment rate of 38.6%, which has decreased from 39.6% in 2006. It can be seen that the Inxuba Yethemba local municipality had the lowest unemployment rate of 16.8% in 2016, this decreased from 20.4% in 2006.

**CHART 27. UNEMPLOYMENT RATE - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGOBO, SAKHISIZWE AND ENOCH MGIJIMA, 2006, 2011 AND 2016 [PERCENTAGE]**



*Source: IHS Markit Regional eXplorer version 1156*

#### 4. 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.

##### 4.1 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.

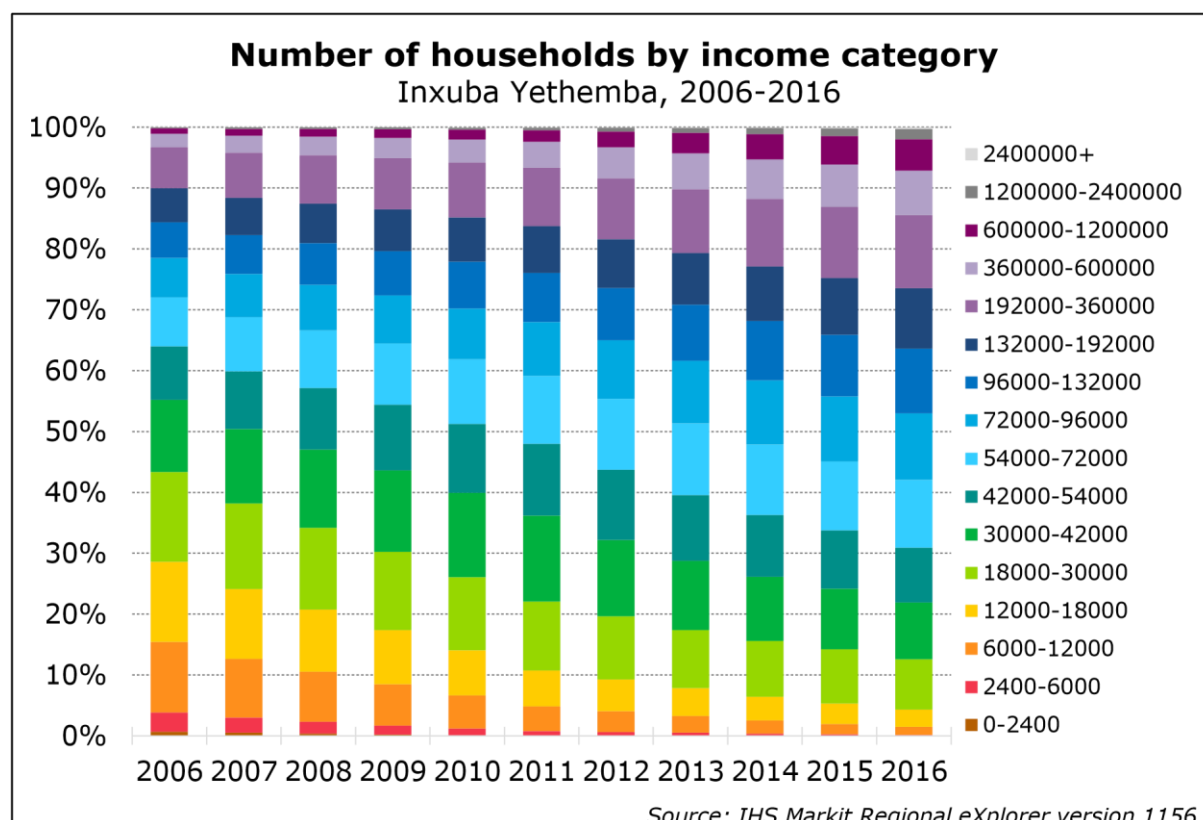
Income categories start at R0 - R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take 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 22. HOUSEHOLDS BY INCOME CATEGORY - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [NUMBER PERCENTAGE]**

Yethemba	Inxuba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
0-2400	1	25	206	1,880	5.7%	0.70%	0.08%
2400-6000	31	443	3,800	33,300	7.1%	0.83%	0.09%
6000-12000	255	4,620	38,400	314,000	5.5%	0.66%	0.08%
12000-18000	553	9,310	76,400	624,000	5.9%	0.72%	0.09%
18000-30000	1,620	27,600	220,000	1,720,000	5.9%	0.73%	0.09%
30000-42000	1,820	30,300	231,000	1,730,000	6.0%	0.79%	0.11%
42000-54000	1,760	27,300	204,000	1,520,000	6.5%	0.86%	0.12%
54000-72000	2,180	29,500	217,000	1,630,000	7.4%	1.01%	0.13%
72000-96000	2,130	25,100	185,000	1,490,000	8.5%	1.15%	0.14%
96000-132000	2,070	20,400	156,000	1,390,000	10.2%	1.33%	0.15%
132000-192000	1,930	16,100	133,000	1,320,000	12.0%	1.45%	0.15%
192000-360000	2,350	15,600	150,000	1,690,000	15.0%	1.56%	0.14%
360000-600000	1,430	8,100	88,200	1,090,000	17.7%	1.62%	0.13%
600000-1200000	1,010	5,000	59,000	785,000	20.1%	1.70%	0.13%
1200000-2400000	332	1,460	17,600	238,000	22.8%	1.89%	0.14%
2400000+	55	209	2,670	39,100	26.5%	2.07%	0.14%
<b>1</b>	<b>Total</b>	<b>221,000</b>	<b>1,780,000</b>	<b>15,600,000</b>	<b>19,500</b>	<b>8.8%</b>	<b>1.10%</b>

Source: IHS Markit Regional eXplorer version 1156 It was estimated that in 2016 12.59% of all the households in the Inxuba Yethemba Local Municipality, were living on R30, 000 or less per annum. In comparison with 2006's 43.33%, the number is more than half. The 192000-360000 income category has the highest number of households with a total number of 2 350, followed by the 54000-72000 income category with 2 180 households. Only 1.4 households fall within the 0-2400 income category.

**CHART 28. HOUSEHOLDS BY INCOME BRACKET - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016 [PERCENTAGE]**



For the period 2006 to 2016 the number of households earning more than R30,000 per annum has increased from 56.67% to 87.41%. It can be seen that the number of households with income equal to or lower than R6,000 per year has decreased by a significant amount.

## 4.2 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.

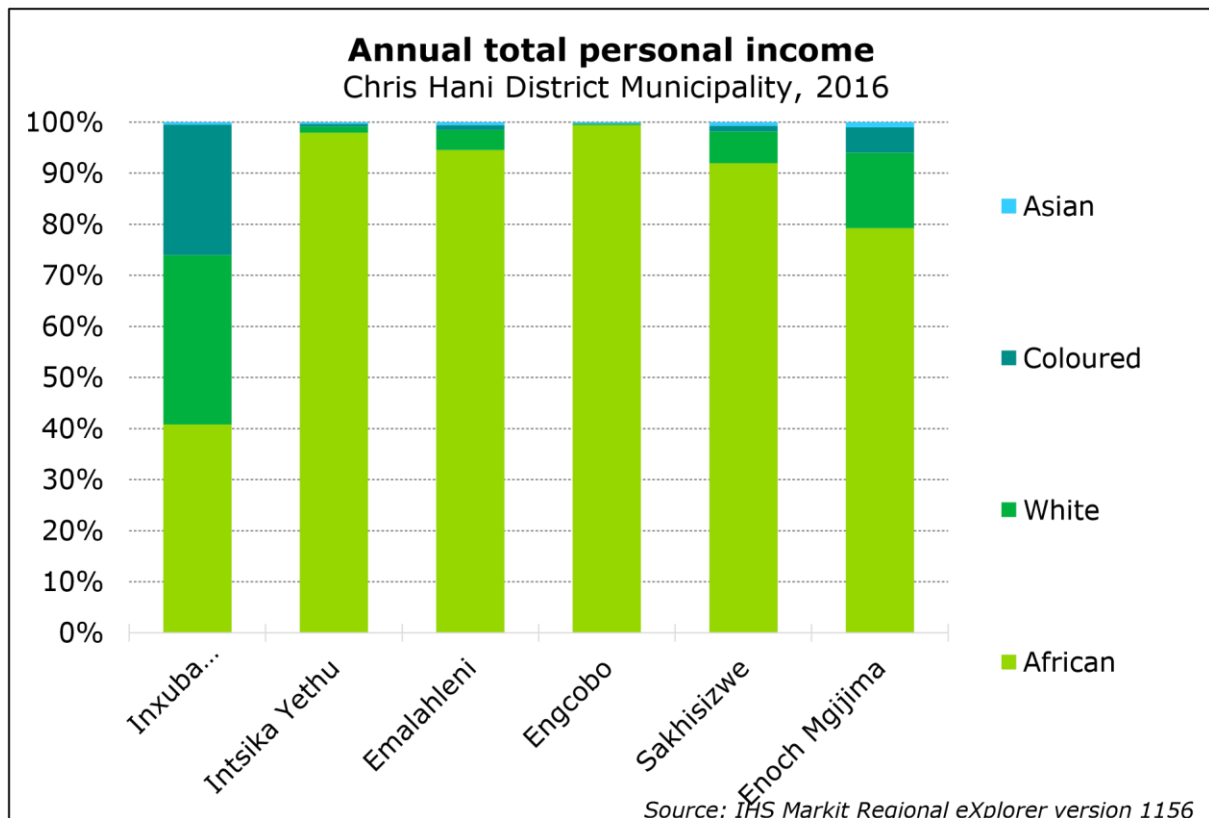
**TABLE 23. ANNUAL TOTAL PERSONAL INCOME - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL [CURRENT PRICES, R BILLIONS]**

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
2006	1.5	10.2	106.6	1,259.4
2007	1.7	11.6	121.0	1,432.2
2008	1.9	13.0	134.0	1,587.9
2009	2.0	14.0	143.3	1,695.1
2010	2.1	15.0	154.3	1,843.3
2011	2.3	16.4	168.2	2,033.0
2012	2.6	18.2	187.5	2,226.5
2013	3.0	20.1	204.6	2,414.5
2014	3.3	22.1	220.0	2,596.7
2015	3.6	24.5	239.4	2,783.4
2016	3.9	27.6	264.5	2,995.4
<b>Average Annual growth 2006-2016</b>	<b>10.21%</b>	<b>10.46%</b>	<b>9.52%</b>	<b>9.05%</b>

*Source: IHS Markit Regional eXplorer version 1156*

Inxuba Yethemba Local Municipality recorded an average annual growth rate of 10.21% (from R 1.46 billion to R 3.86 billion) from 2006 to 2016, which is less than Chris Hani's (10.46%), but more than Eastern Cape Province's (9.52%) average annual growth rates. South Africa had an average annual growth rate of 9.05% (from R 1.26 trillion to R 3 trillion) which is less than the growth rate in Inxuba Yethemba Local Municipality.

## CHART 29. ANNUAL TOTAL PERSONAL INCOME BY POPULATION GROUP - INXUBA YETHEMBA AND THE REST OF CHRIS HANI [CURRENT PRICES, R BILLIONS]



The total personal income of Inxuba Yethemba Local Municipality amounted to approximately R 3.86 billion in 2016. The African population group earned R 1.57 billion, or 40.80% of total personal income, while the White population group earned R 1.28 billion, or 33.18% of the total personal income. The Coloured and the Asian population groups only had a share of 25.52% and 0.50% of total personal income respectively.

**TABLE 24. ANNUAL TOTAL PERSONAL INCOME - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENCOBO, SAKHISIZWE AND ENOCH MGIJIMA [CURRENT PRICES, R BILLIONS]**

Inxuba Yethemba	Intsika Yethu				Enoch Mgijima	
		Emalahleni	Engcobo	Sakhisizwe		
2006	1.46	1.50	1.11	1.45	0.80	3.89
2007	1.67	1.69	1.26	1.65	0.90	4.44
2008	1.86	1.88	1.42	1.84	1.00	4.96
2009	1.98	2.03	1.54	1.98	1.07	5.36
2010	2.14	2.17	1.66	2.12	1.15	5.80
2011	2.33	2.33	1.79	2.30	1.25	6.35
2012	2.64	2.57	1.98	2.54	1.38	7.12
2013	2.97	2.82	2.18	2.79	1.51	7.84
2014	3.30	3.08	2.40	3.05	1.65	8.59

2015	3.61	3.45	2.69	3.40	1.83	9.52
2016	3.86	3.90	3.05	3.85	2.05	10.91

#### Average Annual growth

2006-2016	10.21%	10.03%	10.60%	10.22%	9.93%	10.87%
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Source: IHS Markit Regional eXplorer version 1156

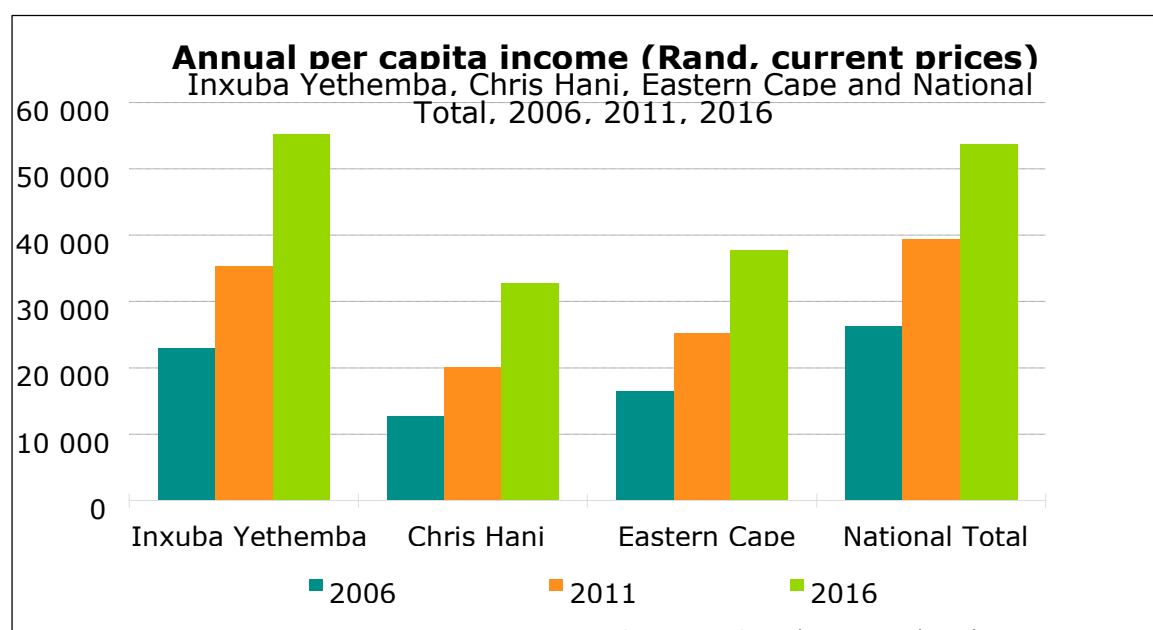
When looking at the annual total personal income for the regions within Chris Hani District Municipality it can be seen that the Enoch Mgijima local municipality had the highest total personal income with R 10.9 billion which increased from R 3.89 billion recorded in 2006. It can be seen that the Sakhisizwe local municipality had the lowest total personal income of R 2.05 billion in 2016, this increased from R 796 million in 2006.

### 4.3 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 30. PER CAPITA INCOME - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [RAND, CURRENT PRICES]**



Source: IHS Markit Regional eXplorer version 1156

The per capita income in Inxuba Yethemba Local Municipality in 2016 is R 55,300 which is higher than both the Eastern Cape (R 37,800) and of the Chris Hani District Municipality (R 32,800) per capita income. The per capita income for Inxuba Yethemba Local Municipality (R 55,300) is higher than that of the South Africa as a whole which is R 53,800.

**TABLE 25. PER CAPITA INCOME BY POPULATION GROUP - INXUBA YETHEMBA AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2016 [RAND, CURRENT PRICES]**

	African	White	Coloured
Inxuba Yethemba	37,900	189,000	46,400
Intsika Yethu	25,100	N/A	N/A
Emalahleni	23,400	N/A	N/A
Engcobo	24,000	N/A	N/A
Sakhisizwe	29,800	N/A	N/A
Enoch Mgijima	34,500	225,000	52,100

*Source: IHS Markit Regional eXplorer version 1156* Inxuba Yethemba local municipality has the highest per capita income with a total of R 55,300. Enoch Mgijima local municipality had the second highest per capita income at R 40,500, whereas Engcobo local municipality had the lowest per capita income at R 24,000. In Inxuba Yethemba Local Municipality, the White population group has the highest per capita income, with R 189,000, relative to the other population groups. The population group with the second highest per capita income within Inxuba Yethemba Local Municipality is the Coloured population group (R 46,400). Some of the population groups - where there are less than 1,000 people living in the area were excluded from the analysis.

#### 4.4 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 26. INDEX OF BUYING POWER - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [NUMBER]**

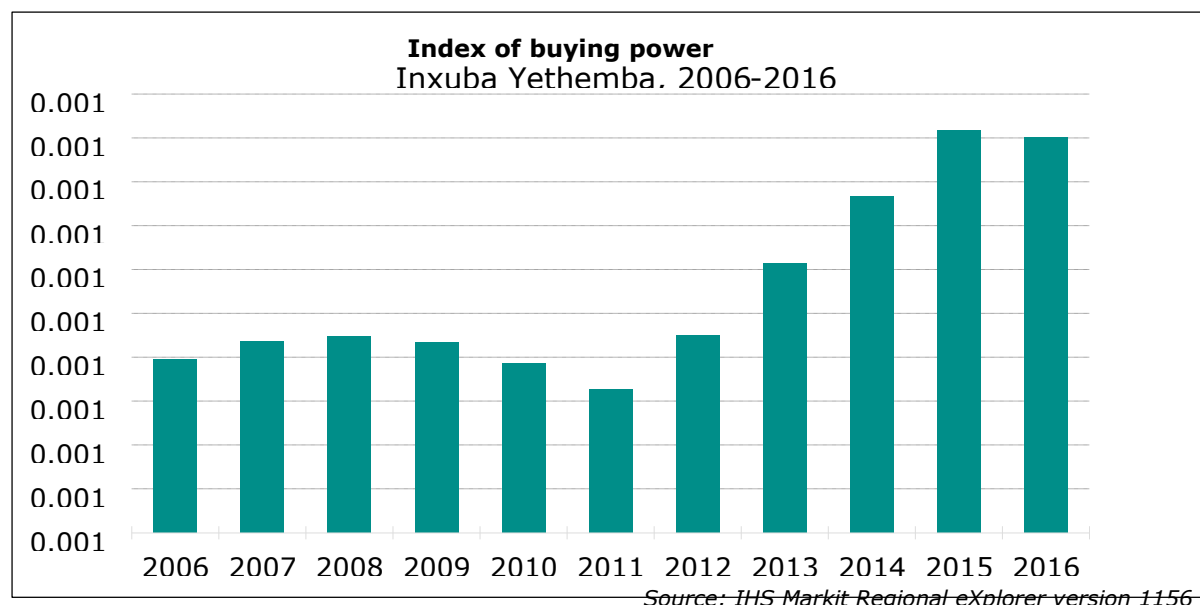
	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
Population	69,774	841,493	7,006,876	55,724,934
Population - share of national total	0.1%	1.5%	12.6%	100.0%
Income	3,856	27,618	264,506	2,995,448
Income - share of national total	0.1%	0.9%	8.8%	100.0%
Retail	1,058,781	8,469,255	79,545,670	926,561,000
Retail - share of national total	0.1%	0.9%	8.6%	100.0%
Index	0.00	0.01	0.09	1.00

*Source: IHS Markit Regional eXplorer version 1156* Inxuba Yethemba Local Municipality has a 0.1% share of the national population, 0.1% share of the total national income and a 0.1% share in the total national retail, this all equates to an IBP index value of 0.0012 relative to South Africa as a whole. Chris Hani has an IBP of 0.0098, were Eastern Cape Province has and IBP index value of 0.091 and South Africa a value of 1 relative to South Africa as a whole.

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



**CHART 31. INDEX OF BUYING POWER INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016**  
**[INDEX VALUE]**



Between 2006 and 2016, the index of buying power within Inxuba Yethemba Local Municipality increased to its highest level in 2015 (0.001243) from its lowest in 2011 (0.001125). Although the buying power within Inxuba Yethemba Local Municipality is relatively small compared to other regions, the IBP increased at an average annual growth rate of 0.85%.

## **5. 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.

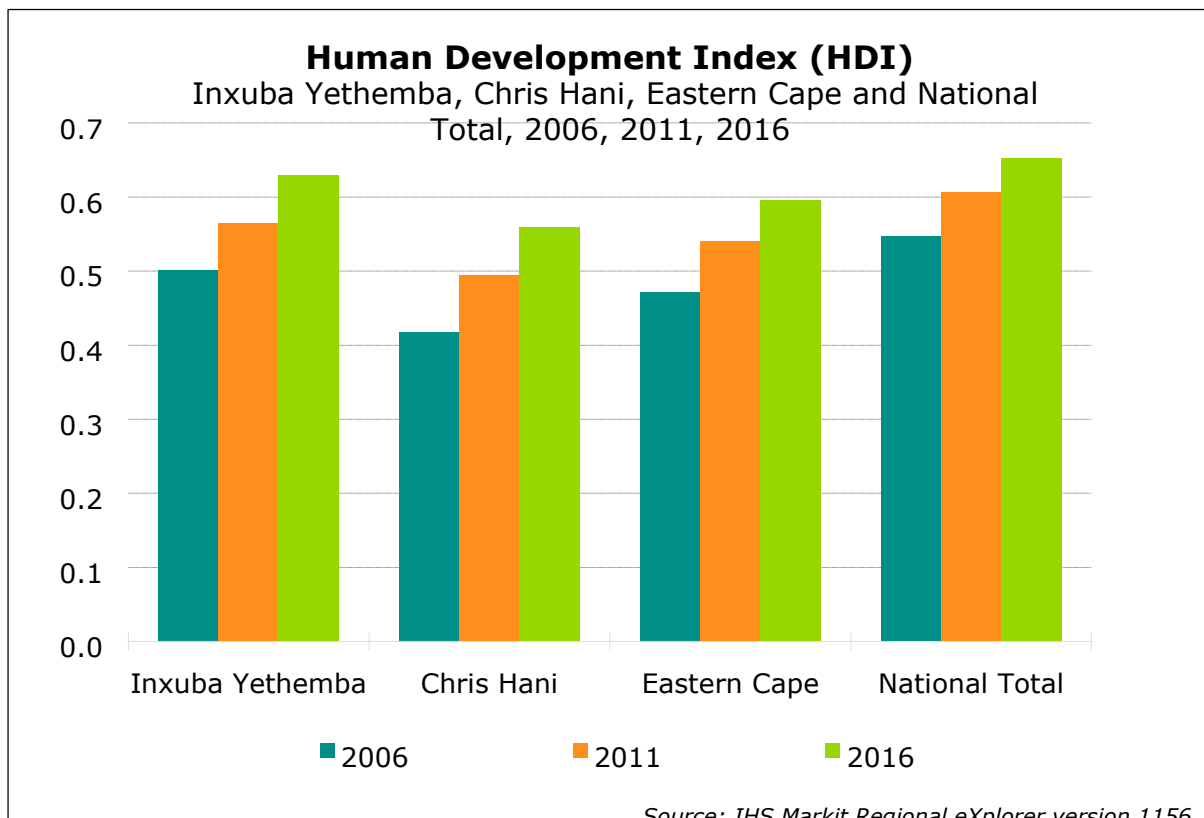
Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such 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.

### **5.1 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.

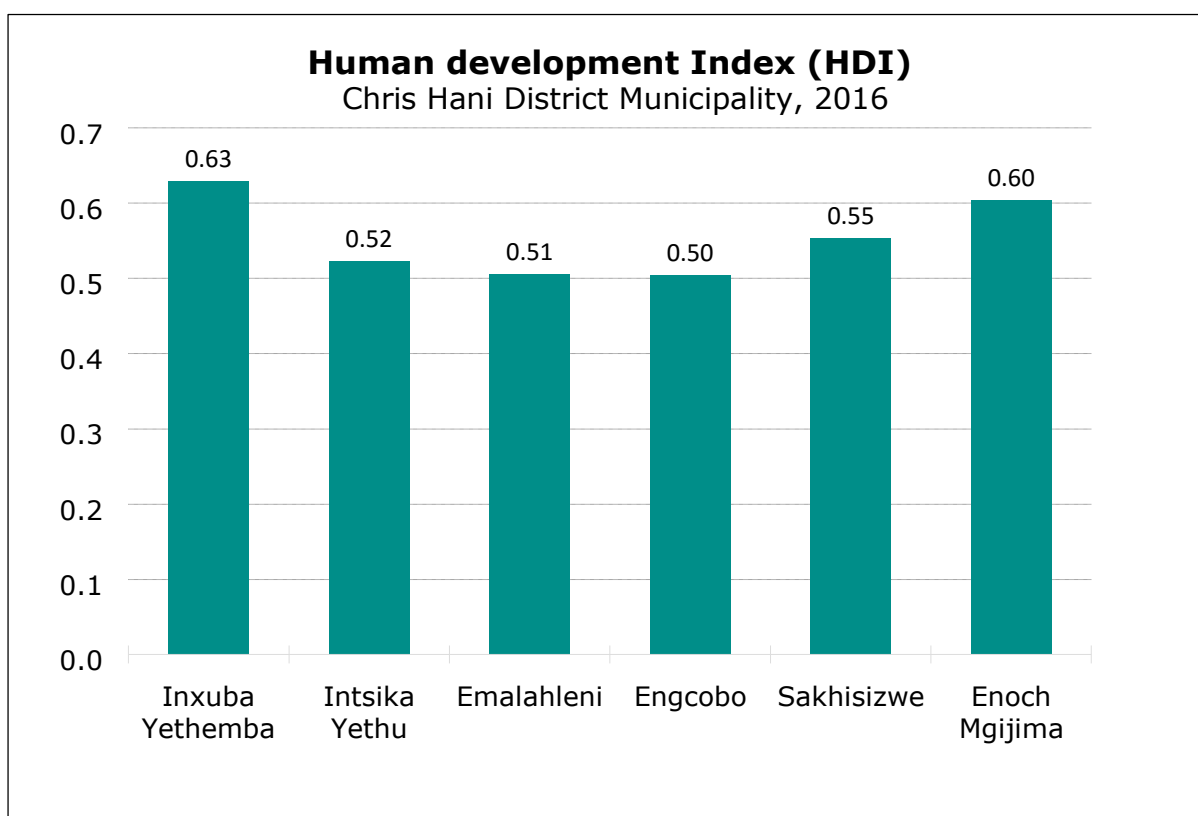
HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment 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 32. HUMAN DEVELOPMENT INDEX (HDI) - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006, 2011, 2016 [NUMBER]**



In 2016 Inxuba Yethemba Local Municipality had an HDI of 0.63 compared to the Chris Hani with a HDI of 0.559, 0.596 of Eastern Cape and 0.653 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2016 when compared to Inxuba Yethemba Local Municipality which translates to worse human development for Inxuba Yethemba Local Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.79% and this increase is lower than that of Inxuba Yethemba Local Municipality (2.32%).

**CHART 33. HUMAN DEVELOPMENT INDEX (HDI) - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO, SAKHISIZWE AND ENOCH MGJIMA, 2016 [NUMBER]**



*Source: IHS Markit Regional eXplorer version 1156*

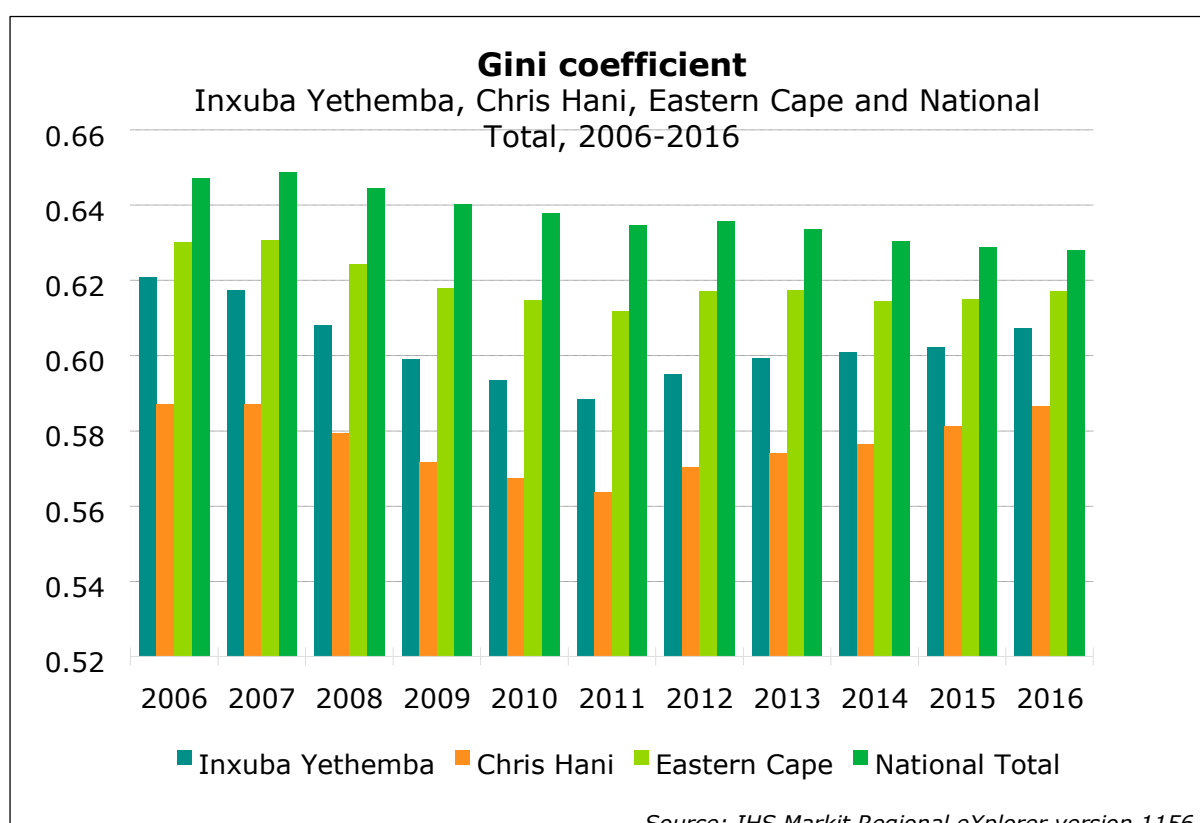
In terms of the HDI for each the regions within the Chris Hani District Municipality, Inxuba Yethemba local municipality has the highest HDI, with an index value of 0.63. The lowest can be observed in the Engcobo local municipality with an index value of 0.505.

## 5.2 GINI COEFFICIENT

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

If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no 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 34. GINI COEFFICIENT - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006/2016 [NUMBER]**



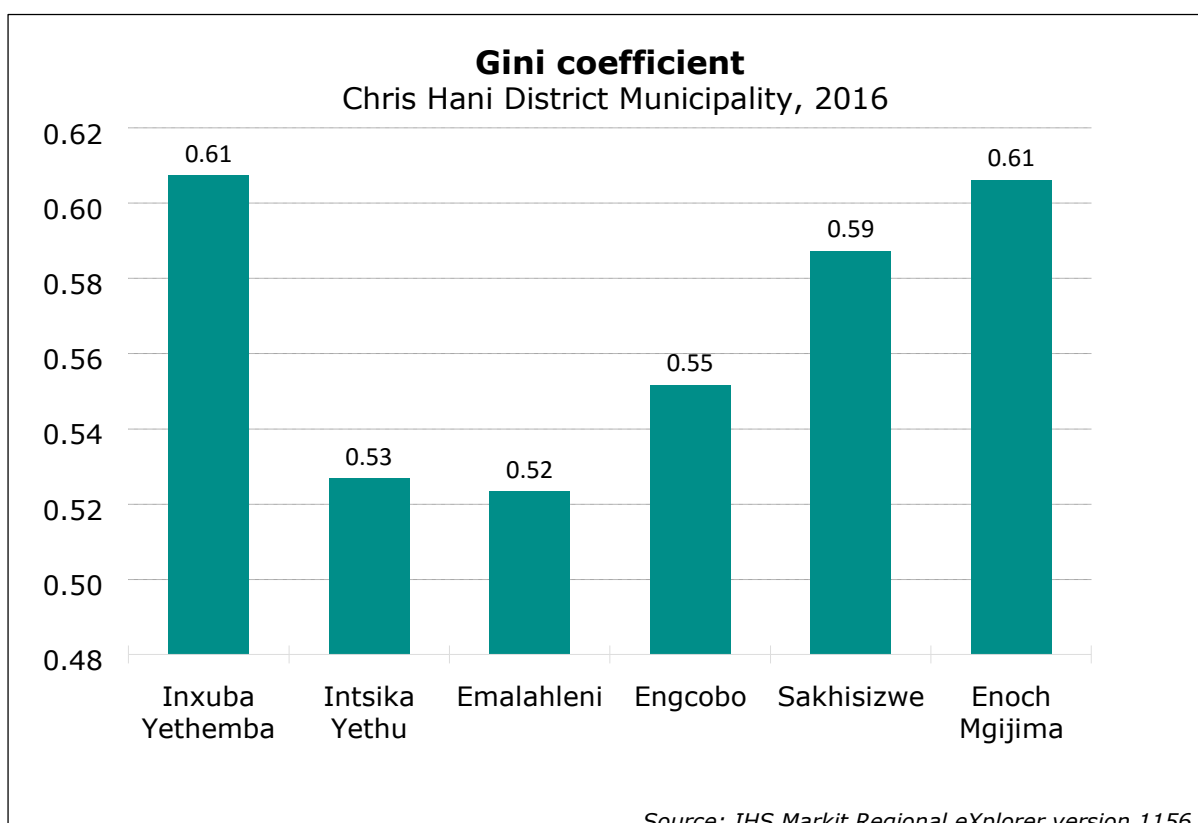
In 2016, the Gini coefficient in Inxuba Yethemba Local Municipality was at 0.607, which reflects a decrease in the number over the ten-year period from 2006 to 2016. The Chris Hani District Municipality and the Eastern Cape Province had a Gini coefficient of 0.587 and 0.617 respectively. When Inxuba Yethemba Local Municipality is contrasted against the entire South Africa, it can be seen that Inxuba Yethemba has a more equal income distribution with a lower Gini coefficient compared to the South African coefficient of 0.628 in 2016. This has been the case for the entire 10 year history.

**TABLE 27. GINI COEFFICIENT BY POPULATION GROUP - INXUBA YETHEMBA, 2006, 2016 [NUMBER]**

	African	White	Coloured
2006	0.55	0.46	0.56
2016	0.58	0.44	0.54
Average Annual growth 2006-2016	0.53%	-0.30%	-0.39%

*Source: IHS Markit Regional eXplorer version 1156* When segmenting the Inxuba Yethemba Local Municipality into population groups, it can be seen that the Gini coefficient for the African population group increased the most amongst the population groups with an average annual growth rate of 0.53%. The Gini coefficient for the Coloured population group decreased the most with an average annual growth rate of -0.39%.

**CHART 35. GINI COEFFICIENT - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGOBO, SAKHISIZWE AND ENOCH MGIJIMA, 2016 [NUMBER]**

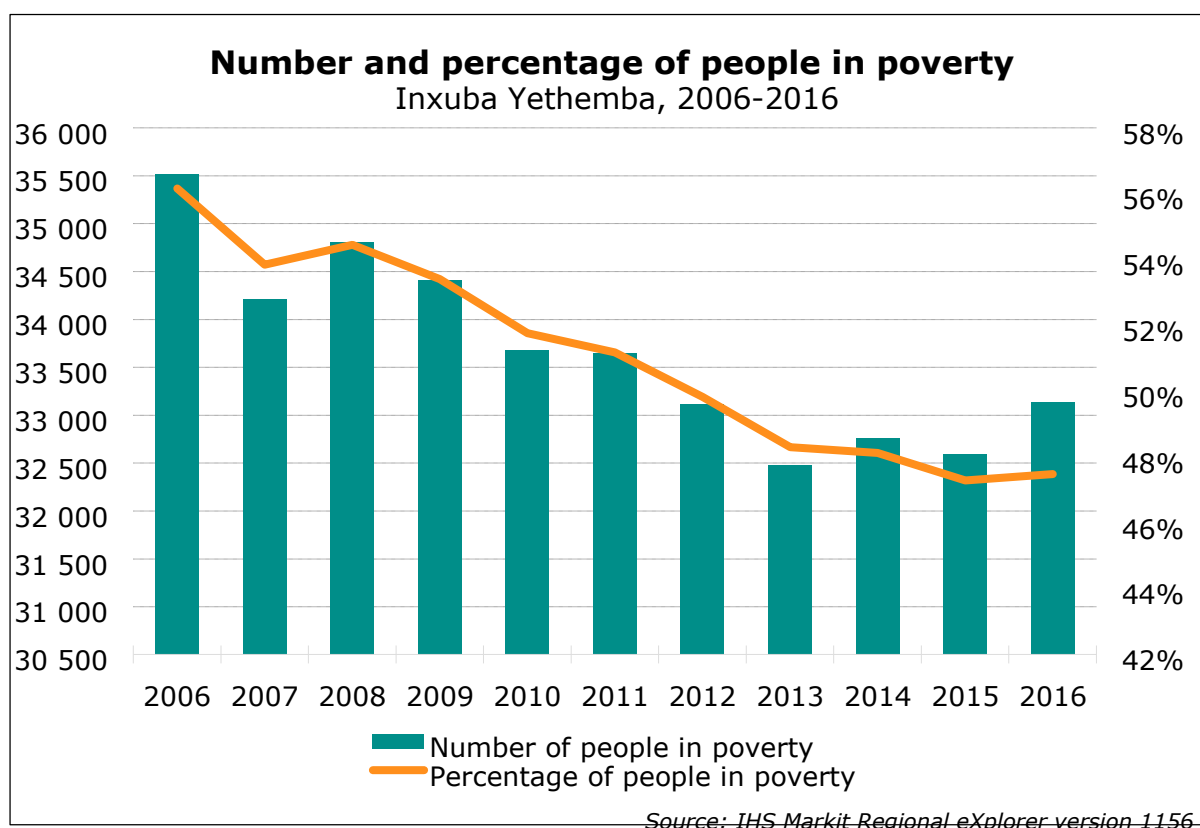


In terms of the Gini coefficient for each of the regions within the Chris Hani District Municipality, Inxuba Yethemba local municipality has the highest Gini coefficient, with an index value of 0.607. The lowest Gini coefficient can be observed in the Emalahleni local municipality with an index value of 0.523.

### 5.3 POVERTY

**Definition:** The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. This variable measures the number of individuals living below that particular level of consumption for the given area, and is balanced directly to the official upper poverty rate as measured by StatsSA.

#### CHART 36. NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016 [NUMBER PERCENTAGE]



In 2016, there were 33 100 people living in poverty, using the upper poverty line definition, across Inxuba Yethemba Local Municipality - this is 6.72% lower than the 35 500 in 2006. The percentage of people living in poverty has decreased from 56.16% in 2006 to 47.49% in 2016, which indicates a decrease of 8.68 percentage points.

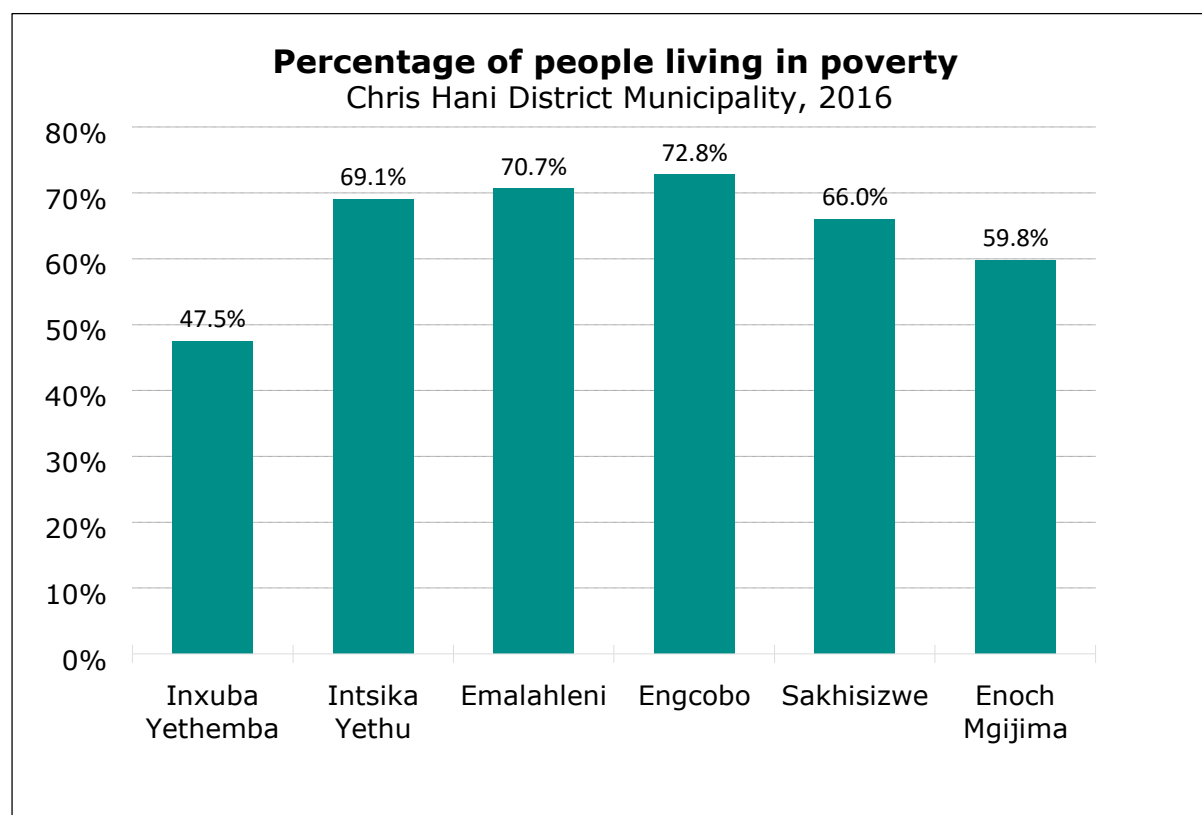
**TABLE 28. PERCENTAGE OF PEOPLE LIVING IN POVERTY BY POPULATION GROUP - INXUBA YETHEMBA, 2006-2016 [PERCENTAGE]**

	African	White	Coloured
2006	67.4%	0.9%	56.4%
2007	65.6%	1.1%	52.1%
2008	66.4%	1.7%	51.9%
2009	65.5%	1.7%	49.8%
2010	63.0%	1.1%	49.0%
2011	61.6%	0.7%	49.3%
2012	60.2%	0.7%	47.3%
2013	58.8%	0.7%	44.6%
2014	58.8%	0.7%	43.6%
2015	58.1%	0.8%	41.8%
<b>2016</b>	<b>58.1%</b>	<b>2.6%</b>	<b>41.4%</b>

*Source: IHS Markit Regional eXplorer version 1156* In 2016, the population group with the highest percentage of people living in poverty was the White population group with a total of 2.6% people living in poverty, using the upper poverty line definition. The proportion of the White population group, living in poverty, decreased by -1.78 percentage points, as can be

seen by the change from 0.86% in 2006 to 2.64% in 2016. In 2016 58.11% of the African population group lived in poverty, as compared to the 67.42% in 2006.

**CHART 37. PERCENTAGE OF PEOPLE LIVING IN POVERTY - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO, SAKHISIZWE AND ENOCH MGIJIMA, 2016 [PERCENTAGE]**



Source: IHS Markit Regional eXplorer version 1156

In terms of the percentage of people living in poverty for each of the regions within the Chris Hani District Municipality, Engcobo local municipality has the highest percentage of people living in poverty, with a total of 72.8%. The lowest percentage of people living in poverty can be observed in the Inxuba Yethemba local municipality with a total of 47.5% living in poverty, using the upper poverty line definition.

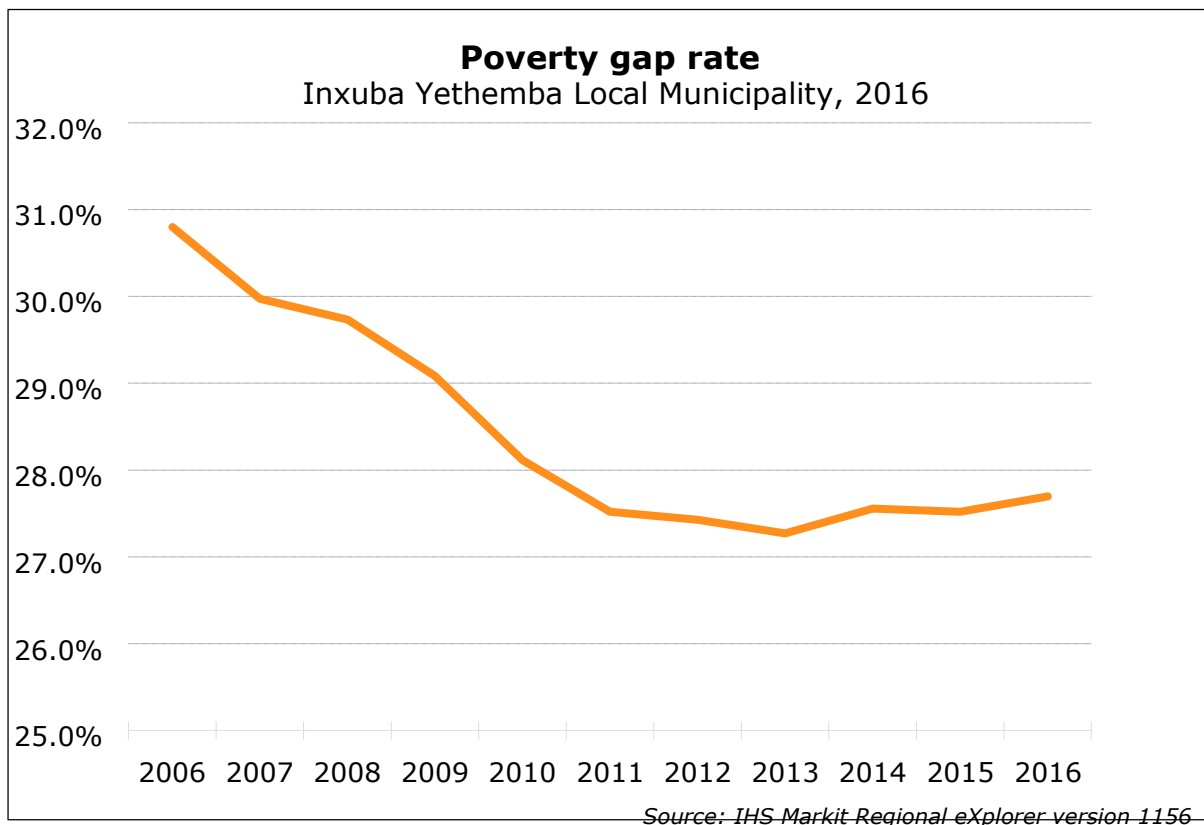
### 5.3.1 POVERTY GAP RATE

**Definition:** The poverty gap is used as an indicator to measure the depth of poverty. The gap measures the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line, as defined by StatsSA. The Poverty Gap deals with a major shortcoming of the poverty rate, which does not give any indication of the depth, of poverty. The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other.

It is estimated that the poverty gap rate in Inxuba Yethemba Local Municipality amounted to 27.7% in 2016 - the rate needed to bring all poor households up to the poverty line and out of poverty.

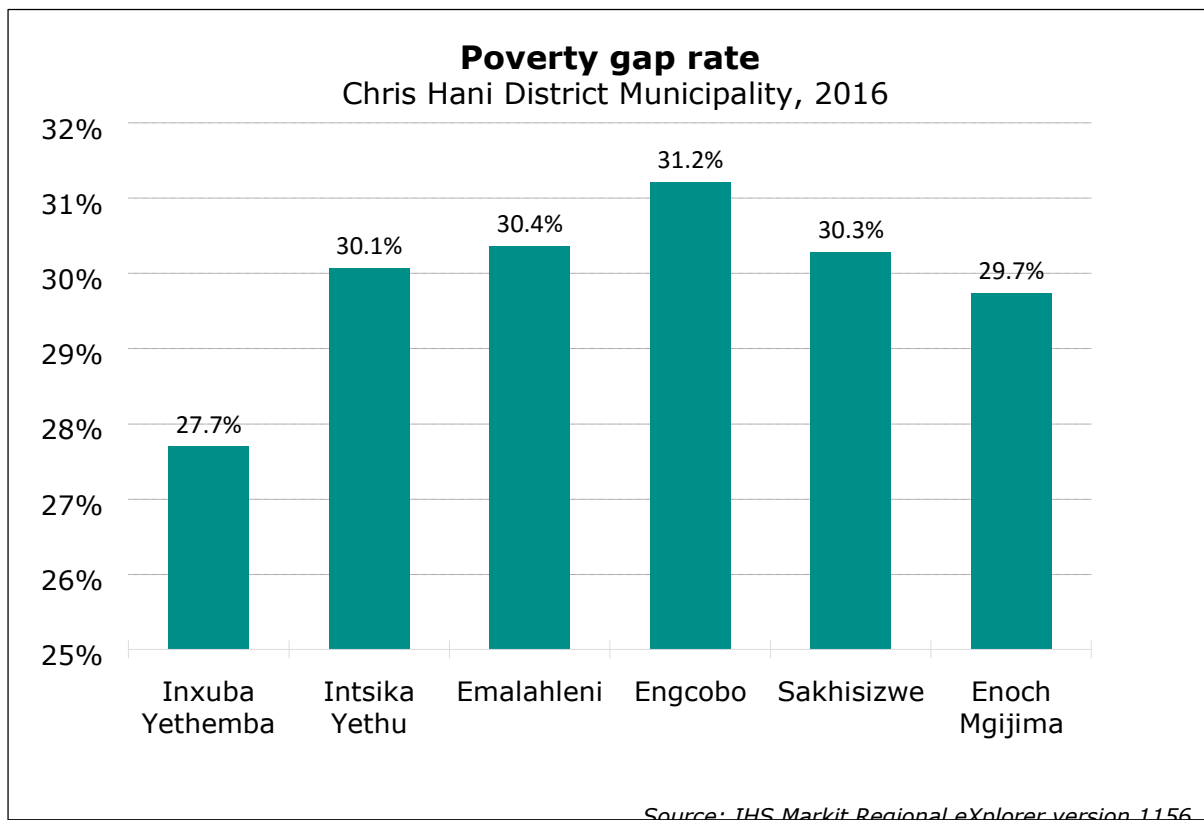
**CHART 38. POVERTY GAP RATE BY POPULATION GROUP - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016 [PERCENTAGE]**





In 2016, the poverty gap rate was 27.7% and in 2006 the poverty gap rate was 30.8%, it can be seen that the poverty gap rate decreased from 2006 to 2016, which means that there were improvements in terms of the depth of the poverty within Inxuba Yethemba Local Municipality.

**CHART 39. POVERTY GAP RATE - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO, SAKHISIZWE AND ENOCH MGIJIMA, 2016 [PERCENTAGE]**



In terms of the poverty gap rate for each of the regions within the Chris Hani District Municipality, Engcobo local municipality had the highest poverty gap rate, with a rate of 31.2%. The lowest poverty gap rate can be observed in the Inxuba Yethemba local municipality with a total of 27.7%.

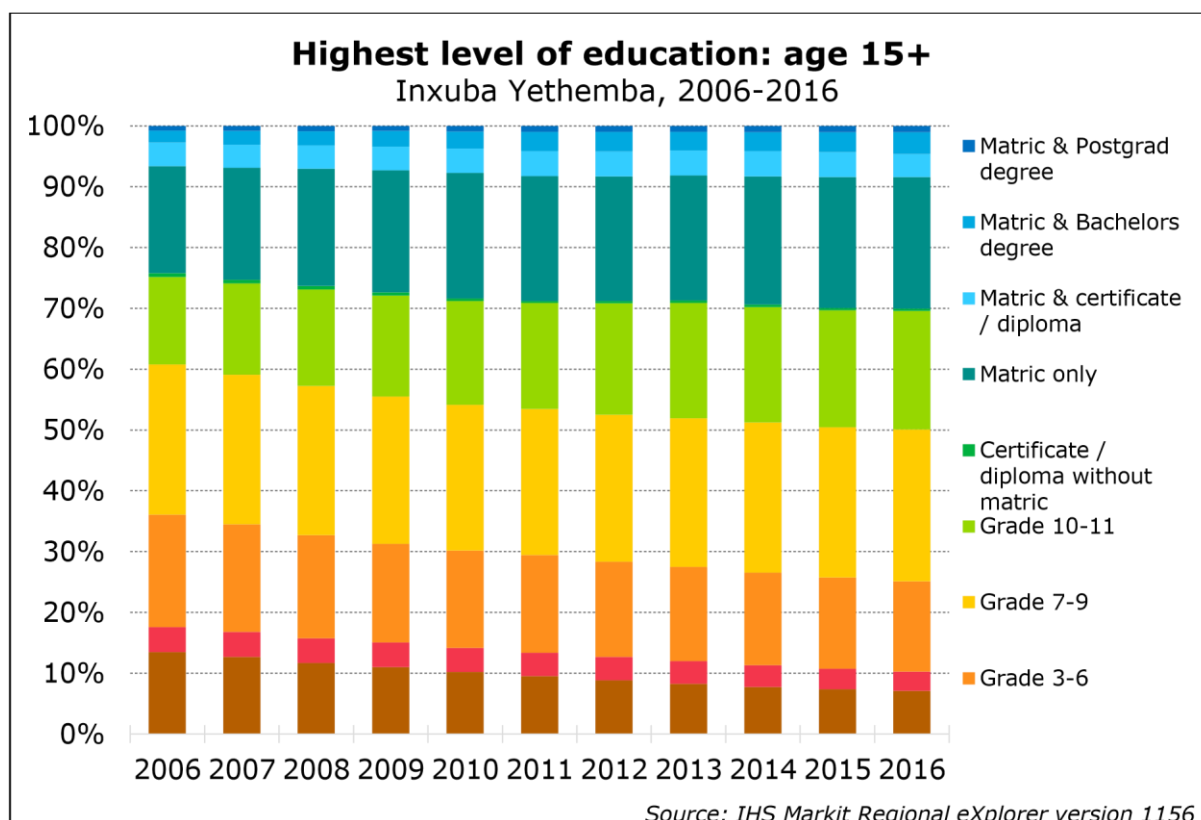
#### 5.4 EDUCATION

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required.

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).

## HIGHEST LEVEL OF EDUCATION

**CHART 40. EDUCATION: AGE 15+ - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016**  
[PERCENTAGE]



Within Inxuba Yethemba Local Municipality, the number of people without any schooling decreased from 2006 to 2016 with an average annual rate of -4.67%, while the number of people within the 'matric only' category, increased from 6,710 to 9,710. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 1.53%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 7.65%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

**TABLE 29. EDUCATION: AGE 15+ - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [NUMBERS]**

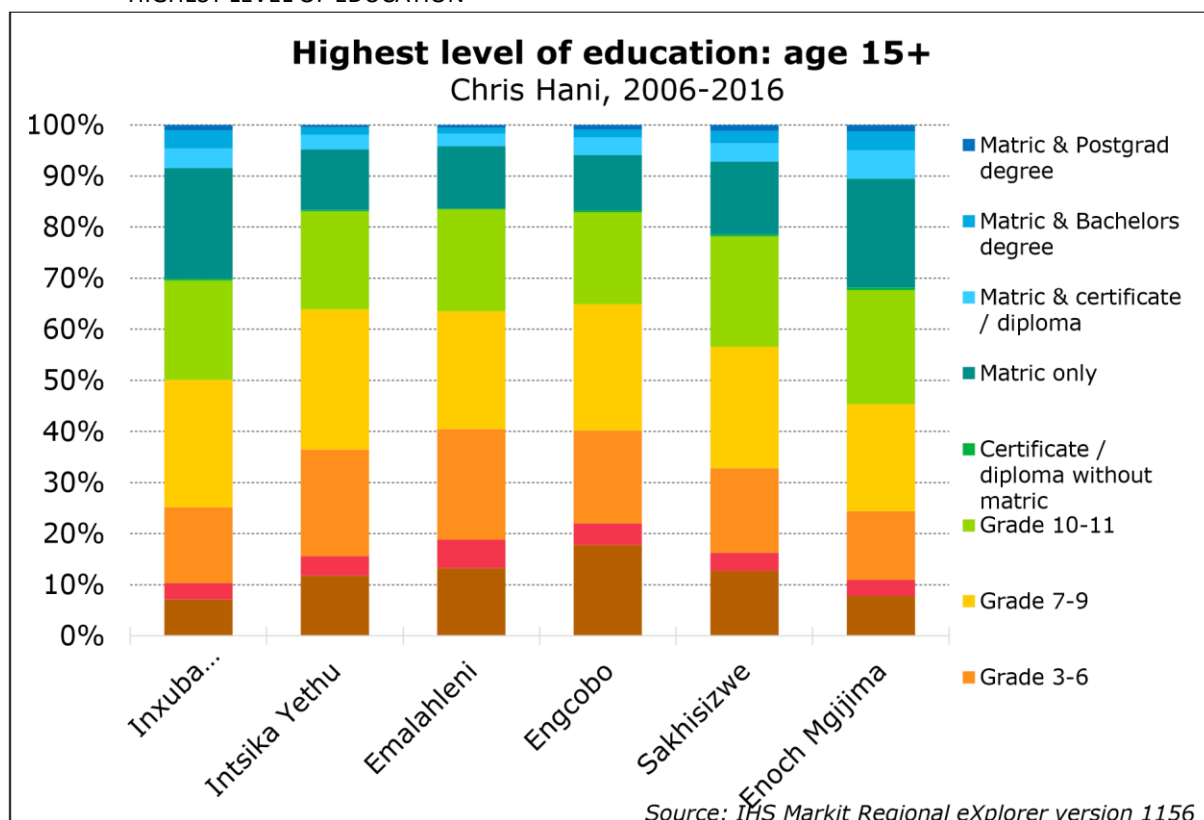
# HIGHEST LEVEL OF EDUCATION

Yethemba	Inxuba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
No schooling	3,180	54,800	328,000	2,380,000	5.8%	0.97%	0.13%
Grade 0-2	1,430	18,800	123,000	712,000	7.6%	1.16%	0.20%
Grade 3-6	6,660	83,100	561,000	3,180,000	8.0%	1.19%	0.21%
Grade 7-9	11,200	115,000	934,000	6,030,000	9.8%	1.20%	0.19%
Grade 10-11	8,720	99,100	958,000	8,140,000	8.8%	0.91%	0.11%
Certificate / diploma without matric	164	1,860	14,500	176,000	8.8%	1.13%	0.09%
Matric only	9,710	78,000	841,000	10,100,000	12.4%	1.15%	0.10%
Matric certificate / diploma Matric	1,720	19,300	184,000	1,960,000	8.9%	0.94%	0.09%
Bachelors degree	1,590	11,900	137,000	1,600,000	13.3%	1.16%	0.10%
Matric Postgrad degree	473	4,660	50,700	693,000	10.1%	0.93%	0.07%

Source: IHS Markit Regional eXplorer version 1156 The number of people without any schooling in Inxuba Yethemba Local Municipality accounts for 5.81% of the number of people without schooling in the district municipality, 0.97% of the province and 0.13% of the national. In 2016, the number of people in Inxuba Yethemba Local Municipality with a matric only was 9,710 which is a share of 12.45% of the district municipality's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 13.33% of the district municipality, 1.16% of the province and 0.10% of the national.

**CHART 41. CATION: AGE 15+, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO, SAKHISIZWE AND ENOCH MGIJIMA 2016 [PERCENTAGE]**

## HIGHEST LEVEL OF EDUCATION



### 5.5 FUNCTIONAL LITERACY

**Definition:** For the purpose of this report, IHS defines functional literacy as the number of people in a region that are 20 years and older and have completed at least their primary education (i.e. grade 7).

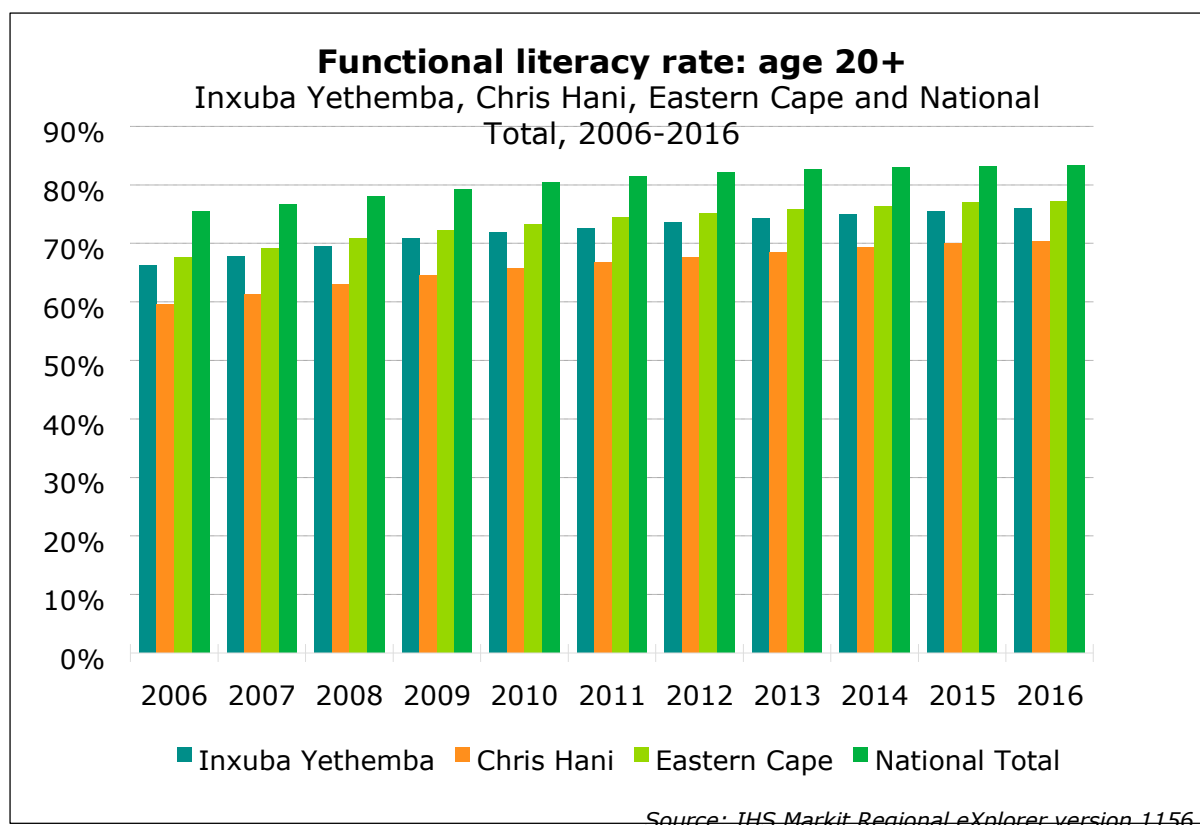
Functional literacy describes the reading and writing skills that are adequate for an individual to cope with the demands of everyday life - including the demands posed in the workplace.

**TABLE 30. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016 [NUMBER PERCENTAGE]**

	Illiterate	Literate	%
2006	15,170	29,764	66.2%
2007	14,573	30,695	67.8%
2008	13,913	31,746	69.5%
2009	13,439	32,663	70.8%
2010	13,115	33,469	71.8%
2011	12,893	34,150	72.6%
2012	12,579	34,919	73.5%
2013	12,407	35,622	74.2%
2014	12,180	36,430	74.9%
2015	12,053	37,154	75.5%
2016	11,953	37,868	76.0%
Average Annual growth 2006-2016	-2.36%	2.44%	1.39%

*Source: IHS Markit Regional eXplorer version 1156* A total of 37 900 individuals in Inxuba Yethemba Local Municipality were considered functionally literate in 2016, while 12 000 people were considered to be illiterate. Expressed as a rate, this amounts to 76.01% of the population, which is an increase of 0.098 percentage points since 2006 (66.24%). The number of illiterate individuals decreased on average by -2.36% annually from 2006 to 2016, with the number of functional literate people increasing at 2.44% annually.

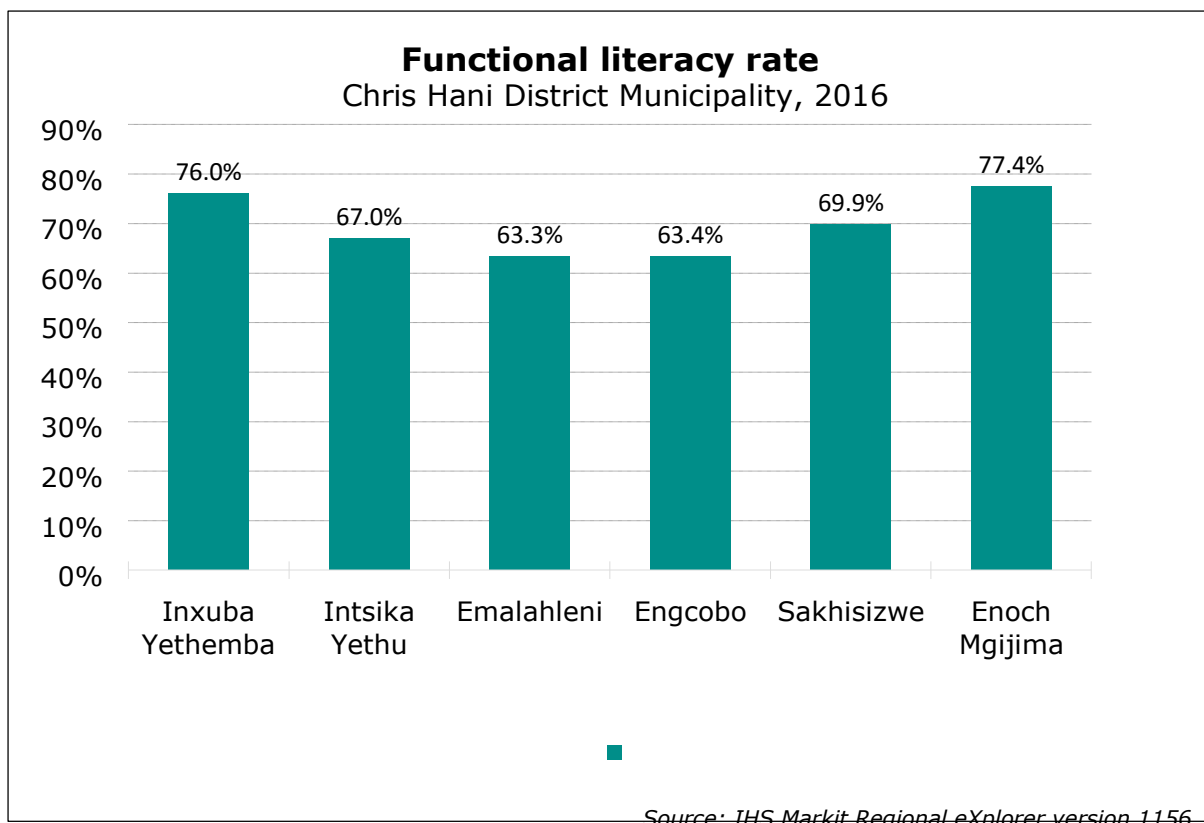
**CHART 42. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]**



Inxuba Yethemba Local Municipality's functional literacy rate of 76.01% in 2016 is higher than that of Chris Hani at 70.32%, and is higher than the province rate of 77.18%. When comparing to National Total as whole, which has a functional literacy rate of 83.31%, it can be seen that the functional literacy rate is higher than that of the Inxuba Yethemba 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.*

**CHART 43. LITERACY RATE - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO, SAKHISIZWE AND ENOCH MGIJIMA, 2016 [PERCENTAGE]**



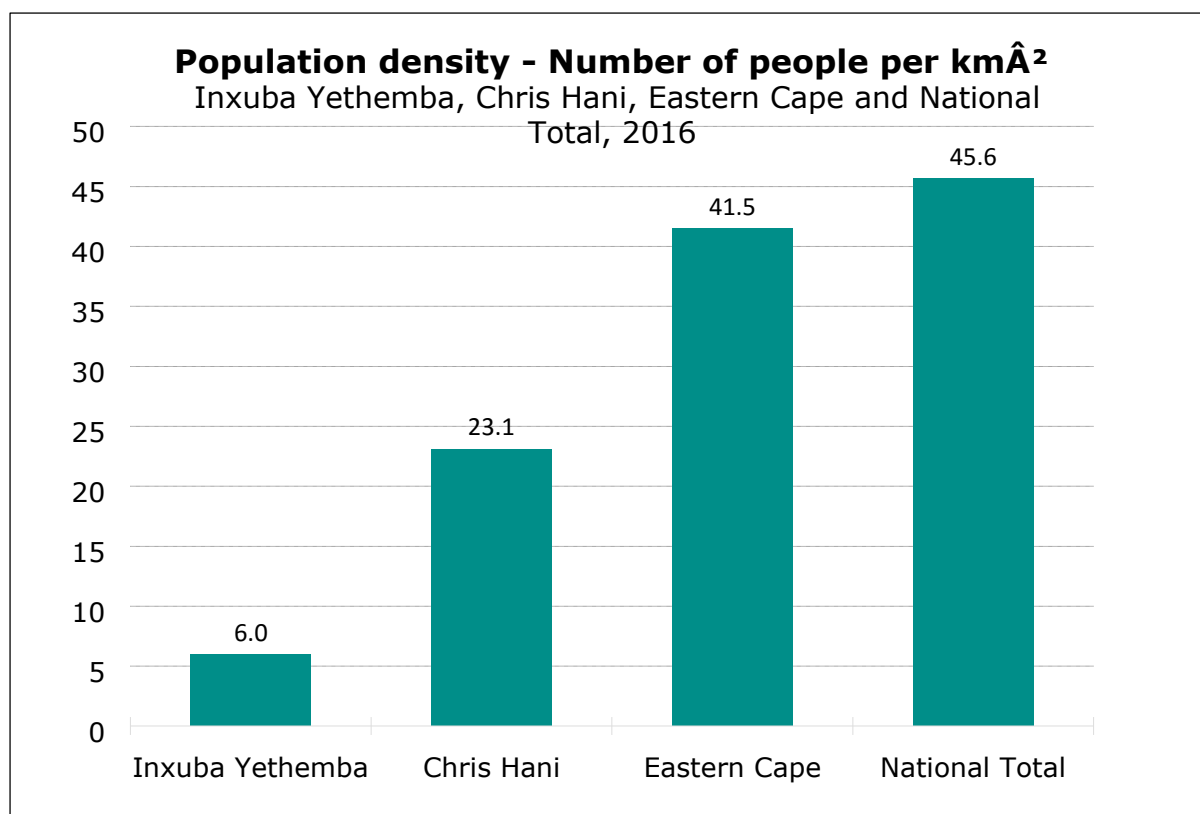
In terms of the literacy rate for each of the regions within the Chris Hani District Municipality, Enoch Mgijima local municipality had the highest literacy rate, with a total of 77.4%. The lowest literacy rate can be observed in the Emalahleni local municipality with a total of 63.3%.

## 5.6 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 kilometer.

### CHART 44. POPULATION DENSITY - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [NUMBER OF PEOPLE PER KM]





*Source: IHS Markit Regional eXplorer version 1156*

In 2016, with an average of 5.98 people per square kilometre, Inxuba Yethemba Local Municipality had a lower population density than Chris Hani (23.1 people per square kilometre). Compared to Eastern Cape Province (41.5 per square kilometre) it can be seen that there are less people living per square kilometre in Inxuba Yethemba Local Municipality than in Eastern Cape Province.

**TABLE 31. POPULATION DENSITY - INXUBA YETHEMBA AND THE REST OF CHRIS HANI, 2006-2016 [NUMBER OF PEOPLE PER KM]**

Inxuba Yethemba	Intsika Yethu					Enoch Mgijima
			Emalahleni	Engcobo	Sakhisizwe	
2006	5.42	53.51	33.61	63.64	28.52	18.06
2007	5.45	53.14	33.67	63.25	28.19	18.12
2008	5.48	52.98	33.94	63.01	27.83	18.23
2009	5.52	52.95	34.29	62.94	27.56	18.39
2010	5.58	52.91	34.55	62.95	27.42	18.57
2011	5.64	52.82	34.71	62.99	27.38	18.75
2012	5.70	52.70	34.83	63.03	27.37	18.93
2013	5.77	52.72	35.02	63.22	27.43	19.13
2014	5.84	52.85	35.26	63.54	27.54	19.36
2015	5.91	53.05	35.53	63.93	27.68	19.59

2016	5.98	53.31	35.83	64.39	27.84	19.82
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#### Average Annual growth

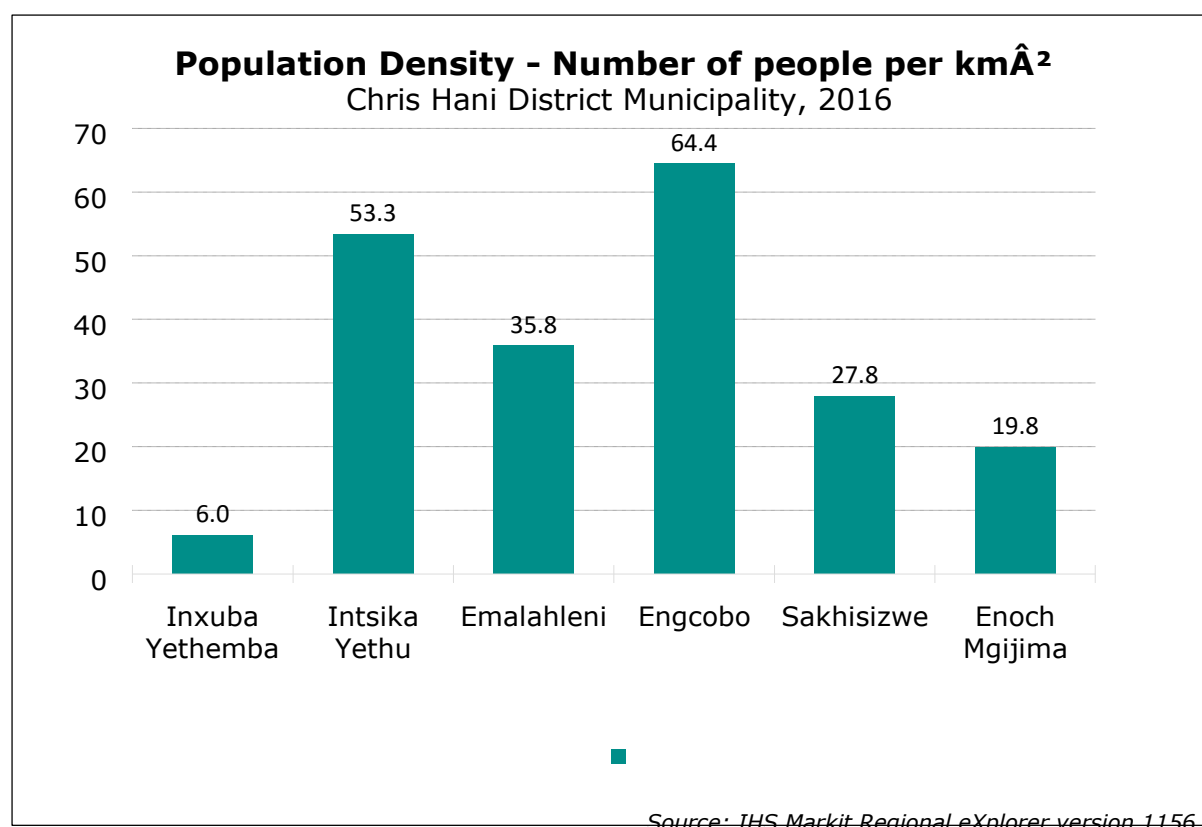
2006-2016	0.99%	-0.04%	0.64%	0.12%	-0.24%	0.94%
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Source: IHS Markit Regional eXplorer version 1156

In 2016, Inxuba Yethemba Local Municipality had a population density of 5.98 per square kilometre and it ranked highest amongst its peers. The region with the highest population density per square kilometre was the Engcobo with a total population density of 64.4 per square kilometre per annum. In terms of growth, Inxuba Yethemba Local Municipality had an average annual growth in its population density of 0.99% per square kilometre per annum. It was also the region that had the highest average annual growth rate. The region with the lowest average annual growth rate was the Sakhisizwe with an average annual growth rate of -0.24% people per square kilometre over the period under discussion.

*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.*

**CHART 45. POPULATION DENSITY - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO, SAKHISIZWE AND ENOCH MGJIMA, 2016 [PERCENTAGE]**



In terms of the population density for each of the regions within the Chris Hani District Municipality, Engcobo local municipality had the highest density, with 64.4 people per square kilometre. The lowest population density can be observed in the Inxuba Yethemba local municipality with a total of 5.98 people per square kilometre.

## **6. 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.

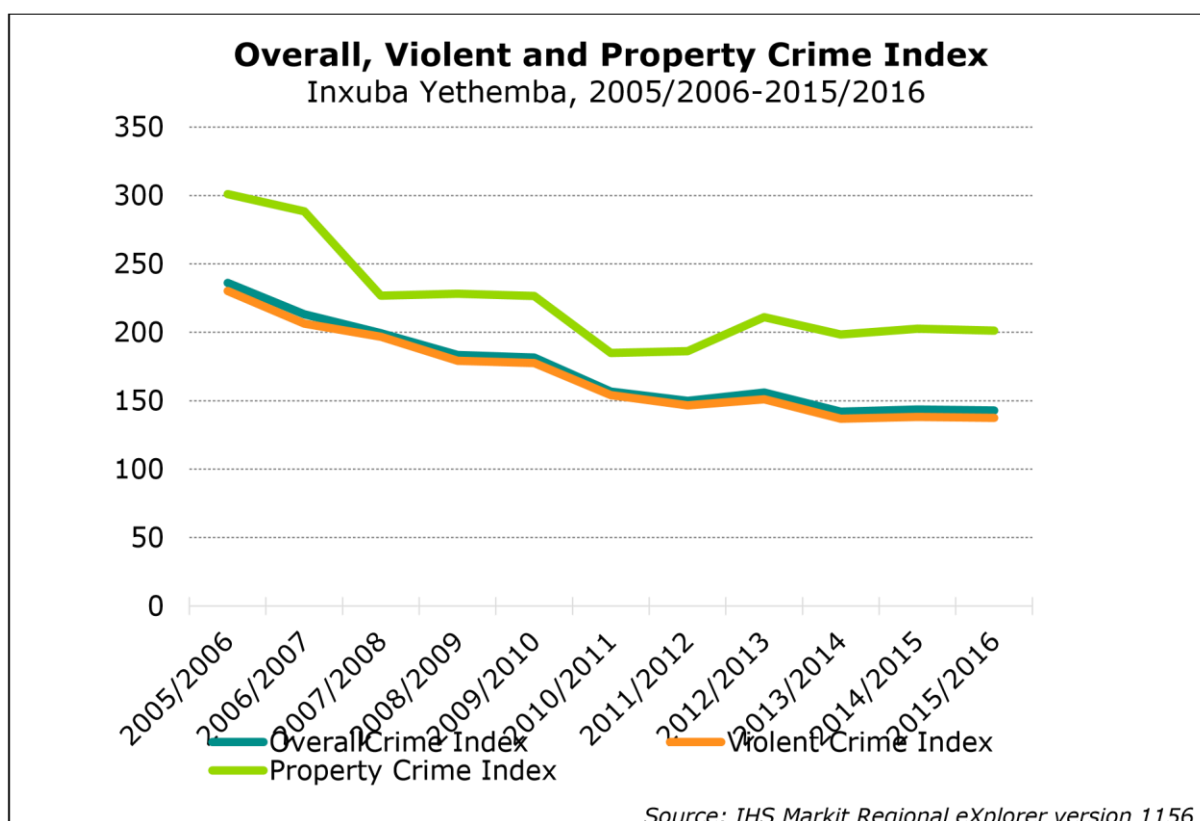
### **6.1 IHS COMPOSITE CRIME INDEX**

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.

#### **6.1.1 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 46. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2005/2006-2015/2016 [INDEX VALUE]**



For the period 2005/2006 to 2015/2016 overall crime has decrease at an average annual rate of 4.90% within the Inxuba Yethemba Local Municipality. Violent crime decreased by 5.02% since 2005/2006, while property crimes decreased by 3.94% between the 2005/2006 and 2015/2016 financial years.

**TABLE 32. OVERALL CRIME INDEX - INXUBA YETHEMBA LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2005/2006-2015/2016 [INDEX VALUE]**

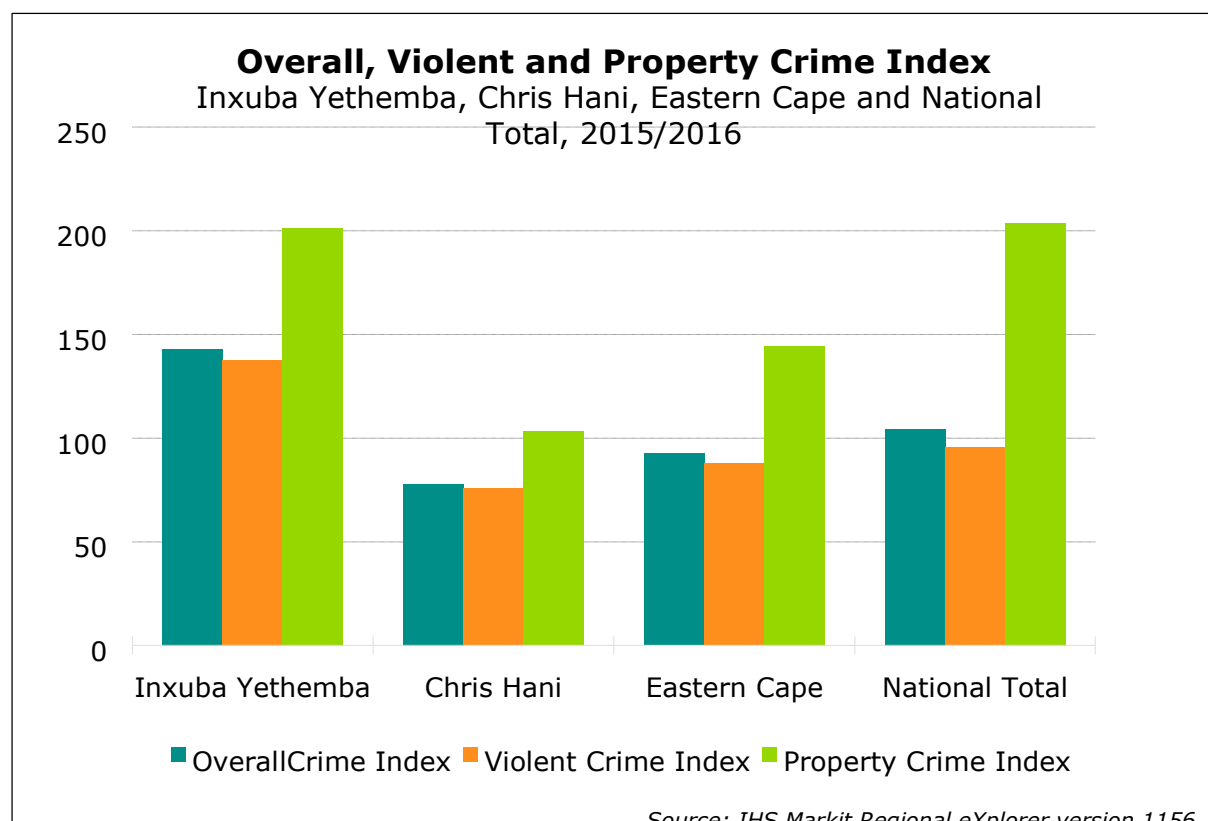
	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Sakhisizwe	Enoch Mgijima
2005/2006	236.15	71.29	83.63	78.21	122.19	121.37
2006/2007	213.29	64.70	77.63	62.47	115.88	119.23
2007/2008	199.31	67.55	80.14	60.58	108.37	95.84
2008/2009	183.36	65.65	70.56	60.61	96.36	98.18
2009/2010	181.67	71.67	75.44	68.52	92.11	100.39
2010/2011	156.83	74.27	70.40	72.26	99.13	94.23
2011/2012	149.95	74.25	69.52	66.45	98.65	97.77
2012/2013	156.07	73.94	77.20	68.12	100.01	90.13
2013/2014	142.05	67.19	75.00	42.97	115.39	86.37
2014/2015	143.61	66.78	72.21	55.38	111.05	85.26
2015/2016	142.93	59.34	73.55	50.44	109.75	82.76

#### Average Annual growth

2005/2006-2015/2016      -4.90%      -1.82%      -1.28%      -4.29%      -1.07%      -3.76%

Source: IHS Markit Regional eXplorer version 1156 In 2015/2016, the Inxuba Yethemba local municipality has the highest overall crime rate of the subregions within the overall Chris Hani District Municipality with an index value of 143. Sakhisizwe local municipality has the second highest overall crime index at 110, with Enoch Mgijima local municipality having the third highest overall crime index of 82.8. It is clear that all the crime is decreasing overtime for all the regions within Chris Hani District Municipality. Intsika Yethu local municipality has the second lowest overall crime index of 59.3 and the Engcobo local municipality has the lowest overall crime rate of 50.4. It is clear that crime is decreasing overtime for all the regions within Chris Hani District Municipality. The region that decreased the most in overall crime since 2005/2006 was Inxuba Yethemba local municipality with an average annual decrease of 4.9% followed by Engcobo local municipality with an average annual decrease of 4.3%.

**CHART 47. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2015/2016 [INDEX VALUE]**



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

## 7. 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.

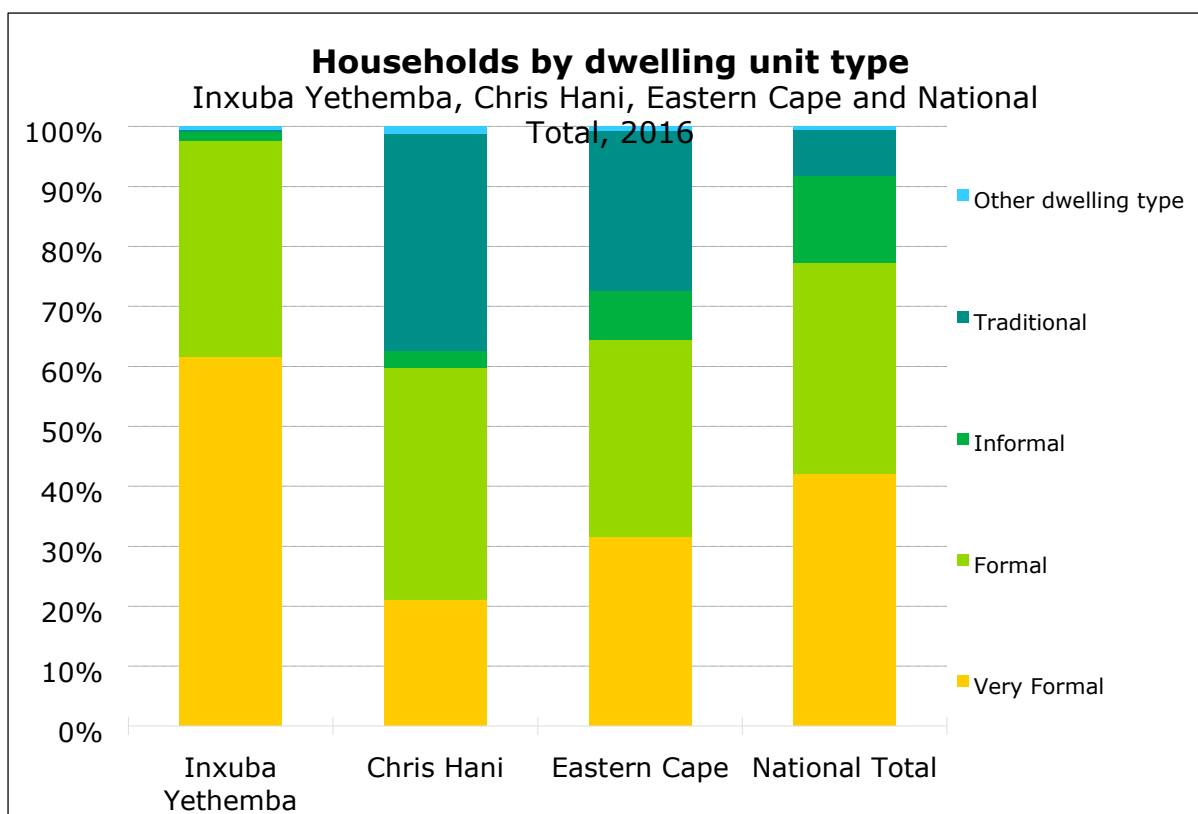
The next few sections offer an overview of the household infrastructure of the Inxuba Yethemba Local Municipality between 2016 and 2006.

### 7.1 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 48. HOUSEHOLDS BY DWELLING UNIT TYPE - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [PERCENTAGE]**



Source: IHS Markit Regional eXplorer version 1156

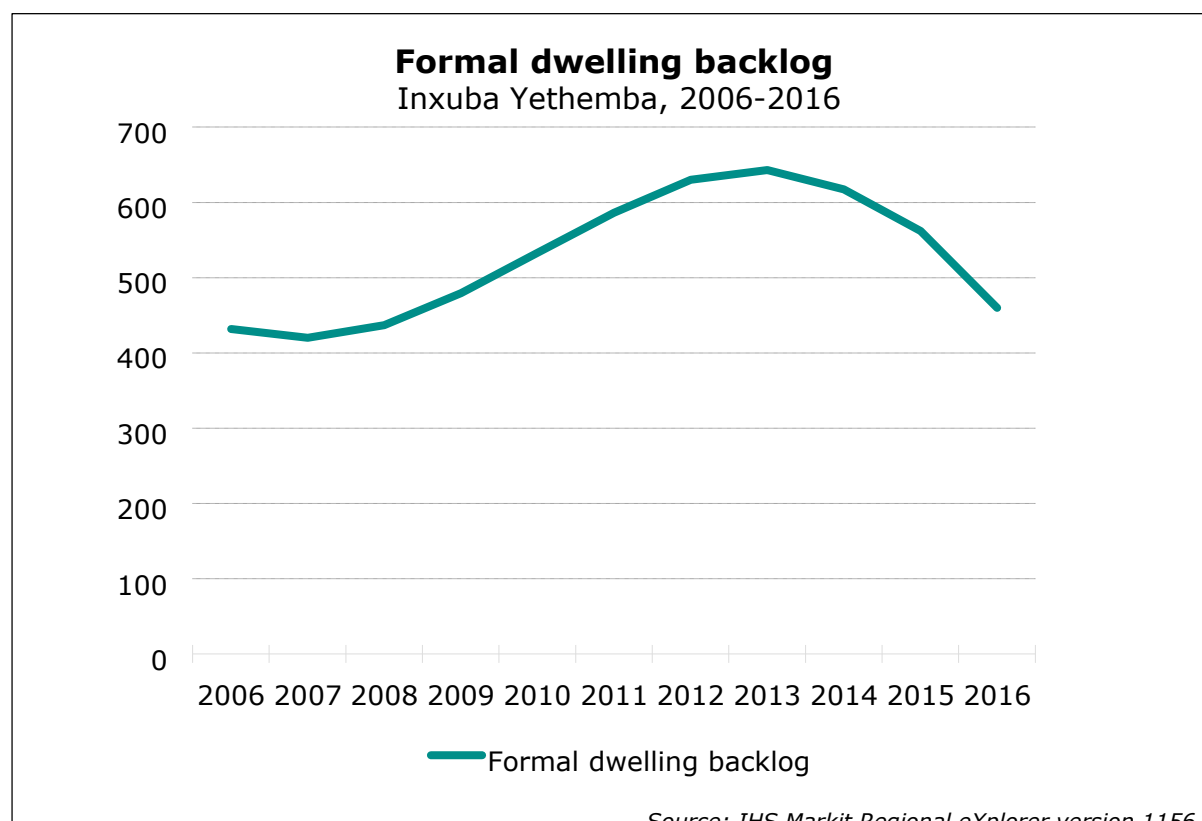
Inxuba Yethemba Local Municipality had a total number of 12 600 (61.63% of total households) very formal dwelling units, a total of 7 370 (36.11% of total households) formal dwelling units and a total number of 307 (1.50% of total households) informal dwelling units.

**TABLE 33. HOUSEHOLDS BY DWELLING UNIT TYPE - INXUBA YETHEMBA AND THE REST OF CHRIS HANI, 2016 [NUMBER]**

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
<b>Inxuba Yethemba</b>						
Inxuba	12,600	7,370	307	51	102	20,400
Yethemba						
Intsika Yethu	609	12,400	496	27,400	483	41,400
Emalahleni	1,450	14,100	544	15,700	787	32,600
Engcobo	500	9,420	600	26,700	737	37,900
Sakhisizwe	2,160	8,960	621	5,120	99	17,000
Enoch Mgijima	29,700	34,300	3,640	6,000	359	74,000
<b>Total</b>						
Chris Hani	47,011	86,587	6,203	80,959	2,567	223,327

Source: IHS Markit Regional eXplorer version 1156 The region within the Chris Hani District Municipality with the highest number of very formal dwelling units is Enoch Mgijima local municipality with 29 700 or a share of 63.19% of the total very formal dwelling units within Chris Hani. The region with the lowest number of very formal dwelling units is Engcobo local municipality with a total of 500 or a share of 1.06% of the total very formal dwelling units within Chris Hani.

**CHART 49. FORMAL DWELLING BACKLOG - NUMBER OF HOUSEHOLDS NOT LIVING IN A FORMAL DWELLING - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016 [NUMBER OF HOUSEHOLDS]**



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 2006 the number of households not living in a formal dwelling were 432 within Inxuba Yethemba Local Municipality. From 2006 this number increased annually at 0.64% to 460 in 2016.

The total number of households within Inxuba Yethemba Local Municipality increased at an average annual rate of 1.25% from 2006 to 2016, which is higher than the annual increase of 1.97% in the number of households in South Africa.

## 7.2 HOUSEHOLD BY TYPE OF SANITATION

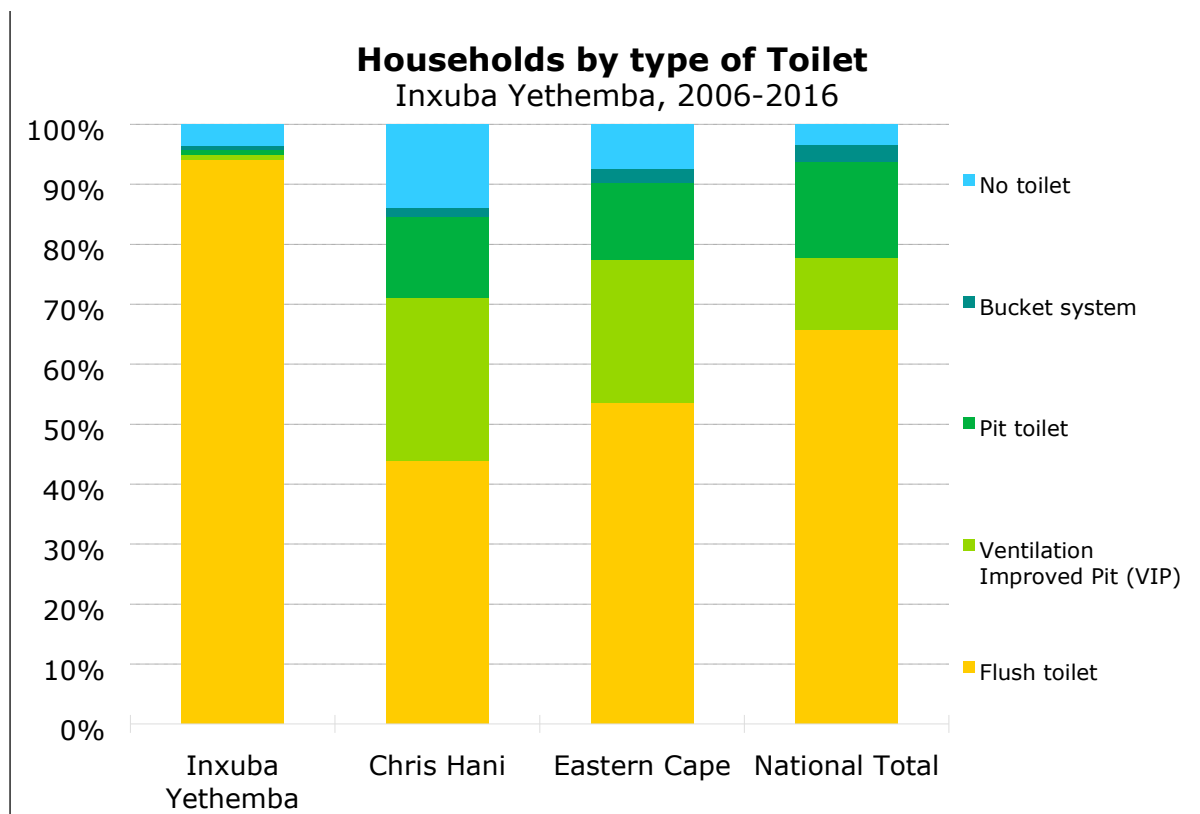
Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories:

- **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.

**CHART 50. HOUSEHOLDS BY TYPE OF SANITATION - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [PERCENTAGE]**



Source: IHS Markit Regional eXplorer version 1156

Inxuba Yethemba Local Municipality had a total number of 19 500 flush toilets (94.13% of total households), 162 Ventilation Improved Pit (VIP) (0.78% of total households) and 184 (0.89%) of total household pit toilets.

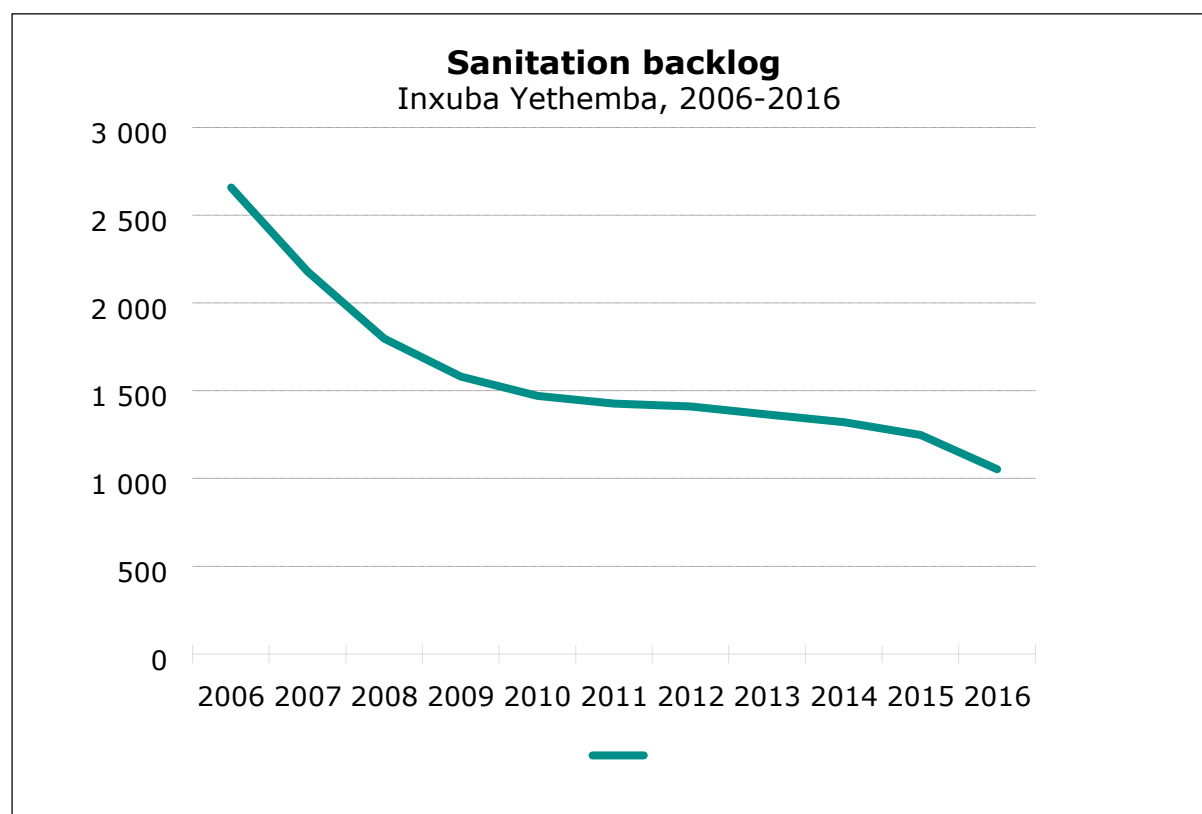
**TABLE 34. HOUSEHOLDS BY TYPE OF SANITATION - INXUBA YETHEMBA LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2016 [NUMBER]**

	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
<b>Inxuba Yethemba</b>	<b>19,500</b>	<b>162</b>	<b>184</b>	<b>114</b>	<b>756</b>	<b>20,700</b>
Intsika Yethu	3,430	14,300	9,760	108	9,790	37,400
Emalahleni	7,270	12,000	5,410	633	5,620	30,900
Engcobo	5,810	13,500	6,500	112	9,140	35,100
Sakhisizwe	6,490	5,130	2,800	214	1,740	16,400
<u>Enoch Mgijima</u>	<u>51,900</u>	<u>13,100</u>	<u>4,660</u>	<u>1,730</u>	<u>2,990</u>	<u>74,400</u>

Total	94,439	58,177	29,303	2,912		
Chris Hani					30,034	214,866

*Source: IHS Markit Regional eXplorer version 1156* The region within Chris Hani with the highest number of flush toilets is Enoch Mgijima local municipality with 51 900 or a share of 54.99% of the flush toilets within Chris Hani. The region with the lowest number of flush toilets is Intsika Yethu local municipality with a total of 3 430 or a share of 3.64% of the total flush toilets within Chris Hani District Municipality.

**CHART 51. SANITATION BACKLOG - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016**  
[NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]



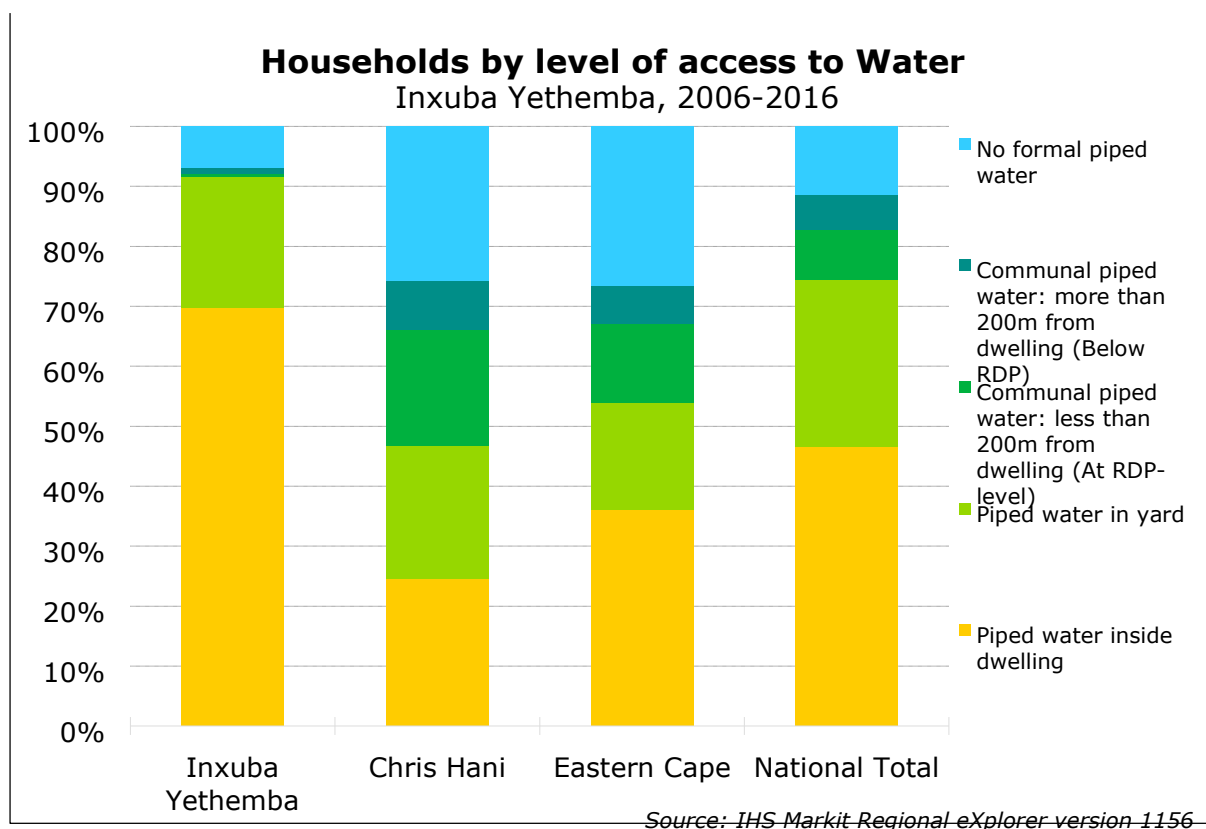
*Source: IHS Markit Regional eXplorer version 1156*

When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2006 the number of Households without any hygienic toilets in Inxuba Yethemba Local Municipality was 2 660, this decreased annually at a rate of -8.84% to 1 050 in 2016.

### 7.3 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 52. HOUSEHOLDS BY TYPE OF WATER ACCESS - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [PERCENTAGE]**



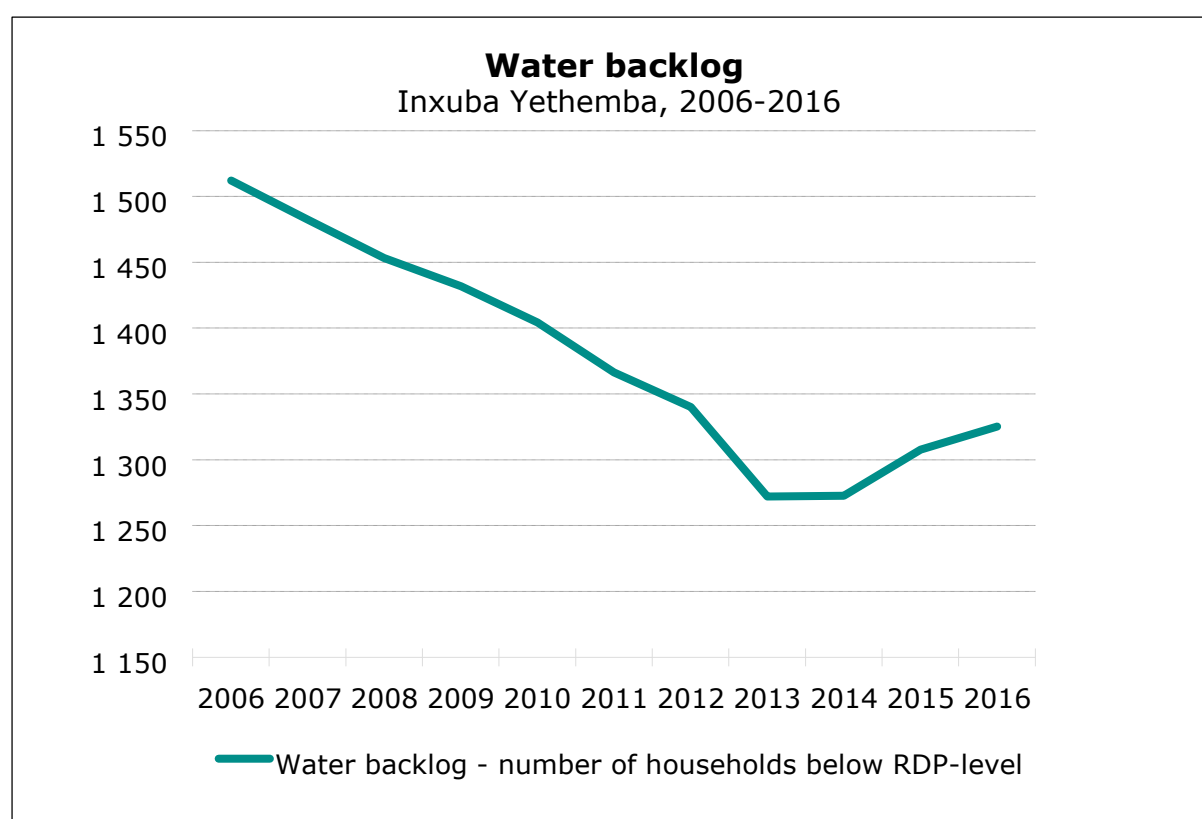
Inxuba Yethemba Local Municipality had a total number of 11 700 (or 69.69%) households with piped water inside the dwelling, a total of 3 690 (21.95%) households had piped water inside the yard and a total number of 1 160 (6.90%) households had no formal piped water.

**TABLE 35. HOUSEHOLDS BY TYPE OF WATER ACCESS - INXUBA YETHEMBA AND THE REST OF CHRIS HANI, 2016 [NUMBER]**

	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
<b>Inxuba Yethemba</b>	<b>11,700</b>	<b>3,690</b>	<b>78</b>	<b>166</b>	<b>1,160</b>	<b>16,800</b>
Intsika Yethu	4,320	8,900	11,400	5,280	16,500	46,400
Emalahleni	2,320	9,200	10,400	3,980	8,680	34,600
Engcobo	5,240	6,670	6,660	3,500	20,500	42,600
Sakhisizwe	3,040	4,320	3,760	1,800	3,990	16,900
Enoch Mgijima	28,600	16,800	10,900	3,760	6,720	66,700
<b>Total</b>	<b>55,192</b>	<b>49,539</b>	<b>43,215</b>	<b>18,494</b>	<b>57,567</b>	<b>224,007</b>
<b>Chris Hani</b>						

Source: IHS Markit Regional eXplorer version 1156 The regions within Chris Hani District Municipality with the highest number of households with piped water inside the dwelling is Enoch Mgijima local municipality with 28 600 or a share of 51.76% of the households with piped water inside the dwelling within Chris Hani District Municipality. The region with the lowest number of households with piped water inside the dwelling is Emalahleni local municipality with a total of 2 320 or a share of 4.20% of the total households with piped water inside the dwelling within Chris Hani District Municipality.

**CHART 53. WATER BACKLOG - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016**  
[NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]



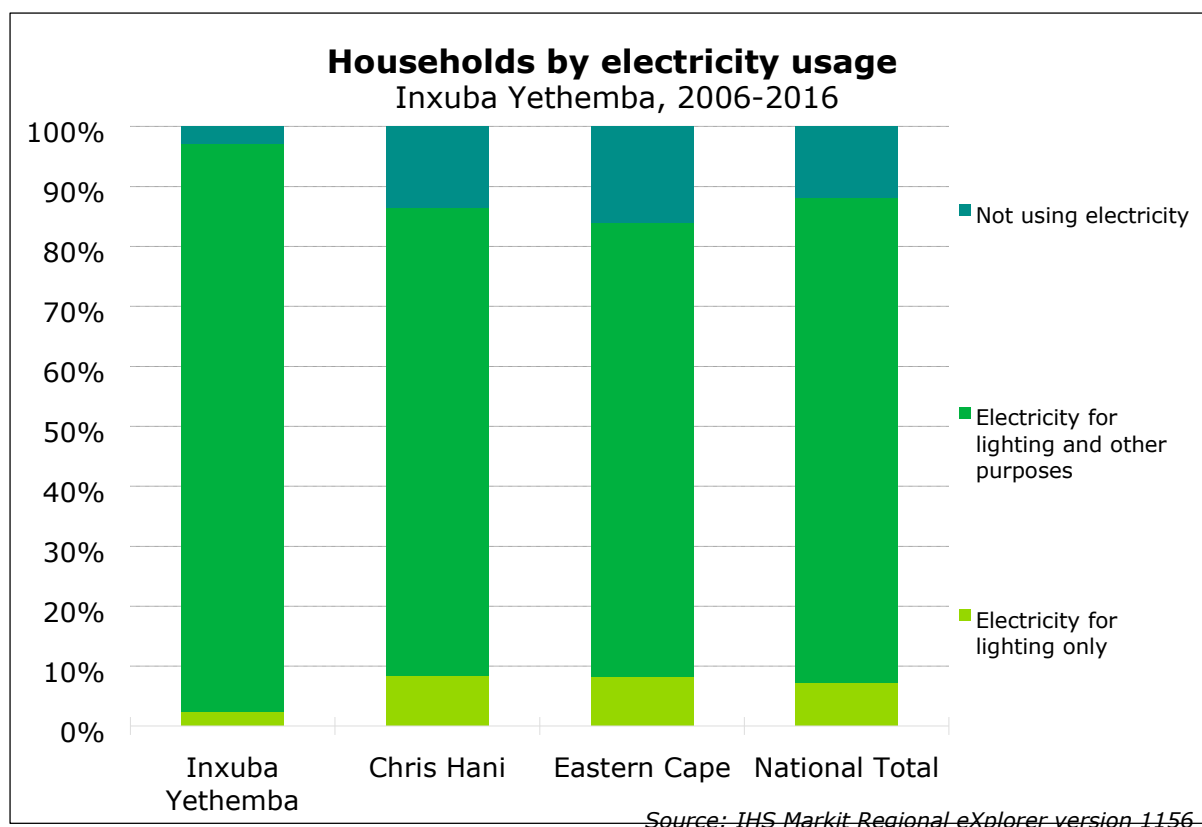
Source: IHS Markit Regional eXplorer version 1156

When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2006 the number of households below the RDP-level were 1 510 within Inxuba Yethemba Local Municipality, this decreased annually at -1.31% per annum to 1 330 in 2016.

#### 7.4 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 54. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [PERCENTAGE]**



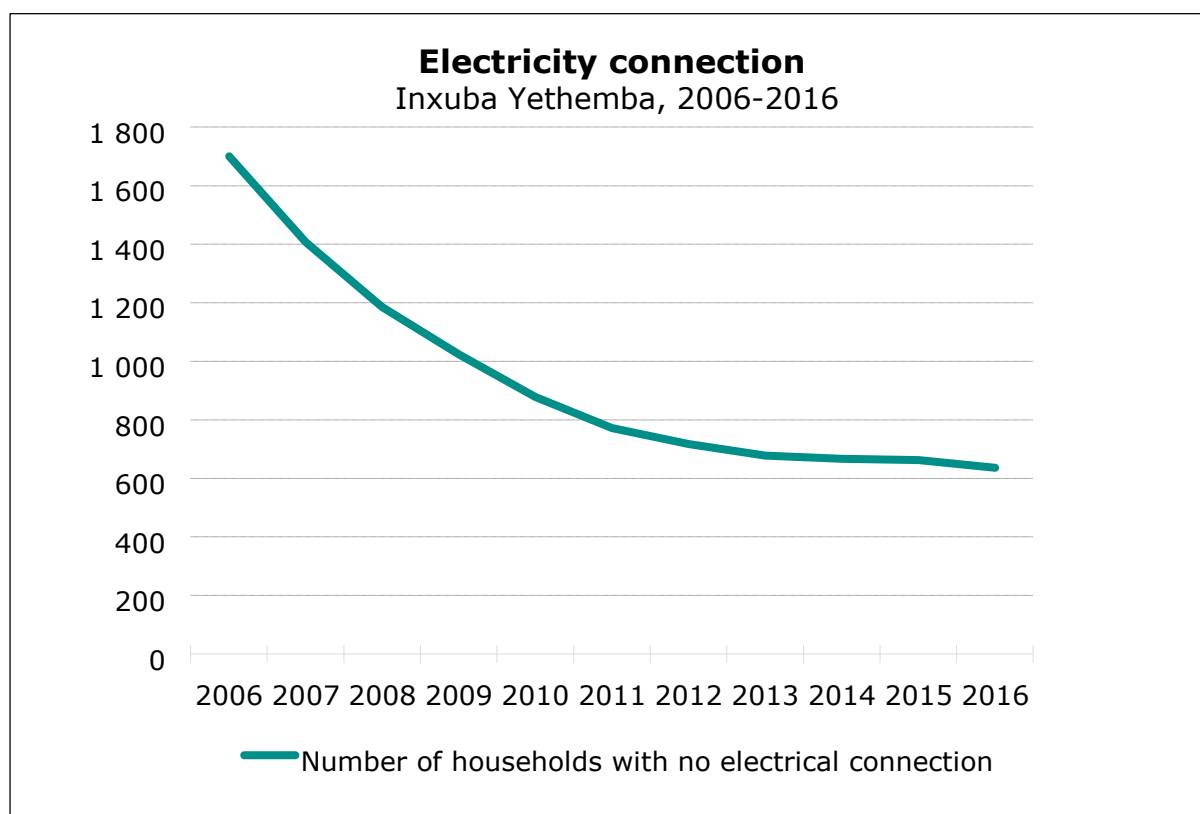
Inxuba Yethemba Local Municipality had a total number of 499 (2.33%) households with electricity for lighting only, a total of 20 300 (94.70%) households had electricity for lighting and other purposes and a total number of 637 (2.97%) households did not use electricity.

**TABLE 36. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - INXUBA YETHEMBA AND THE REST OF CHRIS HANI, 2016 [NUMBER]**

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Inxuba Yethemba	499	20,300	637	21,400
Intsika Yethu	4,990	28,200	8,980	42,200
Emalahleni	3,380	26,400	4,060	33,900
Engcobo	5,280	22,800	9,890	38,000
Sakhisizwe	1,610	13,800	2,000	17,400
<u>Enoch Mgijima</u>	<u>3,650</u>	67,500	5,510	76,700
Total	19,426	179,091	31,069	229,585
Chris Hani				

*Source: IHS Markit Regional explorer version 1156* The region within Chris Hani with the highest number of households with electricity for lighting and other purposes is Enoch Mgijima local municipality with 67 500 or a share of 37.70% of the households with electricity for lighting and other purposes within Chris Hani District Municipality. The region with the lowest number of households with electricity for lighting and other purposes is Sakhisizwe local municipality with a total of 13 800 or a share of 7.73% of the total households with electricity for lighting and other purposes within Chris Hani District Municipality.

**CHART 55. ELECTRICITY CONNECTION - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016**  
**[NUMBER OF HOUSEHOLDS WITH NO ELECTRICAL CONNECTION]**



*Source: IHS Markit Regional eXplorer version 1156*

When looking at the number of households with no electrical connection over time, it can be seen that in 2006 the households without an electrical connection in Inxuba Yethemba Local Municipality was 1 700, this decreased annually at -9.36% per annum to 637 in 2016.

## **7.5 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**

Furthermore, Inxuba Yethemba Local Municipality has come up with an Intergrated Waste Management Plan to respond to increasing levels of waste throughout the municipal area. This is done in order for the municipality to:

- **Identify and plan future waste management needs and requirements;**

- Minimize waste management costs by optimizing the efficiency of the waste management system;
- Minimize adverse and environmental impacts related to waste management and thereby improve the quality for all citizens;
- Avoid and minimize the generation of waste within a municipality
- Promote and ensure the delivery of waste services: reducing, re-using, recycling and recovering the waste

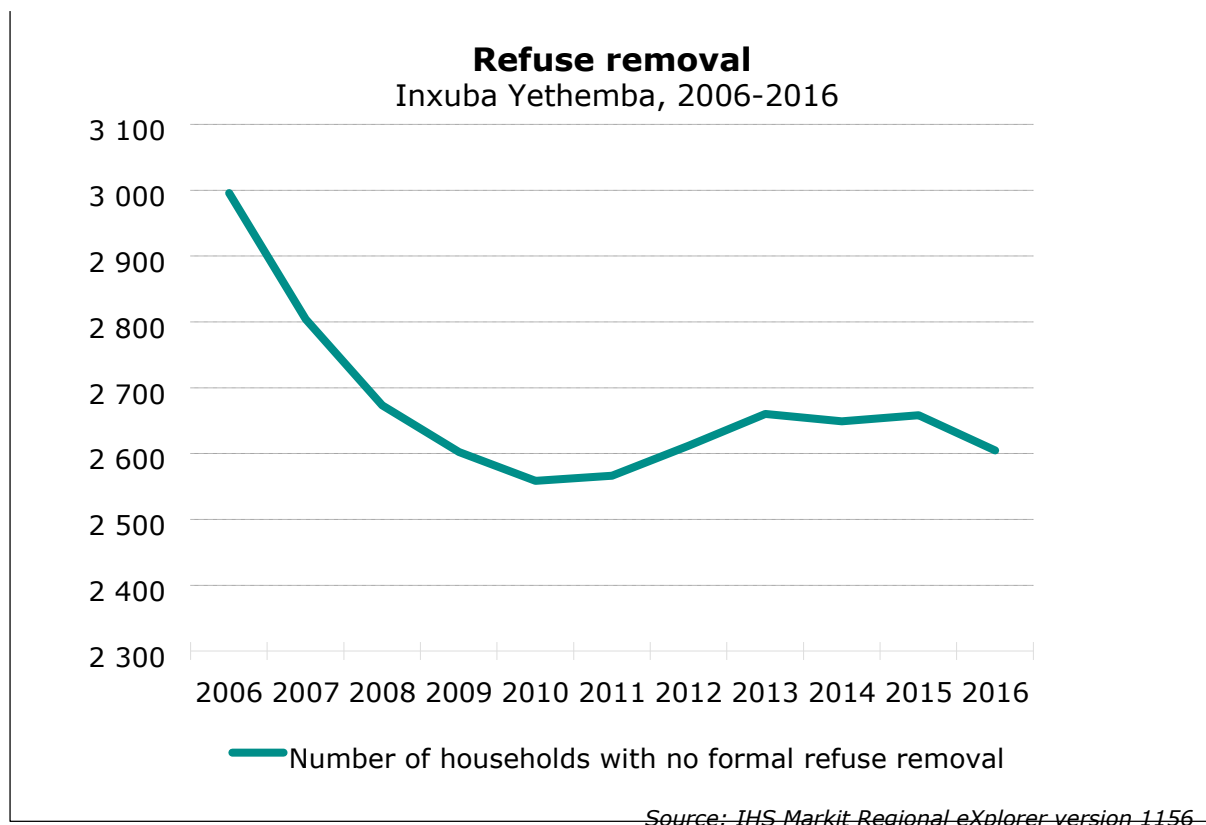
**TABLE 37. HOUSEHOLDS BY REFUSE DISPOSAL - INXUBA YETHEMBA AND THE REST OF CHRIS HANI, 2016 [NUMBER]**

Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total	
Inxuba	17,500	1,180	310	2,040	252	21,300
Yethemba						
Intsika Yethu	1,210	217	995	28,800	6,470	37,700
Emalahleni	4,740	144	1,030	19,700	4,570	30,200
Engcobo	858	674	704	25,400	6,890	34,600
Sakhisizwe	2,310	128	499	9,300	3,170	15,400
Enoch Mgijima	42,500	775	2,940	23,400	3,260	72,800
Total						
	69,080	3,115	6,476	108,629	24,613	211,913
Chris Hani						

*Source: IHS Markit Regional eXplorer version 1156*

The region within Chris Hani with the highest number of households where the refuse is removed weekly by the authority is Enoch Mgijima local municipality with 42 500 or a share of 61.51% of the households where the refuse is removed weekly by the authority within Chris Hani. The region with the lowest number of households where the refuse is removed weekly by the authority is Engcobo local municipality with a total of 858 or a share of 1.24% of the total households where the refuse is removed weekly by the authority within the district municipality.

**CHART 57. REFUSE REMOVAL - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016 [NUMBER OF HOUSEHOLDS WITH NO FORMAL REFUSE REMOVAL]**



When looking at the number of households with no formal refuse removal, it can be seen that in 2006 the households with no formal refuse removal in Inxuba Yethemba Local Municipality was 3 000, this decreased annually at -1.39% per annum to 2 600 in 2016.

The Community Survery (StatsSA) reported that by 2016, approximately 13 547 (74.1%) of households in the Inxuba Yethemba Municipality were receiving waste removal services from the municipality once a week, and 1850 households (10.1%) received municipal waste collection less often. The remaining 2825 households (15.4%) either used communal dumping areas, use their own means or have no waste disposal at all.

## 8. 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.**

### 8.1 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.)

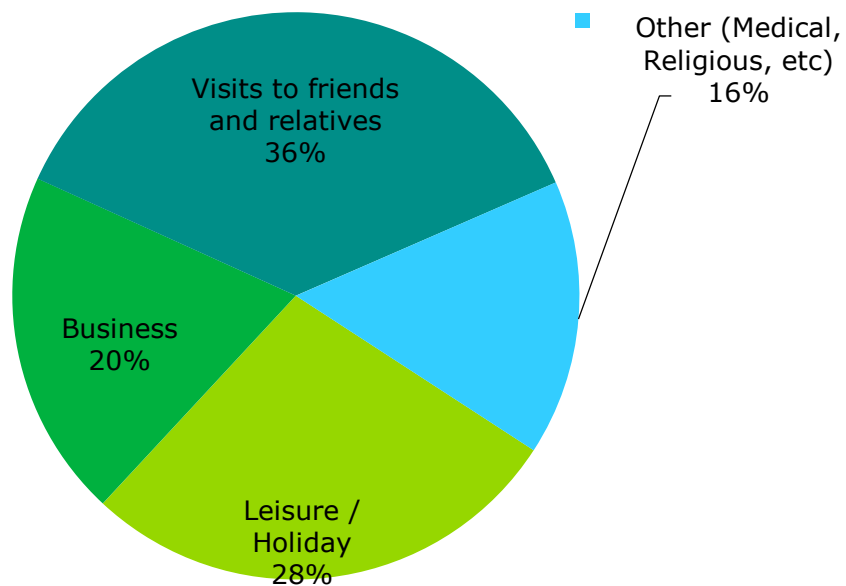
**TABLE 38. NUMBER OF TRIPS BY PURPOSE OF TRIPS - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016 [NUMBER PERCENTAGE]**

	Leisure / Holiday	Business	Visits to friends and relatives	Other (Medical, Religious, etc)	Total
2006	25,600	9,650	38,400	11,600	85,200
2007	25,600	9,800	35,400	11,700	82,500
2008	24,900	10,500	32,600	12,900	80,900
2009	22,900	10,300	29,900	12,300	75,400
2010	22,300	10,800	27,800	11,700	72,700
2011	20,800	11,200	27,200	11,500	70,700
2012	19,900	11,500	26,200	11,200	68,800
2013	20,600	12,100	25,700	11,600	70,000
2014	17,500	11,500	23,400	9,960	62,300
2015	15,900	11,000	21,600	9,050	57,600
2016	14,500	10,400	19,200	8,210	52,300
Average Annual growth 2006-2016	-5.51%	0.74%	-6.70%	-3.36%	-4.76%

*Source: IHS Markit Regional eXplorer version 1156* In Inxuba Yethemba Local Municipality, the Business, relative to the other tourism, recorded the highest average annual growth rate from 2006 (9 650) to 2016 (10 400) at 0.74%. Visits to friends and relatives recorded the highest number of visits in 2016 at 19 200, with an average annual growth rate of -6.70%. The tourism type that recorded the lowest growth were visits to friends and relatives tourism with an average annual growth rate of -6.70% from 2006 (38 400) to 2016 (19 200).

**CHART 58. TRIPS BY PURPOSE OF TRIP - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2016 [PERCENTAGE]**

### Tourism - trips by Purpose of trip Inxuba Yethemba Local Municipality, 2016



Source: IHS Markit Regional explorer version 1156

The Visits to friends and relatives at 36.69% has largest share the total tourism within Inxuba Yethemba Local Municipality. Leisure / Holiday tourism had the second highest share at 27.75%, followed by Business tourism at 19.85% and the Other (Medical, Religious, etc) tourism with the smallest share of 15.71% of the total tourism within Inxuba Yethemba Local Municipality.

## 8.2 ORIGIN OF TOURISTS

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

**TABLE 39. TOTAL NUMBER OF TRIPS BY ORIGIN TOURISTS - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016 [NUMBER]**

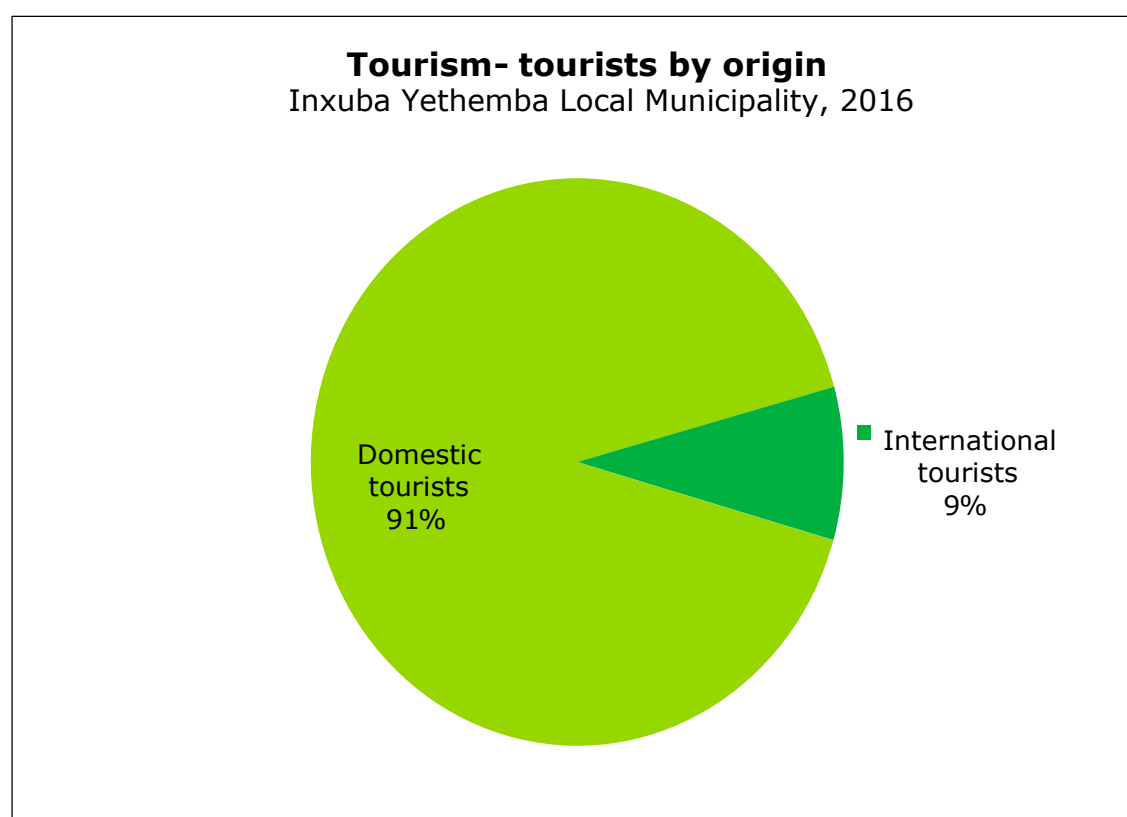
	Domestic tourists	International tourists	Total tourists
2006	81,000	4,230	85,200
2007	78,200	4,290	82,500
2008	76,700	4,170	80,900
2009	71,400	4,020	75,400
2010	68,300	4,370	72,700
2011	66,400	4,300	70,700
2012	64,300	4,450	68,800
2013	65,600	4,430	70,000
2014	57,900	4,410	62,300

2015	53,500	4,060	57,600
2016	47,700	4,560	52,300

Average Annual growth 2006-2016   -5.15%                      0.75%                      -4.76%

*Source: IHS Markit Regional eXplorer version 1156* The number of trips by tourists visiting Inxuba Yethemba Local Municipality from other regions in South Africa has decreased at an average annual rate of -5.15% from 2006 (81 000) to 2016 (47 700). The tourists visiting from other countries decreased at an average annual growth rate of 0.75% (from 4 230 in 2006 to 4 560). International tourists constitute 8.72% of the total number of trips, with domestic tourism representing the balance of 91.28%.

**CHART 59. TOURISTS BY ORIGIN - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2016**  
[PERCENTAGE]



*Source: IHS Markit Regional eXplorer version 1156*

### 8.2.1 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 Inxuba Yethemba Local Municipality between 2006 and 2016.

**TABLE 40. BEDNIGHTS BY ORIGIN OF TOURIST - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016 [NUMBER]**

	Domestic tourists	International tourists	Total tourists
2006	517,000	39,600	556,000

2007	504,000	41,600	546,000
2008	491,000	42,600	534,000
2009	446,000	41,800	488,000
2010	412,000	45,000	457,000
2011	374,000	42,900	417,000
2012	336,000	43,300	379,000
2013	295,000	44,100	339,000
2014	263,000	47,000	310,000
2015	231,000	45,300	277,000
2016	214,000	50,600	265,000

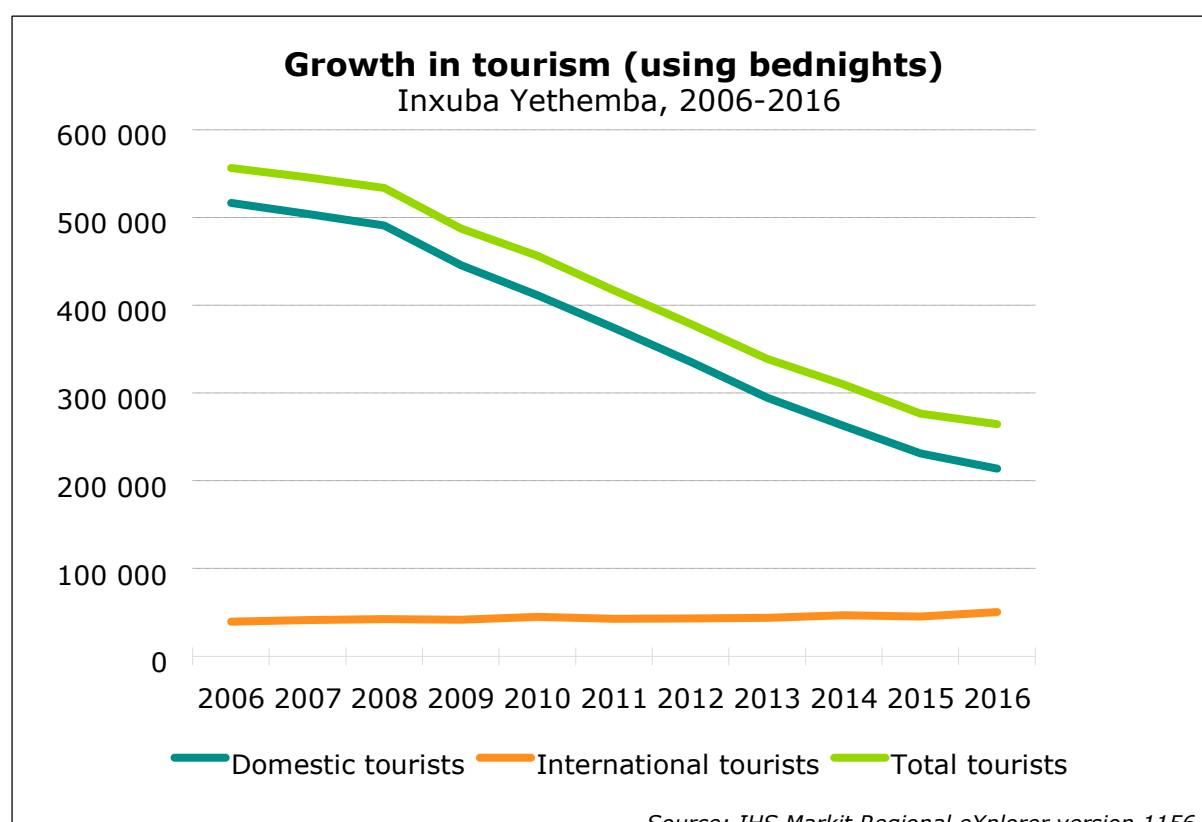
Average Annual growth 2006-2016 -8.43%

2.47%

-7.16%

Source: IHS Markit Regional eXplorer version 1156 From 2006 to 2016, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -8.43%, while in the same period the international tourists had an average annual increase of 2.47%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -7.16% from 556 000 in 2006 to 265 000 in 2016.

**CHART 60. GROWTH IN TOURISM (USING BEDNIGHTS) BY ORIGIN - INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016 [NUMBER]**



### 8.3 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 41. TOTAL TOURISM SPENDING - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [R BILLIONS, CURRENT PRICES]**

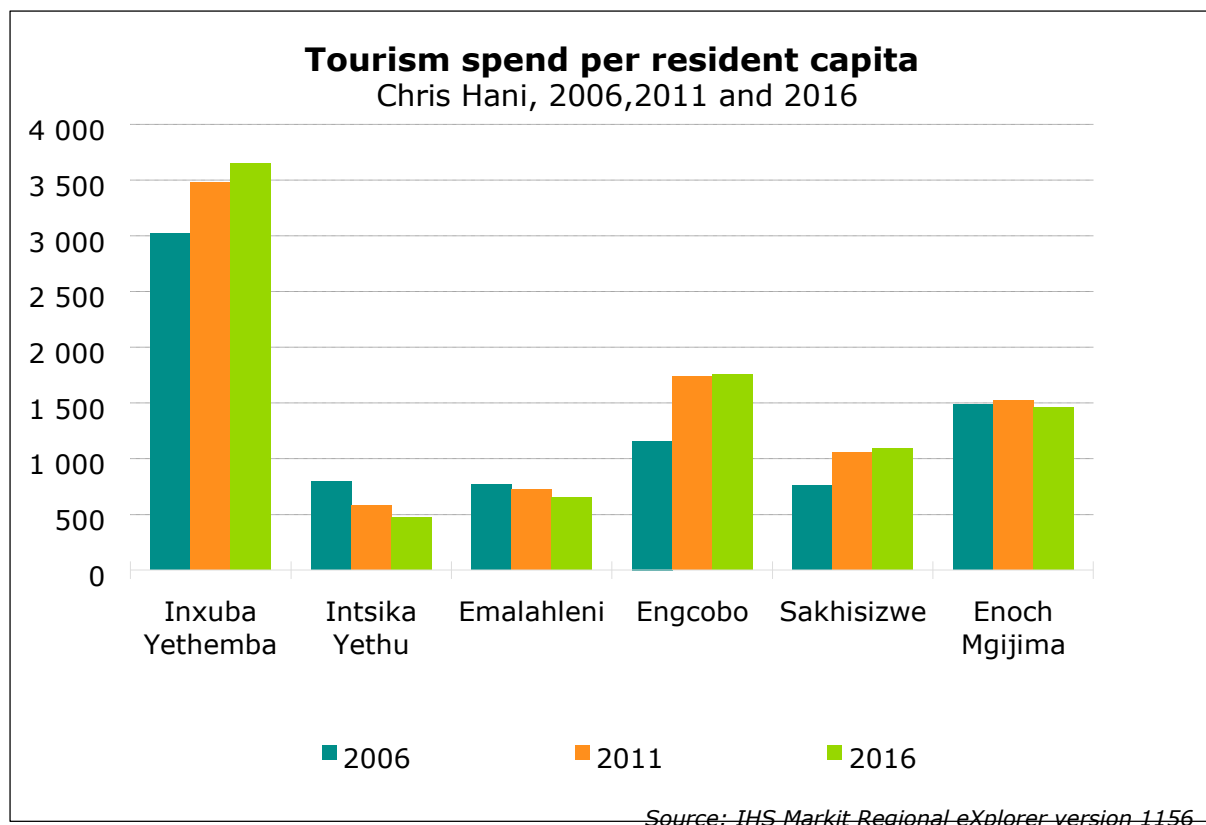
	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
2006	0.2	1.0	9.3	126.9
2007	0.2	1.0	9.9	138.7
2008	0.2	1.1	10.9	152.5
2009	0.2	1.1	10.8	153.4
2010	0.2	1.1	11.5	167.2
2011	0.2	1.1	11.4	174.6
2012	0.2	1.2	12.1	199.9
2013	0.3	1.2	12.4	218.3
2014	0.3	1.2	12.6	238.7
2015	0.3	1.2	12.0	238.1
2016	0.3	1.2	12.0	266.9
<b>Average Annual growth 2006-2016</b>	<b>2.93%</b>	<b>1.44%</b>	<b>2.62%</b>	<b>7.72%</b>

Source: IHS Markit Regional eXplorer version 1156 Inxuba Yethemba Local Municipality had a total tourism spending of R 255 million in 2016 with an average annual growth rate of 2.9% since 2006 (R 191 million). Chris Hani District Municipality had a total tourism spending of R 1.16 billion in 2016 and an average annual growth rate of 1.4% over the period. Total spending in Eastern Cape Province increased from R 9.3 billion in 2006 to R 12 billion in 2016 at an average annual rate of 2.6%. South Africa as whole had an average annual rate of 7.7% and increased from R 127 billion in 2006 to R 267 billion in 2016.

### 8.3.1 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 61. TOURISM SPEND PER RESIDENT CAPITA - INXUBA YETHEMBA LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2006,2011 AND 2016 [R THOUSANDS]**



In 2016, Inxuba Yethemba Local Municipality had a tourism spend per capita of R 3,650 and an average annual growth rate of 1.92%, Inxuba Yethemba Local Municipality ranked highest amongst all the regions within Chris Hani in terms of tourism spend per capita. The local municipality that ranked lowest in terms of tourism spend per capita is Intsika Yethu with a total of R 476 which reflects a decrease at an average annual rate of -4.97% from 2006.

### 8.3.2 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.

In Inxuba Yethemba Local Municipality the tourism spending as a percentage of GDP in 2016 was 5.33%. Tourism spending as a percentage of GDP for 2016 was 4.33% in Chris Hani District Municipality, 3.56% in Eastern Cape Province. Looking at South Africa as a whole, it can be seen that total tourism spending had a total percentage share of GDP of 6.15%.

## 9. 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.

### 9.1 RELATIVE IMPORTANCE OF INTERNATIONAL TRADE

In the table below, the Inxuba Yethemba Local Municipality is compared to Chris Hani, Eastern Cape Province and South Africa, in terms of actual imports and exports, the Trade Balance, as well the contribution to GDP and the region's contribution to total national exports and imports.

**TABLE 43. MERCHANDISE EXPORTS AND IMPORTS - INXUBA YETHEMBA, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [R 1000, CURRENT PRICES]**

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
Exports (R 1000)	28,885	88,412	56,187,528	1,107,472,999
Imports (R 1000)	9,948	239,583	55,585,538	1,089,677,002
Total Trade (R 1000)	38,833	327,995	111,773,066	2,197,150,001
Trade Balance (R 1000)	18,937	-151,171	601,990	17,795,997
Exports as % of GDP	0.6%	0.3%	16.6%	25.5%
Total trade as % of GDP	0.8%	1.2%	33.1%	50.6%
Regional share - Exports	0.0%	0.0%	5.1%	100.0%
Regional share - Imports	0.0%	0.0%	5.1%	100.0%
Regional share - Total Trade	0.0%	0.0%	5.1%	100.0%

*Source: IHS Markit Regional eXplorer version 1156* The merchandise export from Inxuba Yethemba Local Municipality amounts to R 28.9 million and as a percentage of total national exports constitutes about 0.00%. The exports from Inxuba Yethemba Local Municipality constitute 0.60% of total Inxuba Yethemba Local Municipality's GDP. Merchandise imports of R 9.95 million constitute about 0.00% of the national imports. Total trade within Inxuba Yethemba is about 0.00% of total national trade. Inxuba Yethemba Local Municipality had a positive trade balance in 2016 to the value of R 18.9 million.

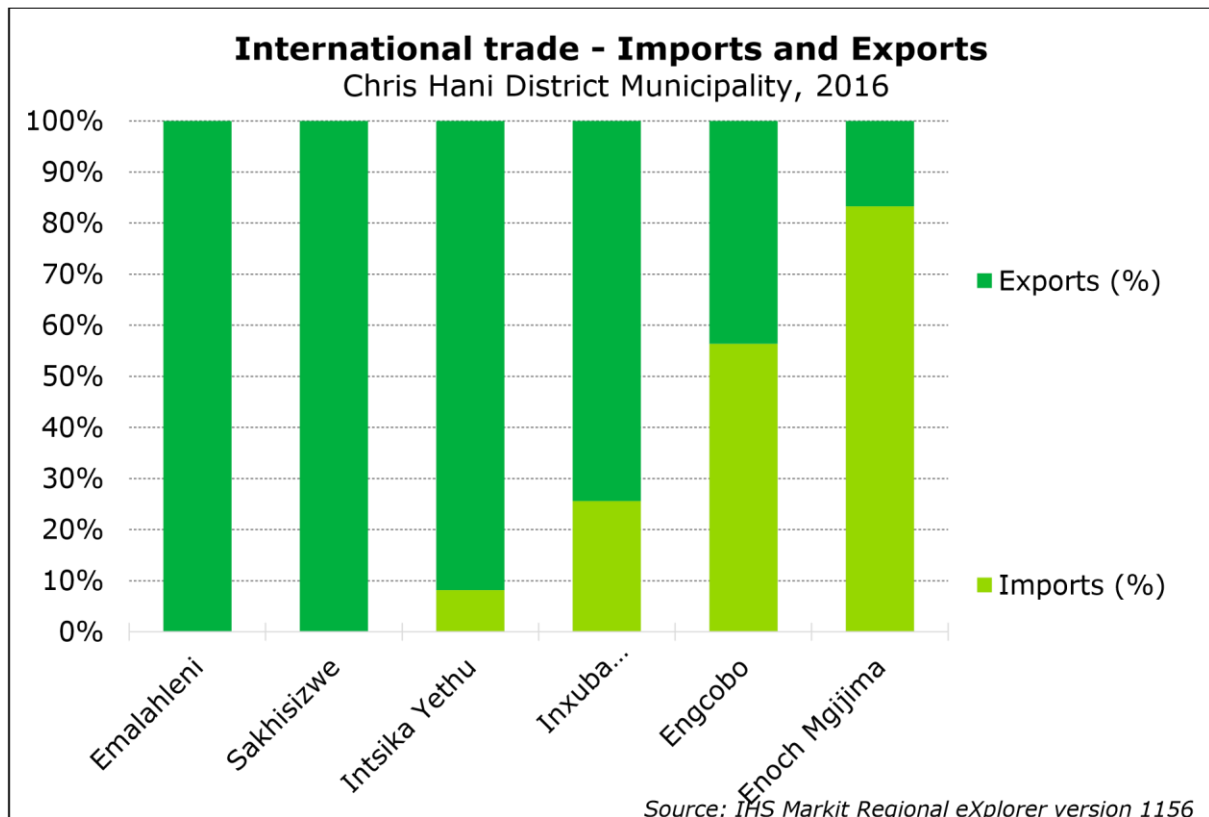
**CHART 62. IMPORT AND EXPORTS IN INXUBA YETHEMBA LOCAL MUNICIPALITY, 2006-2016 [R 1000]**



Analysing the trade movements over time, total trade increased from 2006 to 2016 at an average annual growth rate of 30.34%. Merchandise exports increased at an average annual rate of 34.23%, with the highest level of exports of R 28.9 million experienced in 2016. Merchandise imports increased at an average annual growth rate of 23.31% between 2006 and 2016, with the lowest level of imports experienced in 2008.

**CHART 63. MERCHANDISE EXPORTS AND IMPORTS - INXUBA YETHEMBA AND THE REST OF CHRIS HANI, 2016 [PERCENTAGE]**





When comparing the Inxuba Yethemba Local Municipality with the other regions in the Chris Hani District Municipality, Enoch Mgijima has the biggest amount of international trade (when aggregating imports and exports, in absolute terms) with a total of R 276 million. This is also true for exports - with a total of R 46.1 million in 2016. Engcobo had the lowest total trade figure at R 45,300. The Engcobo also had the lowest exports in terms of currency value with a total of R 19,800 exports.

## **9. IMPACT OF COVID-19 ON INXUBA YETHEMBA MUNICIPALITY**

### **9.1 Economic Impact**

South Africa and the world at large was hit by a pandemic that not only altered how we work but that also changed the economic outlook of the world. The emergence of Covid-19 in December 2019 brought with it a burden that no government was prepared for or that was not anticipated. The Hard lock down that resulted as numbers of infections and deaths rose in South Africa had such negative spin-off that were felt by everyone. Inxuba Yethemba Municipality is a rural Municipality within Chris Hani District and it has very few industries that support its economy, with most of its citizens relying mostly on farming activities which are seasonal, migrant labor system, small and medium enterprises and general retail as sources of employment.

The economy of IYM took a battering as shops and offices closed, and that meant there was no economic activity from March 2020 until a few industries were allowed to open in the later months of the year as we went to Level 3 and/or 2. This means that the citizens were faced with unemployment, poverty and lack of economic activity like the rest of the country, but the devastation this caused in our area is immense since we already have a high rate of unemployment and rely mostly on seasonal/casual work. As the municipality, it is envisaged that our economy will start to normalize once the Covid-19 pandemic is fully controlled and managed.

Both the Primary and Secondary sectors of our economy as the municipality were hard hit during the lockdown levels 5 & 4, and some ease in activities was experienced during lockdown level 3 and below. The complete closure of the Mining and Agricultural sectors in the highest 2 levels meant there was no economic activity, no revenue generation and no direct/indirect economic spin-off for our municipality and citizens. All the major 4 industries that fall within the Primary and Secondary experienced loss of revenue, job losses and some of them had to close shop or declare a loss for the financial year.

### **9.2 Education**

All our schools were closed during the lockdown period, and continue to operate at minimum capacity due to the regulations set out by government as per the Disaster Management Act protocols. This drastically affected the delivery of lessons as all children were forced to home school themselves or be helped by their parents. It is a known factor that the literacy rate amongst parents in IYM is low, which means that learners were on their own, more so those who were doing Matric in 2020. As per the national and provincial norm, we also experienced a decline on the quantity and quality of our Matric passes for the past academic year. Despite the challenges, including the deaths of both students, learners and education officials, we continue to strive for an improvement in our Matrix results both from a quantitative and qualitative side.

### **9.3 Service Delivery**

There was a noticeable decline in the provision of services to the people due to the lockdown, but also due to Budget re-prioritisation where all government institutions and departments, including municipalities, had to channel available funds to emergency procurement of PPE in the fight against Covid-19. This meant that funds that had been previously earmarked for certain projects had to be channeled to efforts aimed at curbing the rise of Covid-19. Also, some capital and infrastructure projects that were planned and/or being implemented had to be halted due to the lockdown and due to budgets being redirected. This means that such projects will have to continue beyond their projected periods of completion.

## 9.4 Mortality

We experienced a rapid rise on the cases of deaths related to Covid-19 and this put a strain on many families and on the municipality as it affected the number of active labor force in the area.

## 2.2 KEY PERFORMANCE AREAS OVERVIEW

### *Population Distribution by Ward*

The Inxuba yethemba Local Municipality's population has grown from 65 560 in 2011 to 68 925 in 2017, indicating a growth rate of 5.1%.

Ward No.	Population 2011	Population 2017	Percentage Growth
1	6929	7099	2.45%
2	5566	5707	2.53%
3	4917	4978	1.24%
4	6506	6674	2.58%
5	8750	9546	8.34%
6	12235	13040	6.58%
7	8402	8920	6.16%
8	6374	6747	5.52%
9	5881	6214	5.66%
<b>TOTAL</b>	<b>65560</b>	<b>68925</b>	<b>5.1%</b>

Source: Census 2011, IHS Global Insight Regional eXplorer version 1029 (2015)

## 2.4 DEVELOPMENT INDICATORS

### *2.4.1 Sector Profile*

The key Economic Activities include:

- Agriculture
- Manufacturing
- Construction

- Retail and Wholesale Trade
- Transport Sector
- Finance and Business
- Tourism

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Access to constant source of water (12,500 to 13,500m<sup>3</sup> / ha / year) for irrigation farming</li> <li>• Well managed grazing land for livestock farming</li> <li>• Good climate for growing crops</li> <li>• Well established agricultural service industry</li> <li>• Agricultural education institutions: <ul style="list-style-type: none"> <li>• Marlow High School in Cradock</li> <li>• Grootfontein College in Middelburg</li> </ul> </li> <li>• Relatively good road network</li> </ul>	<ul style="list-style-type: none"> <li>• High prices for irrigated, agricultural land</li> <li>• Low number of emerging farmers</li> <li>• Lack of skills for emerging farmers</li> <li>• Little to no government support for agricultural development in IYM</li> <li>• Access to agricultural finance</li> <li>• Depopulation of rural, farming areas</li> <li>• Unwashed wool exported to Uitenhage and Western Cape to wash and clean</li> </ul>

## MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

### 2.14 POWERS AND FUNCTIONS

The functional areas of competence of the Inxuba Yethemba Municipality are indicated in the table below and is the Municipality's authoritative mandate in terms of Section 156 of the South African Constitution, Act 108/1996:

SCHEDULE 4 : PART B	STATUS	SCHEDULE 5 : PART B	STATUS
Air Pollution	√	Beaches & Amusement Facilities	N/A
Building Regulations	√	Billboards & display of Advertisements in public places	√
Child Care Facilities	√	Cemeteries, Funeral Parlours and Crematoria	√
Electricity & Gas Reticulation	√	Cleansing	√
Fire-fighting Services	√	Control of Public Nuisances	√
Local Tourism	√	Control of undertakings that sell liquor to the public	√
Municipal Airports	√	Facilities for the accommodation, care and burial of animals	SPCA
Municipal Planning	√	Fencing and Fences	√
Municipal Health Services (PHC has been provincialized)	N/A	Licensing of dogs	N/A
Municipal Public Transport	√	Licensing and control of undertakings that sell food to the public	X
Municipal Public Works	√	Local Amenities	√
Pontoons, ferries, jetties, piers and harbours	N/A	Local Sport Facilities	√
Stormwater Management systems in built-up areas	√	Markets	√
Trading Regulations	√	Municipal Abattoirs	√
Water & Sanitation Services (potable water, domestic wastewater & sewage : WSA and WSP)	CHDM	Municipal Parks & Recreation	√
<b>FUNCTIONS ASSIGNED TO OR BEING PERFORMED BY THE MUNICIPALITY ON AN AGENCY BASIS</b>		Municipal Roads (Streets)	√

## ADMINISTRATIVE STRUCTURE

Within Inxuba Yethemba Municipality, an executive management structure exists which is made up of the Municipal Manager, 5 directors which were appointed by Council through proper implementation of the Municipal Systems Act, Section 54 and 56. The Macro Organisational Structure is made up of the following departments:

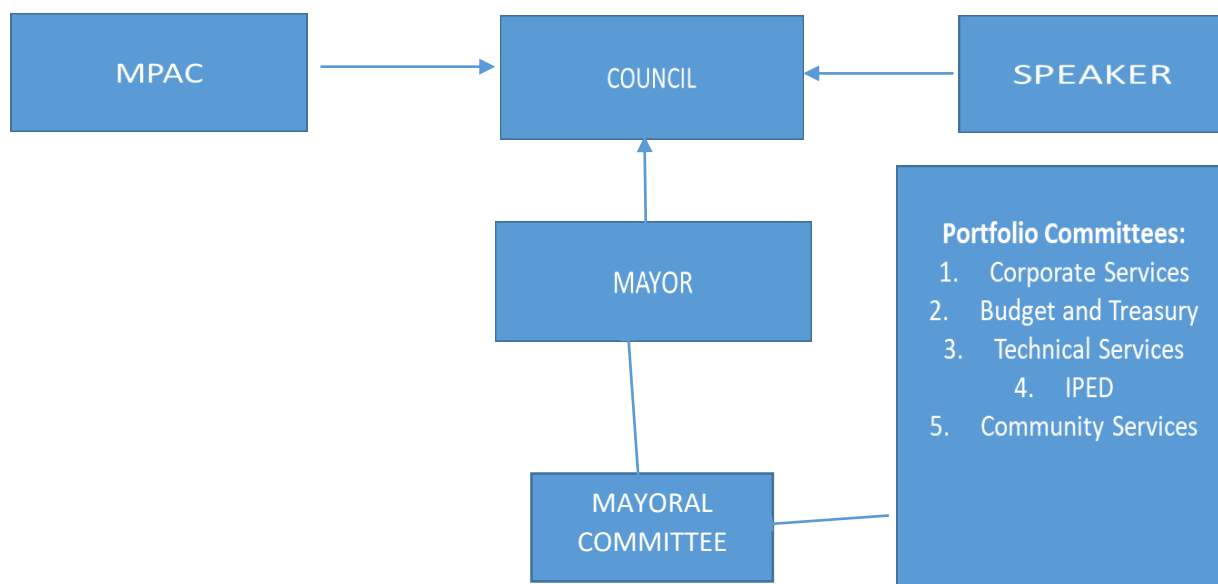
NAME	POSITION	DEPARTMENT
Mr M.W. Mbebe	Acting Municipal Manager	Office of The Municipal Manager
Mr L. Mulaudzi	Chief Financial Officer	Budget and Treasury Office
Mr M.W. Mbebe	Director	Corporate Services
Mr S. Nomandela	Director	Technical Services
Mrs N. Makwabe	Director	Planning Economic Development
Mrs N. Twalo	Director	Community Services

## POLITICAL GOVERNANCE

The Municipal Council has an Executive Mayoral type with ward participatory system with Mayoral Committee consisting of 4 Members (excluding Mayor) appointed by the Executive Mayor.

The Council of Inxuba Yethemba has various Section 79 portfolio committees and an MPAC each chaired by a Councillor from within the Council and an Audit Committee established upon Section 166 of the MFMA.

The Speaker of Council is Chairperson of the Council, convenes and presides over Council Meetings.



The Council consists of a total of 18 Councillors of which 25 are on Proportional Representation (PR) and 17 Councillors that are Direct Representatives from Local Municipalities within the District. Seven of the PR Councillors are members of the Mayoral Committee.

The table below depicts the composition of Council in terms of party representation of the PR Councillors:

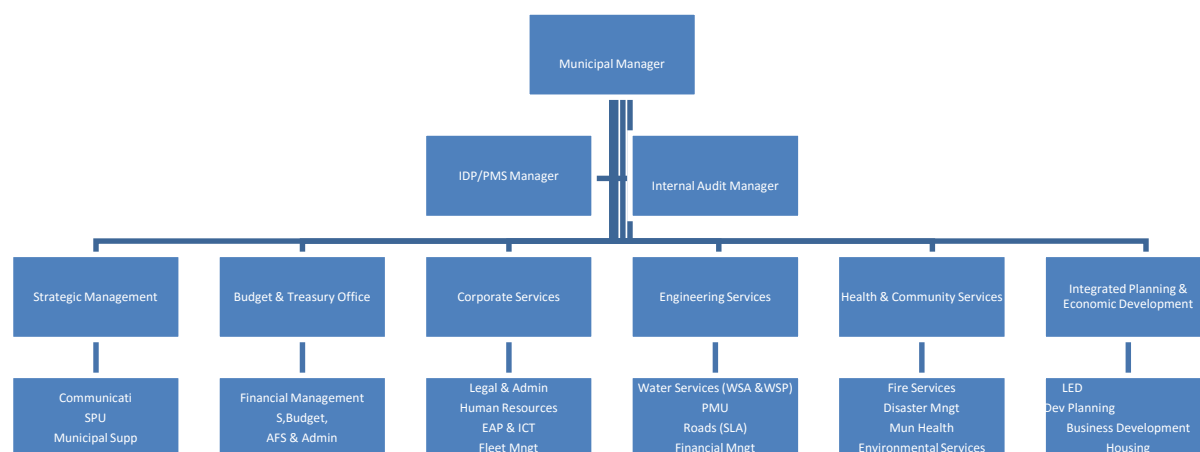
#### Councillor demographics and Political Parties

Political Party	Total Number of Councillors	Male Councillors	Female Councillors
ANC	11	5	6
DA	7	2	5
<b>Total</b>	<b>18</b>	<b>7</b>	<b>11</b>

## ADMINISTRATION

The Municipal Manager is the Head of the administration and Accounting Officer as defined in the Municipal Structures Act 117 of 1998. The responsibilities of the Municipal Manager include managing the financial affairs and service delivery in the municipality and is assisted and supported by the Chief Financial Officer and the Directors of respective departments. All Directors are appointed in terms of Section 56 of the Municipal Systems Act. There are 4 male directors and 1 female director appointed in the IYM Administration.

The diagrams below reflect the administrative structure of the institution.



## HUMAN RESOURCE MANAGEMENT

The efficient and effective management of the human resource is closely guided by a number of policies that have been adopted by the IYM Council. The institution has a total staff complement (workforce) of **314 employees**. The municipality has successfully reviewed its organogram to ensure proper alignment of the workforce to the goals and strategic objectives of its Council.

## EMPLOYMENT EQUITY

The municipality subscribes to the Employment Equity Act No.55 of 1998 in order to redress past imbalance. Section 56/57 Managers are black, 4 are males and 2 females.

### 1.1 EMPLOYMENT EQUITY

The municipality subscribes to the Employment Equity Act No.55 of 1998 in order to redress past imbalance. Section 56/57 Managers are black, 4 are males and 2 females. The Council of the Municipality has adopted an Employment Equity Plan for implementation for 2017-2022 period with clear numeric targets to be achieved in each year of the plan. The plan is reviewed annually and adopted by council together with all other policies for implementation in the next financial year. Current demographics of the workforce in terms of gender representation are as follows: Males 574

### 1.2 HUMAN RESOURCE DEVELOPMENT

Study Assistance for Employees

### 1.3 LABOUR RELATIONS

Has an appointed Labour Relations Officer appointed in 2021. The implementation is guided the Main Collective Agreements (Disciplinary Procedure).

The Local Labour Forum

The Local Labour Forum within the Municipality serves as a consultative structure between labour and management. The Forum is functional with quarterly meetings. The structure is made up of 13 members , 3 Councillors, 3 employer Rep (Director Corporate, Labour Relations Officer and 7 Union Representations. The Union in IYM include Municipality which are SAMWU and Imatu.

#### **Disciplinary Hearings**

### 1.4 EMPLOYEE ASSISTANCE PROGRAMME

#### **Employee Wellness**

Employee wellness programme is an institutional strategic partner and enabler in realisation of IDP objectives by improving the employees and councillors well-being & productivity through provision of the following integrated preventative, rehabilitative and psychosocial programmes:

Counselling interventions is available for all employees and councillors and their immediate family members. Group therapy sessions on trauma debriefing, grief/loss and depression, stress



management are implemented. These sessions continuously contribute to improved work-life balance, emotional and psychological resilience.

### **Organizational Wellness Programmes**

The organization has gone through political and administrative changes that affects the functioning of the institution, hence implementation of change management was effected for all employees.

### **Healthy Lifestyle and Health Management Programmes**

Healthy lifestyle programmes are implemented for all employees and councillors at Inxuba Yethemba Municipality. These are done through active physical programmes (Aerobics, sport and fun walk/fun run) there are noticeable improvements in work productivity and work commitment, improvement in management of illnesses such as diabetes and hypertension.

### **Substance Abuse Programme**

The substance abuse programme is aimed at prevention, rehabilitation and to provide support to employees and councillors with substance abuse challenges as guided by substance abuse policy and strategy. Individual counselling has so far been very successful in assisting employees and families with this challenge. Success stories such as reduction in alcohol and drug abuse, reduction in absenteeism, improvement in financial management and productivity have been achieved through this programme.

### **Capacity Building**

Medical assessments, Mainstreaming and capacity building programmes is conducted for all employees and councillors focusing on HIV&AIDS, cholesterol, diabetes, hypertension, financial management and job satisfaction. These revealed that there is a need for continuous awareness relating to communicable and non-communicable diseases.

### **Awards Programme**

Long service awards programme is annually implemented, showing reciprocation to employees that have a service of 10 years and above with the municipality, this is meant to improve the morale of the employees and to show appreciation for the services conducted.

Programmes focusing on women and man development.

Programmes that are meant for celebration of man and women are conducted annually for self-empowerment, career development and through these it is visible that work productivity, understanding the uniqueness of each other and team work can be achieved through such programme

## **1.5 OCCUPATIONAL HEALTH AND SAFETY**

Section 8 (2) (e) of the Occupational Health and Safety Act, Act 85 of 1995, mandates the employer to provide information, instructions, training and supervision on health and safety in the workplace. In-line with the OHS strategy and policy the following programs were implemented, OHS Policy was adopted by council and was developed with key focus on Personal Protective Equipment and clothing,

provision of safety measures and conditions for the employees and councilors. In line with compliance with the Occupational Health and Safety Act the following strides were achieved:

- Policy procedure manual for management of injuries on duty was developed – **needs to be approved**
- Training of SHE Reps and Incident investigators – **not yet provided**
- Installation of first aid kits in cars – **done but out dated**
- She awareness and educational programmes for high risks offices such as water and roads. – **to be conducted**
- 180 employees were provided with PPE
- Provision of advice on compliance with OHSA to managers and the institution – **requires reinforcement**
- Provision of medical and administrative assistance to employees and councillors with injuries on duty – **work in progress**
- Technical support to Local Municipalities on how to improve their wellness programmes – **not in the office of OHS**

#### **CHALLENGES**

- Dissemination of information
- Insufficient personnel to implement the programme
- Health risks assessments of high risks occupations
- Lack of corporation from all stakeholders.
- Lack of training for all municipal staff in OHS

#### **INFORMATION COMMUNICATION AND TECHNOLOGY**

The mandate of the unit is to provide ICT services and support to the Inxuba Yethemba Municipality and to provide secure, reliable and consistent platform for information accessibility. The vision of the unit is to be a strategic support unit with highly capacitated human and computer based resource (s) for enhancing municipal service delivery. The Mission to identity, provide, support and maintain, business system and solutions, IT Infrastructure and to provide sound governance on management of ICT. Legal framework of the function derives from the following,

- Constitutions of the Republic
- Municipal Systems Act
- MFMA
- SITA amendment (Act 38 of 2002)
- Promotion of Access to Information

- Protection of Personal Information
- Electronic communications and Transaction Act (27 of 2002)

Key functions of the unit are:

- Ensure effective ICT governance
- Enable effective operation of the municipality's support functions by ensuring development, implementation and maintenance of appropriate systems.
- Provide the necessary, secure and sustainable infrastructure based on the most appropriate technology which delivers appropriate levels of data Confidentiality, Integrity and Availability.
- Provide the Municipality with access to accurate and timely information at all times for executive and management decision support.
- To improve the management of 3rd party vendors (suppliers) by the efficient application of SLA's
- Increasing efficiency and effectiveness through continuing assessment, quality improvement and accountability to stakeholders
- Incorporate effective ICT governance and Project Management practices to promote a close alignment between IT and Municipal Departments.
- Maximise value for money from existing and future technology investments.
- Incorporate best environmental practices into its ICT operations

### **ICT GOVERNANCE**

IYM Council towards in 2018/19 financial year has adopted an ICT Governance Charter (Framework) in order to have effective governance.

The IYM adopted an ICT governance framework which incorporates in it PRINCE IV, COBIT and ITIL V3 as a structured framework to assist, shape and guide ICT direction and as a structured framework for managing organizational but not limited to ICT projects. IYM established an Information Communication Technology Steering Committee (ICTSC) with terms of reference. The ICTSC was established as a governance mechanism in line with generally adopted IT governance frameworks such as COBIT, ITIL & King reports. The steering committee meets quarterly. Other ICT governance structures as outlined in the ICT Governance Framework ICT forums are to be established.

The following ICT policies were approved by Council and are implemented.

- Municipal Corporate Governance Framework
- Municipal Corporate Governance Charter
- ICT Strategic Plan
- ICT Change Management Policy

- ICT Equipment Usage Policy
- Internet Usage Policy
- Electronic Transfer Fund Policy
- BYOD/BYOMD POLICY

The two policies below are on Draft Stages:

- ICT Security Policy
- ICT Disaster Recovery Policy

The Information and Communication Technology Strategic Plan has been developed and approved by the Council approval. The strategic plan is underpinned by the ICT governance Framework that Council approved together with industry best practices. The strategic plan, will ensure alignment of technology initiatives with the business of the municipality and create an enabling technology environment. The main focus in implementation of the plan will be integration of the ICT organization and integration of ICT systems within the District Municipality.

All the Council approved policies have to be reviewed annually.

### **NETWORK INFRASTRUCTURE AND SECURITY MANAGEMENT**

Inxuba Yethemba Municipality is composed of two towns, Cradock and Middelburg with the main Site being Cradock and Middelburg as a remote site connected by a wireless network. The ICT Section monitors the network infrastructure to ensure a robust network with minimum downtimes. Breedernet/Cloud Karoo (Internet Service Provider) provides and maintains the IYM network infrastructure and connectivity. The Middleburg town is connected to the Main Site of Cradock together with the other satellite sites(Departments) in Middelburg, Libraries and all Electricity Vending Stations, through the VPN solution provided by the Internet Service Provider in order to access Servers residing in the Main Site Cradock. An ICT network audit is conducted every two years and a report is produced with recommendations to ensure that the network infrastructure meets at least minimum industry standards and security measures are in place. There is an urgent need to revamp and upgrade the network infrastructure of the institution enhance the connectivity in between the two towns and improve network connectivity stability. IYM is in the process of revamping the network infrastructure, the project is still going through the Supply Chain processes (Unified Data and Telecommunication project awaiting re-advertisement). There is currently no existing contract for ISP and Telecommunication Services hence the urgent need to speed up the appointment of the Service provider.

The IYM main server room needs to be revamped to ensure compliance with required server room industry standards and the Server Infrastructure needs to be urgently upgraded as it does not meet or satisfy the business and information security needs of the institution and to meet server room industry standards.

The IYM CCTV System needs to be overhauled as in its current state has no capacity to store footages for a period longer than a month and the quality of the images needs improvement. Only the Main Buildings and the Stores have CCTV Cameras which also don't have a centralized storage. The institution needs installation of a credible and efficient CCTV Camera System to safeguard Municipality Council's Assets and Information.

### **INFORMATION SECURITY, ACCESSABILITY AND MANAGEMENT**

The District Municipality has a website with address [www.iym.gov.za](http://www.iym.gov.za) managed by the communication section. The Municipality currently does not have a functioning and tested Disaster Recovery Plan (DRP) in place. The ICT section has identified a disaster recovery site in Middelburg Main Building for construction as the first phase of building a DRP. Procurement of Server infrastructure will be the second phase of the DRP. IYM will be acquiring the services of a Cloud services provider as the next implementation phase of the DRP to further ensure Business Continuity in case of a disaster.

IYM currently does not have an Electronic Document Management System (EDMS).

In order to keep up with latest Microsoft technology and applications IYM must upgrade to Microsoft office 365 in order to be able to utilize the much needed features (Microsoft Teams, Exchange etc.).

### **FLEET MANAGEMENT**

The unit is currently non-functional, with no designated team or individual to ensure proper usage of municipal vehicles.

### **RECORDS MANAGEMENT**

The municipality has a dedicated section to manage municipal records. There's a Records Management Policy in place, however there's one incumbent currently executing the functions who is employed as a Clerk. The Municipality does not in all spheres and procedures, comply with the National Records and Archives Service Act 43 of 1995. The filing system is outdated, in terms of the following we do not comply.

- File plan
- Procedure Manual; and
- Records Management Policy

Employees of IYM never had trainings on how to use the file plan and implement the Procedure manual, only the clerk in Records. No Workshops conducted on the Records management policy. The Municipality is currently using the paper based filing. Disposal of records should have done in line with the National Records and Archives Service Act of 1995 upon approval by the Provincial Archivist, in the IYM we do not comply.

None compliance can have a negative impact on the Municipality as we might face a charge for the non-compliance.

### **Local Economic Development**

The municipality has an approved LED strategy dating back to 2009 which requires reviewed in the 2017/18 financial year as indicated in the IPED projects program. The implementation plan identifies Agricultural, Tourism, SMME, and Commercial and industrial development as strategic sectors in which we need to focus. There are clearly articulated objectives and strategic priorities with indicators, targets and milestones. The following are some of the objectives identified in the strategy:

The data on socio-economic analysis is informed by reliable and credible data from Census 2011 and HIS Global Insight 2016.

Some major strategy proposals have already been implemented while others are still in the implementation phases. The Vusubuntu Cultural village is a case in point, so are the Garden of remembrance, Egg Rock (which is part of diversification of tourist sites), etc. In some respects, the strategy is no longer appropriate to the existing economy because even some elements of the situational analysis have changed fundamentally.

The municipality needs to do more to inject a meaningful capital budget to implement its LED strategy. The institutional arrangements are quite adequate compared to other municipalities of similar size.

The IPED unit needs to be beefed up with an official who will focus on industrial/commercial development and investment. Institutional capacity to implement IPED programmes need to be established. There is also a great need for networking with other institutions and forging partnerships to be able to offer support to emerging farmers and SMME's. The potential of tourism benefits is not fully explored as it remains the domain of previously advantaged communities.

Part of the IYM LED strategy is a well-developed business incentive scheme which was adopted by council but never implemented due to challenges with revenue collection. The scheme contains a number of proposals for business attraction and retention like lower electricity rates, water rates, etc. It remains for the municipality to reconsider the implementation of the scheme if the revenue situation has improved.

As per the IYM LED Strategy the objectives of the Municipality are:

- local economic development of agricultural sector
- effective land management
- support the establishment of SMMEs
- centralise the operations of informal traders in IYM

- develop the iym owned tourism sites into major tourist attractions provincially and nationally
- effective land management

The IYM's Local Economic Development programme focuses on the following areas:

### **Agriculture**

The following key characteristics of the commercial agricultural sector in IYM have been identified:

- There are approximate 100 to 130 farmers in the Middelburg area and about 350 to 400 farmers in the Cradock area;
- There are two distinct types of farming in the IYM area:

Intensive Irrigation Farms	Dryland farming
<ul style="list-style-type: none"> <li>• Mostly next to Great Fish River (32,500 ha), on smaller scale at the Tarka River (700ha) with farmers having a supply of water</li> <li>• Produce include: <ul style="list-style-type: none"> <li>• Maize, lucern, wheat, oats, vegetables</li> <li>• Livestock: Dairy farming and pig</li> </ul> </li> <li>• Farm size: <ul style="list-style-type: none"> <li>• Average: 40ha-60ha, but 100ha / farmer for financial sustainability</li> <li>• Max 200ha</li> </ul> </li> <li>• Cost: R25,000 – R30,000 / ha (2008)</li> <li>• Location: next to Great Fish and Tarka Rivers</li> </ul>	<ul style="list-style-type: none"> <li>• Produce: <ul style="list-style-type: none"> <li>• Livestock: beef, sheep (Merino &amp; Dorper), goats</li> <li>• Ostrich</li> <li>• Game</li> </ul> </li> <li>• Average Farm Size: 3,500ha to 4,000ha</li> <li>• Location: everywhere else</li> </ul>

- There is one farmers association in the Middelburg area, and one main association in Cradock (AgriCradock) with 8 sub-regional associations underneath it.
- Local farmers assisted in establishing farming enterprises and shearing sheds in former homeland areas over past decade.
- Area is world renowned for the quality of its wool, with 95% of wool produced in area exported to northern markets.
- There has been a slight decrease in demand for hunting from overseas visitors.

- Emerging farmers in IYM:
  - There are only a about handful of emerging farmers in IYM: 2 groups in Middelburg area and about 12 groups in the Cradock area
    - Emerging farmers mostly farm in groups on the same piece of land
    - Most farm on commonages rented from the local municipality, which is only 1,200 ha in the case of Cradock
    - Produce is mostly wool and meat, with the livestock including cattle, sheep and pigs;
    - Approach government without success to install adequate infrastructure such as dipping tanks and other farming equipment.
    - Short skills development courses offered at Grootfontein Agricultural College, but language and institutional culture limit emerging farmer participation at Marlow Agricultural High School

Specific technical farming skills training required

Not enough support from Dept of Agriculture, especially to acquire mentorship support, with emerging farmers having to pay commercial farmers – an additional cost to emerging farmers.

### **2.4.3 Manufacturing**

**Local stakeholders described the manufacturing sector in IYM to include the following:**

- There is only small scale manufacturing focussing on the local market taking place in Cradock. These include supermarket bakeries, small scale furniture manufacturers, mechanics and vehicle repair shops, and a few niche product producers.
- There are a few notable manufacturers in Middelburg producing products for the national and export markets, including:
  - GDE Leather which employs 16 permanent staff producing leather products such as saddles, hats, belts, etc
  - Rolfe Laboratories, which employs about 300 persons producing shoe polish, sprays and deodorants to name a few;
- There are also small scale manufacturers in Middelburg producing products for the local market including, cheese and craft manufacturers.
- Production that has closed down in Middelburg in the past include:
  - Coke bottling plant, which moved to Bloemfontein
  - Lucern Tech which produced chemical products for the agricultural sectors
- Stakeholders have identified the following strengths, weaknesses, opportunities and threats for the manufacturing sector in IYM.



Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Well educated workforce;</li> <li>• Plenty of flat land available for industrial development near urban locations</li> <li>• Located on main transport corridor between Gauteng and Port Elizabeth provides easy access to national and international markets</li> <li>• Very good and reputable education institutions</li> <li>• Access to primary raw material from agricultural sector, such as milk, wool, leather</li> <li>• Some local firms integrated into national and international economy provide the area with specialist skills</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of water in Middelburg hampering further industrial development</li> <li>• Poor electricity infrastructure in Cradock hampering industrial development;</li> <li>• Not enough serviced industrial land in Cradock;</li> <li>• Municipality focus mostly on Cradock and feeling of neglect to Middelburg</li> <li>• Cradock not part of national development strategies</li> <li>• Lack of access for local firms to national incentives/grants for economic development</li> <li>• No local big business to assist in SMME development through procurement policies</li> <li>• Many local firms source supplies from outside</li> <li>• Local labour force is over politicized and lack advanced skills for new enterprises.</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>• Agro-processing in Cradock e.g. <ul style="list-style-type: none"> <li>• Dairy producing</li> <li>• Small leather tannery / hides depot</li> <li>• Sugarbeet ethanol production</li> </ul> </li> <li>• Revitalise Lucern Tech in Middelburg</li> <li>• Coega IDZ presents opportunities to Cradock including linkage in big business supply chain</li> <li>• Making some municipal land available for manufacturing</li> <li>• Toilet roll manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>• High dependency in Middelburg on Rolfe Laboratories pose serious risk to Middelburg economy</li> <li>• Relative high income leakage from Middelburg</li> <li>• High level of competition for local market reduce profitability of local enterprises</li> </ul>

#### **2.4.4 Construction**

The following characteristics of the construction industry in Cradock were identified by local stakeholders:

- There are two medium size contractors in Cradock. They have approximately 200-250 permanent local employees and between 600 and 700 on a temporary basis if there is a local construction project. There are a handful of smaller builders in the Cradock area that benefits from a rotation schedule by provincial departments and local municipality. However, this also means they are occasionally unemployed.
- Most residents focus on maintenance and repair of their properties due to the current economic situation and property market prospects;
- Most construction activity in Middelburg area occurs on farms with construction of new sheds and buildings

Characteristics of the property market in IYM:

- There has a shortage of new middle income residential properties in Cradock due mostly to the lack of bulk infrastructure (electricity, water and sanitation).
- Nearly all housing development over the past 10 years has been in the underdeveloped townships, i.e. Lingelihle, Michausdal and KwaNonzame
- Some property developments in Middelburg has been halted due to the shortage of water
- The demand for residential property in Cradock from non-locals has disappeared mostly due to the national economic situation in SA.
- The demand for commercial property in Cradock has increased, but is limited by the supply of property onto the local market.
- There is urgent need for more industrial property as nearly all property zone for industrial use in Cradock is used
- Existing owners of property in Cradock are reluctant to sell property
- There is increased demand for property in Middelburg from Gauteng wishing to relocate to country side

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Well established contracting skills based</li> <li>• Many emerging contractors</li> <li>• Local contractors support local suppliers where possible such as fence manufacturing and general indoor bricks</li> </ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• Limited local opportunity for local contractors</li> <li>• Limited preferential procurement benefit for locally based contractors</li> <li>• Profit margins of local hardware suppliers too high for large contractors</li> <li>• Poor quality of locally produced bricks</li> <li>• Limited demand for local construction projects</li> <li>• Expansion of low income housing has negatively affected maintenance and capacity of water and electricity grids</li> <li>• Water and electricity constraints limit future housing developments</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Higher density housing in open spaces close to Cradock town</li> <li>• Zoning and development of serviced industrial land</li> <li>• Opportunities for retirement housing in Middelburg</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• High level of competitions amongst local contractors</li> <li>• Water and electricity infrastructure strained due to extension of the grid</li> </ul>

### 2.4.5 Retail and Wholesale Trade

The following comments have been made by local stakeholders with regards to the retail and trade sector:

- The trade sector is relatively large in Cradock but small in Middelburg with many Cradock businesses also servicing Middelburg residents
- There are a wide variety of retailers, including Spar and Shoprite that focuses on the middle to high income market, as well as a few independent supermarkets focussing on the low income market
- Low income clients are mostly dependent on government grants for their income
- About 80% of employment in the retail trade sector is semi- and unskilled persons
- The retail sector SETA is slow in responding to training enquiries from local employers;
- There are three vehicle dealers in Cradock, i.e.
  - JW Auto (Ford and Mazda, Ssangyong)
  - CAT DELTA Motors (Isuzu, GM & Opel), and
  - Status Toyota Motors (Toyota and Hino)

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Well established industry</li> <li>• Large unskilled labour force</li> <li>• Local cooperatives supply farmers with most of their requirements</li> </ul>	<ul style="list-style-type: none"> <li>• There is limited local manufacturing to source fresh produce from</li> <li>• Limited size of local market</li> <li>• High level of unemployment lead to opportunity crime with retailers especially prone to this</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Greater opportunity for local food processing</li> </ul>	<ul style="list-style-type: none"> <li>• Exploitation of low income earners by financial institutions</li> <li>• Leakage of income out of IYM</li> </ul>

### **2.4.6 Transport**

#### **Key Features**

- Transport industry has relative small contribution to local GGP
- Contribution to employment is also relatively low
- Growth in transport sector GVA has been positive, but low

The following characterises the Transport Sector in IYM:

- It is the main transport route between Gauteng and Port Elizabeth and thus has many commercial and leisure travellers passing through;
- However not many trucking companies are based in IYM, the trucks are long distance trucks coming to and from Gauteng and the Eastern Cape.
- Trucking in IYM:
  - There is an average of 20-30 trucks per night in Middelburg
  - There is an average 25 to 35 trucks per night in Cradock, with as many on the side of the road into and out of Cradock
  - The growth in the national transport industry has lead to increased demand for transport related services
  - Development of Coega IDZ likely to increase traffic between Gauteng and Port Elizabeth
- Fuel filling stations:
  - There are 2 petrol filling stations in Middelburg, down from 4 stations 10 years ago;
  - There are 7 petrol filling stations in Cradock
  - There is one dedicated truck stops in IYM, located in Middelburg
  - High and sharp increase in fuel costs has had a negative impact on whole transport sector, with profits margins declining due to lower sales volumes
  - Fuel station owners finding additional revenue sources such as workshop, convenience store, car rental, take aways, to name but a few
- Courier services:
  - Number of parcel couriers with representatives in Cradock has increased by 4 in the past 2 years to 6

High level of competition

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Main transport route between Gauteng and Port Elizabeth</li> <li>• Well established transport services sector</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of established truck stops in IYM blocks transit routes at night</li> <li>• Enforcement of local traffic by-laws with regards to heavy vehicles</li> <li>• Ageing and poor road condition</li> <li>• Too much traffic just pass through IYM without stopping</li> <li>• Not effective utilisation of rail network</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Petro-port in Middelburg and/or Cradock</li> <li>• Truck stop in Middelburg and/or Cradock</li> <li>• Development of Coega IDZ likely to lead to increased road transport between Gauteng and PE</li> </ul>	<ul style="list-style-type: none"> <li>• New filling stations will threaten existing stations sustainability</li> <li>• High level of competition between local courier services</li> </ul>

### **2.4.7 Finance and Business Services**

The following characteristics of the Finance and Business Services sector have been identified by local stakeholders:

- There are 4 commercial retail banks in both Cradock and Middelburg Units: ABSA, FNB, Standard Bank, Capitec Bank.
- There are many micro-lenders situated in IYM, including Louhen Financial services etc.
- There are two main auditing firms located in IYM:
  - Theron du Plessis, head office in Middelburg and branch in Cradock trading as PSG;
  - Gerber Botha Gowar Auditors in Cradock

The following brokers in Cradock provide long term and short term insurance:

Long Term insurance	Short Term Insurance
<ul style="list-style-type: none"><li>• OVK</li><li>• SANLAM</li><li>• Karoo Brokers</li></ul>	<ul style="list-style-type: none"><li>• OVK</li><li>• Karoo Brokers</li><li>• SANLAM</li><li>• ABSA</li><li>• FNB</li><li>• PSG</li><li>• Gerber Botha Gowar</li><li>• Old Mutual</li></ul>



Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Well established local financial and business services</li> <li>• Steady, slow growing market encourages local firms to diversify revenue sources</li> <li>• Growing income based encourage financial institutions to expand local operations, e.g. FNB new branch</li> </ul>	<ul style="list-style-type: none"> <li>• Limited market size with growing local competition for insurance brokers limits the profitability of firms</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Expansion of financial services into the township</li> </ul>	<ul style="list-style-type: none"> <li>• Growing competition threaten established businesses</li> <li>• Changes in legislation placing additional indirect costs on small, independent brokerages</li> </ul>

### **2.4.8 Tourism**

The following is extracted from the IYM Responsible Tourism Sector Plan (2008) which will be reviewed in 2016 (this process was started as planned). The supply of tourism products and services in IYM are nature-based and heritage tourism products. IYM has wildlife, scenic beauty, warm hospitality, business opportunities, culture, heritage and history, but it needs to be further developed.

Tourist attractions can be divided into four main elements:

- Natural Attractions
- Built Attractions
- Cultural Attractions
- Social Attractions

The tourist attractions in the IYM have been analysed in the Tourism Strategy according to these categories. The IYM has a reasonable selection of accommodation available to the visitor, both in Middelburg and Cradock. These include country hotels, town-based guest houses and B&Bs, guest farms (farm stays), guest cottages, game farms, lodges and camping / caravan sites. In each type, there is a reasonable selection of different establishments.

### **HERITAGE**

#### ***Cradock Heritage Features***

<b><u>NAME</u></b>	<b><u>DESCRIPTION</u></b>
<b><u>Dutch Reformed Mother Church</u></b>	A national monument and designed to look like London's St Martin's-in-the-field. The Mother Church was used for the christening of Statesman Paul Kruger in 1826 and its roof was used as a look-out point for British soldiers during the Anglo-Boer war. Currently maintained and used as a Church.
<b><u>Old Municipal Building</u></b>	Old building
<b><u>Horse Trough</u></b>	Old drinking trough for horses
<b><u>Olive Shreiner House Museum</u></b>	Devoted to the authoress's life and works. Olive was said to write the novel 'The Story of an African Farm' whilst working as a governess on farms in the district and much of her early life was spent in the town. Currently maintained and used as a museum. Hall used for small meetings.

<b><u>Die Tuishuis</u></b>	An excellent example of typical Karoo architecture.
<b><u>The Great Fish River Museum</u></b>	The Great Fish River Museum - housed in the converted second Dutch Reformed church - conveys what it was like to live as a settler after 1806, during the second British occupation of the Cape. Used as museum. Reflects the history between 1840-1900.
<b><u>Calata House</u></b>	Residence of Reverend James Calata (1895-1983), who was politically active for more than forty years under conditions of harsh repression, yet he remained strong to the last.
<b><u>Cradock Four Grave</u></b>	Graves of Fort Daniel Calata; Matthew Timothy Goniwe; Siculo Mhlauli and Sparro Thomas Mkonto, members of the Cradock Resident's Association (CRADORA) that was founded in August 1983 to fight rent increases in Lingelihle Township.
<b><u>Monument to Fallen Heroes</u></b>	Memorial to the 'Cradock Four' and the four sons of Cradock (JJ Goniwe, Gandhi Hlekani, LT Melani and BS Ngalo) who left the country in 1960 to Umkhonto Wesizwe and perished with the Luthuli Brigade in the Wankie Campaign of 1968.
<b><u>Skweyiya Church</u></b>	Named in honour of Alfred Sithethi Skweyiya (known as 'Oom Gili'), one of the unsung heroes of the Cradock struggle.
<b><u>Flame of Hope</u></b>	Memorial to Liberation Heroes
<b><u>Mountain Zebra National Park</u></b>	Has 28 000ha sanctuary of Cape Mountain Zebra, Eland, Springbok, Kudu, Black Waterbuck and Blesbok. Doornhoek Farmstead dates back to 1836.
<b><u>Egg Rock</u></b>	Egg Rock (near Cradock) stands 10 meters tall and weighs about 488 tons. This large piece of Dolerite rock is egg shaped and has a piece missing out the back where lightning apparently struck it in 1937.
<b><u>Cradock Mineral Spa</u></b>	Healing mineral waters containing equal concentrations of chlorides, sulphates and bicarbonates.

<b><u>Fish River</u></b>	Every October, the famous Fish River Canoe Marathon attracts large crowds to watch the best canoeists in South Africa.
<b><u>Iles Oak Trees</u></b>	Ilex Oak Trees, particularly on Dundas Street, have been declared a national monument.

### **Areas requiring focus**

#### Attraction and retention of major events

- Renovations of Cradock SPA
- Source funding for Middelburg Tourism Hub
- Revise Tourism Sector Plan
- Review LED Strategy
- Development of SMME Development Strategy
- Develop and promote SMME's
- Land Audit has been completed in 2017
- Maintenance of Agricultural commonages
- Support to emerging farmers and all agricultural related projects
- Assist in establishment of an Agricultural Primary co-operations
- Support Sugar Beet initiative
- Develop a local brand for agricultural products
- Facilitate establishment of emerging construction companies
- Provide support to business forums

There are various programmes that the municipality is embarking upon to improve the status quo. Amongst these are:

1. Cradock Spa redevelopment
2. Upgrading of tombstone and wall of remembrance in Middelburg

The unemployment rate of Inxuba Yethemba is 16.7 % and the municipality has several projects planned to assist in the scaling down this percentage. These include amongst others:

3. Holding an Economic and Jobs Summit before end of December 2018;
4. Enterprise Development and Support;
5. Paving bricks plant project;
  - Contractor and co-operatives support;
  - New business ventures in partnerships with SEDA, ECDC, CHDM, CHDA;
  - Learnership programmes with Seta's ( CETA & Services SETA);

- Projects/business assistance Project;
- Ensuring that our emerging contractors are developed and supported so that their production capacity and grading is enhanced. In this regard we will ensure that through the infrastructure projects that are happening in our jurisdiction we enforce the 30% sub-contracting. More so we will rotate the use of these contractors and all other SMME. My expectation is that Management must develop and introduce the roaster system to ensure that this rotation is realised. More so in the SDBIP of all Directors commitment must be reflected in the empowerment of our SMMEs.

In this regard lets appreciate the commitment by our District by allocating R 5 000 000. 00 for the entire District for SMME support and development and therefore we need to justify our case for this allocation. IPED must accordingly ensure that are ready to access this funding with immediate effect.

### **Economic Development Needs**

<b>No.</b>	<b>Development Needs</b>
1.1	Job Creation
1.2	Support to Emerging Farmers
1.3	Support to existing projects and Community Based Enterprises
1.4	Support to cooperatives and SMME's
1.5	Tourism Development and Transformation
1.6	Development and Growing the Local Economy
1.7	Improve access to land for previously disadvantaged
1.8	Yearly Events e.g. annual music festivals to attract tourism.
1.9	Shopping Centre (Skulu Street) - waiting council's response on the demolition of the old structure to make way for new Mall.
1.10	N10 petrol station and Mall

### **EXPANDED PUBLIC WORKS PROGRAMME**

IYM participates in the EPWP contributing mainly on the Social, Infrastructure and Environmental Sector. The municipality has employed an EPWP Officer/ Coordinator located within the Community/Technical Services Department to ensure that EPWP Programmes are run and managed effectively and efficiently. Mention any achievements received through the programme and the years they were received in.

### **COMMUNITY WORKS PROGRAMME**

## **2.7 BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**

The South African Constitution assigns municipalities the duty of ensuring the provision of municipal infrastructure services. This chapter outlines Inxuba Yethemba municipal infrastructure and Services.

The directorate renders the following services to the broader IYM community: -

IYM has a functional PMU Unit which comprises of two (2) personnel. This includes the PMU Manager and PMU Data-Capturer, which is located in the Technical Services Directorate.

### **WATER AND SANITATION**

Chris Hani District Municipality is responsible for provision and authority of the water and sanitation function within Inxuba Yethemba Municipality. Billing is done by CHDM on a monthly basis.

Most areas of IYM have access to piped water, but shortages are occasionally experienced in Middleburg and Cradock. In Middleburg boreholes are being used to augment the shortage of access to water.

#### ***Electricity***

The municipality distributes electricity to Cradock town, Michausdal and the whole of Middelburg. In Lingelihle township Eskom is the distributor. It also has a responsibility to provide and maintain street lights throughout the municipality. Electricity is purchased in bulk from Eskom and distributed through the municipality's infrastructure and network. The municipality's role is administered as follows:

- Bulk purchase of electricity supply from Eskom
- Distribution of electricity to consumers
- Management of pre-paid electricity to consumers
- Taking measures to prevent theft of electricity
- Maintaining links with government departments and institutions like DME, NERSA etc.
- Implementation of projects on housing electrification
- Maintenance and upgrade of electricity infrastructure and networks
- Public lighting of streets and maintenance of street light fittings and fixtures

Strategic objectives of the function are:

- to ensure that all communities receive adequate and uninterrupted supply of electricity
- ensure adequate street lighting so as to provide safety and security in the communities

The Municipality is exploring other alternatives on cost reduction through Renewable Energy with Independent Private Partners and also replacing streetlights old technology with new L.E.D Public lighting.

## Electrification in Inxuba Yethemba

Ward	% Households With Electricity	% Ward With Adequate Street Lights
1	100	100
2	100	100
3	100	100
4	100	100
5	100	100
6	90	99
7	100	100
8	100	100
9	95	90

Source: Municipal Data 2015

The table above indicates that a lot has been done in household and street electrification.

### Challenges

As is the case with water infrastructure the electrical infrastructure requires serious and urgent attention as the municipality is currently unable to meet the increasing current demands. Cradock unit is currently experiencing serious power supply shortcomings due to limited capacity levels. This is happening at a time when the area is experiencing an influx of people wanting to invest and local developers wanting to develop the area and the oncoming huge Sugar Beet Project. The street light fixing has become a serious challenge due to fittings which are expensive and in short supply in stores.

### *Roads and Stormwater*

The municipality has a responsibility to construct and maintain roads within the municipal area of jurisdiction.

Maintenance entails the following: Surfaced Roads, Potholes repairs, Surface repairs, Re-sealing, Gravel Roads, Grading, Backfilling and Compacting

Construction involves Construction of new roads and Surfacing of existing gravel roads with bitumen layers.



The Municipality is using RURAL ROAD ASSET MANAGEMENT SYSTEMS (RRAMS) and the Primavera-AM-ES Asset Management System

#### Percentage (%) of surfaced streets

Ward	% Surfaced
1	17
2	20
3	15
4	35
5	93
6	1
7	11
8	57
9	36

There is 139 km tarred / paved streets about 165 km gravel roads in the municipal area. Very few of the roads are in a fair condition the majority are in a very poor state more especially in urban centres.

#### STORMWATER MANAGEMENT PLAN

Municipality plans to develop a Roads and Stormwater Master Plan to assist with addressing issues pertaining to the Stormwater drainage within the municipality. The Stormwater Master Plan will be used to prioritize project proposals for solving the storm water problems in each area. This project will be undertaken by the Municipality and will be funded by DBSA/CoGTA.

#### Challenges

An urgent need exists to upgrade access and collector roads, more particular in the newly established areas. Proper storm water channels are non-existent in the previously disadvantaged communities. The condition of the roads throughout the municipality is a serious cause of concern as this affects access to the communities of essential emergency services such as ambulance services and even the police cannot reach some of these areas. As the result of poor maintenance over the years due to cash flow problems, even those roads thought to be in a fair state are fast deteriorating. The condition of our plant vehicle and equipment further exacerbate the situation.

Increasing heavy traffic volumes using municipal roads, high cost of bitumen are a real threat to the sustainability of the road network.

### **2.8.1. ENVIRONMENTAL MANAGEMENT**

The municipality is currently in the process of developing bylaws to better manage the environment in IYM.

#### **2.8.1.1 Integrated Waste management plan (IWMP)**

The municipality has recently adopted the Integrated Waste Management Plan which will be submitted to the MEC of Environmental Affairs as required. The IWMP is a sector plan for waste management which assists the municipality in identifying and planning future waste management needs and requirements.

#### **2.8.1.2 Youth Community Outreach Programme**

The municipality has partnered with the Department of Environmental Affairs for a 3 year project funded by DEA where Environmental Coordinator has been appointed by DEA to lead community education and outreach regarding waste management and other waste minimisation projects.

Waste minimisation programmes will be implemented as part of this programme to reduce the waste going to the landfill sites.

#### **2.8.1.3 Waste management**

Waste Management Includes:

- refuse removal
- solid waste disposal
- management of landfill site
- street cleaning
- waste recycling

The refuse collection functions of the municipality are administered as follows and include:

- The removal of household and business refuse industrial waste, street sweeping of the central business zone and peripheries. This also includes the management of solid waste disposal side.
- Removal of refuse from households and business premises is done once a week throughout the municipality. Each household is supplied with a refuse bag on a weekly basis.

The Municipality of Inxuba Yethemba as mandated by the Constitution of South Africa has to reduce recycle, minimize and remove refuse in each household. This function is to ensure that all inhabitants of Inxuba Yethemba Municipality are living in a safe and healthy environment. The role of the Municipality is to provide machinery, equipment, human resource and allocate a budget in each financial year to render this service effectively. The National Waste Management strategy encourages that municipalities involve all stakeholders that are within their communities to form an integrated waste management forum.

### **3.7. INTEGRATED WASTE MANAGEMENT PLAN**

The Integrated Waste Management Plan has been developed for IYM and was completed in 2019. Also the Municipality is currently in the process of developing bylaws to better manage the environment in IYM.

#### **2.8.1.1 Integrated Waste management plan (IWMP)**

The municipality has recently adopted the Integrated Waste Management Plan which will be submitted to the MEC of Environmental Affairs as required but has not been endorsed yet. The IWMP is a sector plan for waste management which assists the municipality in identifying and planning future waste management needs and requirements.

#### **2.8.1.2 Youth Community Outreach Programme**

The municipality has partnered with the Department of Environmental Affairs for a 3-year project funded by DEA where Environmental Coordinator has been appointed by DEA to lead community education and outreach regarding waste management and other waste minimisation projects.

Waste minimisation programmes will be implemented as part of this programme to reduce the waste going to the landfill sites.

#### **2.8.1.4 Landfill sites**

Waste in IYM is disposed at two municipal landfill sites, one at Cradock and the other one at Middelburg. The Cradock municipal landfill site is licensed for closure but is currently operational until a new suitable site is developed for a new landfill. The Middelburg landfill site is licensed for operation in terms of NEMWA and is being used for disposal of general domestic and commercial waste. Both of the municipal disposal sites are experiencing operational problems, but mainly as a result of a severe equipment and personnel shortages. None of the sites have their waste covered on a daily basis and the fencing and access controls are not in place. Windblown litter, vectors, dust and odours are common concerns in both sites.

#### **2.8.1.5 Illegal dumping**

Continued littering of garden refuse and other household material is fast becoming a norm and is a serious concern in most of the wards as this creates unsightly, unregulated dumping sights which also pose a health risk. Properly regulated temporary dumping sites with the necessary equipment are needed to curb the challenge.

### **Challenges in waste management services:**

Shortage of equipment is a major challenge as the equipment that is used is old 1978 - 2001 models of which parts are no longer available and while a vehicle is out of order employees are to work unnecessary overtime to cover the areas. Tractors that are already irreparable are in use and taking longer time to get to the disposal site.

The maintenance cost that is high due to the condition that our equipment is in could be utilized for improving the service.

## **ENVIRONMENTAL CHALLENGES**

### **2.5 CLIMATE AND NATURAL ENVIRONMENT**

#### ***Climate***

The municipal area stretches over a geographical area of 11594.65 square kilometers comprising of a potentially arable area with a slope ranging from 0° to 12°, with the rest of slope above 12° being mountainous area that is not arable.

Inxuba Yethemba experienced extreme flood damage during the 70's and they still pose a potential danger. Veld fires are most common causing a threat to the agricultural sector. Drought is another major risk in the agricultural sector, which is important for the economy of the area. The climate and the environment is characterized by the following:

#### **Rainfall**

The average annual rainfall is between 200mm and 300mm with north westerly and westerly winds being more prevalent.

#### **Temperature**

The area is characterized by harsh climatic conditions with day temperatures averaging between 20°C and 40°C and night temperatures between - 5°C and 16°C.

#### **Topography, Vegetation, Drainage**

Most of the municipal area is covered with shrub land and low fynbos. The veld type is typical Karoo vegetation which is ideal for stock farming. Inxuba Yethemba falls within the Great Fish River drainage system and its many tributaries.

#### **Conservation Areas**

#### **Water Resources**

Cradock receives its water from the Gariep dam through a transfer scheme which is managed by the Department of Water Affairs and Forestry whilst Middelburg on the other hand solely depends on its ground water. The present drought has thus a detrimental effect on water sources in Middelburg.

### **DAMS WETLANDS AND SPRINGS**

## **EVAPORATION**

### **Climate Change**

For the last 50 years or so, rumblings about Global Warming have become louder and more urgent; as a result the past decade has seen a more concerted effort in researching the effects of Global Warming and the signs that have been associated with an increase in the earth's temperature and melting of the ice caps. Some researchers maintain that Global Warming has been with us since the end of the last Ice Age, some 18,000 – 21,000 years ago. The increase in sea levels apparently peaked about 6,000 years ago, but has continued their gradual rise, albeit at a much slower pace; research puts the sea-level rise at about 120 metres since the end of the Ice Age. Atolls and small islands are already beginning to disappear, and according to reports, oceans are becoming warmer, killing off some sensitive species of marine life.

The El Nino Phenomenon is affecting South Africa with floods. Although IYM has not yet been hit with floods, such as the floods in Johannesburg and Durban which caused devastation, it may be just a matter of time before its occurrence.

### **3.9. CLIMATE CHANGE STRATEGY**

The IYM has not yet developed a Climate Change Strategy

## **COMMUNITY SAFETY AND SECURITY**

### ***2.8.2 Traffic safety and management***

The municipality has resolved to improve law enforcement, and this will be achieved through the improvement of the human resource personnel in the traffic unit and the installation of speed cameras in the municipality. The municipality considered introducing parking tariffs, however post research conducted by the municipality a model that would make implementation feasible has not been identified as various comparisons with other municipalities were made with an outcome of evidence of failed systems. The municipality is constructing speed humps in areas prone to pedestrian accidents.

### ***2.8.3 Fire services***

An emergency service is currently run in both units. There is a need for a proper fire station for the municipality in both Cradock and Middelburg to ensure that the service rendered is of an acceptable standard. There is also a need for additional response vehicles as currently each town is served by one vehicle and in cases of multiple calls or vehicle breakdowns then the community cannot be serviced.

### ***2.8.4 Disaster Management***

The Municipal Systems Act states that the Integrated Development Plans of local authorities should contain Disaster Management Plans. These plans will be requirements in terms of the Disaster Management Act.

IYM currently has no human resource to run this function and the municipality has not developed a comprehensive disaster management plan.

## **PUBLIC AMENITIES**

## SPORT FACILITIES

IYM has various sporting facilities in both Cradock and Middelburg. There are challenges with the maintenance of other facilities whilst others are prone to vandalism which is a major setback in ensuring that our communities have access to well-maintained facilities. Communities need to own and protect facilities that have been built for them to ensure that the municipality continues to grow. We are further planning to upgrade some of our sport facilities to increase their capacity and to this extent we will be sourcing funding from other funding sources.

Part of the budget that has been set aside for the maintenance will go into the maintenance of our sport facilities. The current facilities are hardly being maintained because of a dire shortage of machinery.

## COMMUNITY HALLS

Inxuba Yethemba Municipality has 11 Community Halls, 2 Community Hall requires extension of kitchen and as well as restrooms

(See the following table)

Community Hall	Ward	Condition
Lingelihle Community Hall	3	Destroyed by vandalism and it need extension of kitchen (poor )
Town Hall (Cradock)	5	Roof destroyed by natural disasters ,pipes taps toilets destroyed by Vandalism acts (Poor)
Michausdal Community Hall	4	Entire hall electricity cables stolen, toilets kitchen equipment stolen and vandalized (very poor )
Youth Centre	3	Destroyed by vandalism and it need extension of kitchen& rest rooms fencing ( poor )
Nomsa frans community hall	6	Good
Nonzame Community hall	8	Toilets, kitchen &hall needs renovation destroyed by vandalize (fair)
Midro Community Hall	7	All plumbing needs special attention (Fair)
Middleburg Town Community Hall	9	Good plumbing and renovation needed ,building of disable toilets (fair)
Middleburg newly build hall		Good
Cradock newly build hall	2	Good
Lusaka hall		Needs renovation

## SWOT Analysis

Strengths	Weaknesses
Registers in place in both units. Booking system is in place both units	Lack of monitoring systems Lack of security systems Quality of halls constructed
Opportunities	Threats

Revenue Job opportunities	Vandalism Theft Adverse weather conditions
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## **CEMETERIES**

There are 4 cemeteries in Cradock with only 1 functional cemetery which is Central cemetery in Cradock. Lingelihle and town cemetery are only using the reserved sites. The central cemetery has a life span of 2 years in the currently prepared blocks. There is additional land within the cemetery which needs rock excavation and compaction to make it suitable for burials.

Middelburg has 3 cemeteries and all are still functional and still have burial space.

## **POUND MANAGEMENT**

There is a pound in Middelburg which is currently not fully functional as the pound bylaws are not gazetted yet. Also the construction of the pound is not fully secured as there is constantly cutting of the fence. The current construction of the pound also makes it impossible to separate big from small livestock as required. The location of the Cradock pound makes it impossible for the pound to function. Also there is currently no pound master and pound vehicles which limits the work of the pound assistants.

## **PARKS AND OPEN SPACES**

The municipality also manages parks and open spaces in Middelburg and Cradock. These spaces are maintained with grass cutting.

## **LIBRARY AND INFORMATION SERVICES**

Inxuba Yethemba Municipality has six libraries, 3 in Cradock and 3 in Middleburg and 14 staff members , being general library assistants, senior library assistants, one provincial librarian and chief librarian. All libraries operate on a manual circulation system. All libraries in Cradock are connected to the DSRAC wifi, Kwanonzame library is connected to the DSRAC internet and the other 2 libraries i.e. Midros and Middleburg are in a process of being connected to IYM. All libraries have photocopiers which are very important for supplying information to the public. All libraries have televisions and DVD players, for children's film shows and for current awareness i.e. National budget speech,etc.

- ▶ All the libraries are stocked with books from DSRAC:Provincial Library Services and donations from the public
- ▶ Librarians have laptops that were donated by CWP

### **2.8.4 HIV and AIDS**

As part of our HIV and AIDS programme, the municipality through the local AIDS Council will implement programmes for addressing the social and structural drivers of HIV, TB and STIs. Such will be done in partnership with the relevant Sector Departments and Community Structures

### **3.5. HUMAN SETTLEMENT**

#### **REVIEWED MUNICIPAL HUMAN SETTLEMENT SECTOR PLAN (HSSP) 2018-2022**

The HSSP has been reviewed and revised in accordance with the prescripts of the Blue Book for Municipal Housing Planning and the related National Treasury Planning dispensation. The methodology used to review the HSSP consisted of the review of the current IDP, HSSP, SDF and other relevant chapters of the IDP and sectoral plans. In addition to this, a desktop analysis was undertaken to better understand the demand for housing. The supply side study included primary level survey and collection of data related to land and land packaging, infrastructure planning and availability, organisational capacity, and housing projects, including planned, current and blocked projects and, lastly, an integration study to establish cross cutting issues and related planning and availability, especially as it relates to health, education, roads and transportation, social, recreational and safety facilities. The results of all these studies were used in the production of a situation analysis report, which was utilised to inform the development of the HSSP.

The HSSP consists of strategic goals and priorities for the Municipality, which are detailed into programmes for year 1 of a 5-year horizon. Lastly, a project pipeline together with a project-tracking tool was developed and provided to enable the Municipality to improve its planning, tracking and monitoring of projects.

#### **Land and Housing**

There is adequate municipal-owned land (situated within the urban edge) available for development with approximately 283.2Ha of municipal land reserved for housing development. In general, rural land is privately owned and has to be purchased and negotiated with private landowners. (HSSP 2018-2022)

The main problems with municipal land relates to the availability of bulk infrastructure.

The following challenges apply:

- Municipal land set aside for housing has no access to bulk infrastructure (approx. 4542 erven)
- Difficulty and long delays in obtaining Environmental Authorization (RoD) (4542 erven)
- Authorization in terms of Subdivision of Agricultural Land Act 70 is outstanding for 280 erven
- 3543 erven are situated on the periphery and far from job opportunities
- 280 erven out of the land required for housing are still under private ownership. So far, there is no land under restitution.
- A total of 21 land claims in the urban areas of the municipality. (HSP 2018- 2022)
- The Inxuba Yethemba SDF states that future housing areas need to achieve densities of at least 30 units/ Ha to achieve a compact and efficient urban form.



## **Land Ownership and Supply**

There is adequate land within the urban edge that is Municipally-owned land and availability for housing is not a constraint. The problem is with rural land, which is privately owned and therefore has to be negotiated with the private landowners (HSSP 2018-2022). The municipality has resolved the issue of land in Rosmead which was owned by Transnet, has been transferred to the Municipality. However, Mortimer and Fish River are privately owned and some parts of Midros are state-owned.

## **2.10 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**

### **LEGISLATIVE FRAMEWORK**

Section 16 of the Municipal Finance Management Act, 2003 (MFMA) required that “the council of the municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

The IYM Strategic objectives under BTO are:

- Institutional Transformation - Cash Flow
- Maintenance of a credible Indigent Register
- ensure the proper management of contracts

The Budget and Treasury (BTO) Directorate has the following sections:

#### **Expenditure**

#### **Revenue**

#### **Supply Chain Management**

On Supply Chain Management the unit is the custodian of the institution’s Supply Chain Management Policy which has been adopted by Council this policy is reviewed annually and ensures its implementation in its procurement processes at all times. The policy itself is in line with Treasury Guidelines and is renewable annually

**BID COMMITTEES:** The Specification and Evaluation Committees are appointed by Municipal Manager in line with MFMA and as well SCM officials assist in sitting of these committees.

**1.1 DEMAND MANAGEMENT:** Demand management system ensure that the resources required by the Institution support its operational commitments and its strategic goals outlined in the Integrated Development Plan.

**1.2 ACQUISITION MANAGEMENT:** Ensures that proper acquisition delegations are in place, market place is assessed sourcing strategy in place as well.

**1.3 LOGISTICS MANAGEMENT:** Entails placement of orders against contracts of goods and services, receive and distribute goods, setting of inventory levels.

**1.4 DISPOSAL MANAGEMENT:** Entails procedures of how best to dispose of movable and immovable assets than are no longer usable or needed.

**1.5 CONTRACTS MANAGEMENT:** Deals with valid contracts between the municipality and its service providers.

**1.6 RISK MANAGEMENT:** Focuses on implementation of an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system.

**1.7 PERFORMANCE MANAGEMENT (RELATED TO SCM OBJECTIVES):** Refers to the establishment and implementation of an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorized supply chain management processes were followed and whether the objectives of this policy were achieved.

#### **Budget and Reporting**

#### **Asset Management**

#### **Indigent Support**

#### **Tariff Policy**

#### **Credit Control and Debt Collection**

#### **Accounting Systems Administration**

#### **Annual Financial Statements and AUDITS**

#### **1.1 MSCOA related**

#### **1.2 Current Status**

### **AG's OPINION AND AUDIT ACTION PLAN**

### **FINANCIAL POLICIES OF INXUBA YETHEMBA MUNICIPALITY**

<b>TITLE</b>	<b>EXISTENTANCE</b>
Tariffs Policy	
Credit Control and Debt Collection Policy	
Fraud and Prevention Policy	
Investment Policy	

Supply Chain Management Policy	
SCM Infrastructure Policy	
Irregular and Fruitless Expenditure Policy	
Asset Management and Disposal Policy	
Indigent Support Policy	
Budget and Virement Policy	
Borrowing Policy	

## 2.12 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Section 34 of Municipal System Act, Act 32 of 2000 as amended, read together with Section 23 of the Municipal Finance Management Act, Act 56 of 2003, make provisions that when the municipality undergo a process of annually reviewing the Integrated Development Plan and make necessary amendment must consult and consider the public views, and when the executive mayor tables the annual budget, the public must be provided an opportunity to make submission and be responded to.

In the light of the above, the Inxuba Yethemba Local Municipality has between the 15<sup>th</sup> and 18<sup>th</sup> April 2019 undergone public participation processes for the purpose of ensuring that the public view on both the draft review IDP and draft Budget is considered. Hereunder, are community issues which were raised during the public participation process undertaken for the tabling of the Draft Annual Report for the 2020 2021 financial year as well as the **Draft Reviewed IDP 2020-2021**. Issues raised are clustered according to various departments in order to assist Directors to propose actions to address the issues raised. The inputs below are reflection of the issues raised from the Wards. All the issues that are operational will be incorporated in the implementation plan for the 2020 2021 Financial. Whereas the some of the Capital Projects will have to be spread over the next three Financial Years for effective implementation. Noteworthy, some Ward's meeting as indicated below were not honoured during the presentation of both the Draft IDP and Budget whereas during the presentation of the Draft Annual Report for the 2020 2021 Financial Year various issues were raised pertinent to the IDP by the communities of Wards 4 and 6.

## COMMUNICATION

### 1.1 COMMUNICATION STRATEGY

### 1.2 COMMUNICATION MEDIA POLICY

## PUBLIC PARTICIPATION

As enshrined in the Constitution of the Republic of South Africa, Municipal System Act, Act 32 of 2000 as amended, Municipal Finance Management Act, Act 56 of 2003, and also the White Paper on Local Government requires that the municipality has a responsibility to promote and provide an enabling environment for its communities to partake, give views and assist in the decision-making process when

it comes to the affairs of the municipality. The municipality strengthens its public participation through various platforms on an annual basis IDP and Budget Roadshows are conducted when the municipality reviews its Integrated Development Plan, and when the executive mayor tables the annual budget, the public must be provided an opportunity to make submission and be responded to.

In the light of the above, the Inxuba Yethemba Local Municipality has between the 15<sup>th</sup> and 18<sup>th</sup> April 2019 undergone public participation processes for the purpose of ensuring that the public view on both the draft review IDP and draft Budget is considered. Hereunder, are community issues which were raised during the public participation process undertaken for the tabling of the Draft Annual Report for the 2020 2021 financial year as well as the **Draft Reviewed IDP 2020-2021**. Issues raised are clustered according to various departments in order to assist Directors to propose actions to address the issues raised. The inputs below are reflection of the issues raised from the Wards. All the issues that are operational will be incorporated in the implementation plan for the 2020 2021 Financial. Whereas the some of the Capital Projects will have to be spread over the next three Financial Years for effective implementation. Noteworthy, some Ward's meeting as indicated below were not honoured during the presentation of both the Draft IDP and Budget whereas during the presentation of the Draft Annual Report for the 2020 2021 Financial Year various issues were raised pertinent to the IDP by the communities of Wards 4 and 6.

The public participation unit is functional with a Public Participation Practitioner and an Intern. It is located in the Municipal Managers Office. There is a Draft Public Participation Strategy in place.

#### **CUSTOMER CARE**

Currently the function is misplaced and none functional. The institution has a responsibility to revive this.

#### **COMPLAINTS MANAGEMENT PROCEDURE**

#### **LEGAL ADMINISTRATION**

At present this section is non-functional and the function is carried by External Attornies.

#### **SPECIAL PROGRAMMES UNIT**

The Special Programmes Unit is the support Function of the Council mandated to develop the mainstreaming strategy and facilitate the implementation plan in IYM for vulnerable groups focusing on the gender empowerment. Youth Development, People with living with disability, women and children. The office is Politically placed in the of the Executive Mayor and Administratively in the Office Municipal Manager.

The Constitution of Republic of South Africa, 1996 is underpinned by the Bill of Rights that affords all South Africans basic socio- economic rights that affirms the cornerstone of democratic values of human dignity equality and freedom such as to have access to healthcare services, social security sufficient food and water, adequate housing and safe environment.

**OBJECTIVES:**

- To accelerate a municipal response towards issues of the vulnerable groups;
- To mainstream issues of the vulnerable groups into all municipal processes and programmes.
- Furthermore, mainstream the rights and upliftment of the designated groups through advocacy, capacity development, intersectoral collaboration, monitoring and evaluation.

**INTERNAL AUDIT FUNCTION**

The Internal Audit Unit of Inxuba Yethemba Local Municipality is established in terms section 165 of the Municipal Finance Management Act, Act 56 of 2003 ('MFMA') which states that each Municipality and each Municipal entity must have an internal audit unit. The mission of the Internal Audit Activity is to provide the Inxuba Yethemba Local Municipality with a value adding internal audit function by assisting management in controlling risk, monitoring compliance, corporate governance and improving efficiency and effectiveness of the internal control system.

The key objectives of the Internal Audit are:

- To provide an independent, objective assurance and consulting activity designed to add value and improve the municipality's operations.
- To evaluate and improve the effectiveness of the Risk Management and Internal Control processes.
- To assess, evaluate and improve the effectiveness of the Corporate Governance processes.

Based on the results of the risk assessment, the internal auditors evaluate the adequacy and effectiveness of how risks are identified and managed in the above areas. They also assess other aspects such as ethics and values within the organization, performance management, communication of risk and control information within the organization in order to facilitate a good governance process. The internal auditors provide recommendations for improvement in those areas where opportunities or deficiencies are identified. While management is responsible for internal controls, the internal audit activity provides assurance to management and the audit committee that internal controls are effective and working as intended.

The internal audit activity is led by the Internal Audit manager and the Manager delineates the scope of activities, authority, and independence for internal auditing in a written charter that is approved by the audit committee and adopted by Council

The Internal Audit Activity is manned by capable Internal Audit practitioners who are members of the Institute of Internal Auditors. The IIA is the primary body for the internal audit profession; it maintains

the International Standards for the Professional Practice of Internal Auditing and the profession's Code of Ethics. IIA members are required to adhere to the Standards and Code of Ethics.

#### The Performance and Audit Committee

The Audit Committee is established in terms of Section 166 of the Municipal Finance Management Act, Act 56 of 2003 ('MFMA') which states that "Each Municipality and each municipal entity must have an Audit committee." The purpose of the Committee is to assist and advise the Council in fulfilling its oversight on matters relating to:

- Internal financial control and internal audits.
- Risk management.
- Accounting policies.
- Adequacy, reliability and accuracy of financial reporting and information.
- Performance management and evaluation.
- Effective governance.
- Statutory compliance.

An audit committee typically serves as the liaison among the Council, external auditors, internal auditors, and financial management. Generally, the audit committee's purpose is to assist the Council in overseeing the:

#### Functions of the Performance Audit Committee

More and above the provision of credible view of the efficiency and effectiveness of the performance management of the municipality this Committee facilitates consideration of the annual report in its entirety and also performs the following functions: Review quarterly reports, the Annual Financial Statements (AFS) and any other reports deemed necessary, regarding the performance of management of the Inxuba Yethemba Municipality; Review quarterly reports of Internal Audit regarding auditing of performance measurements; Reviewing significant differences of opinion between management and the internal audit function; Review the Municipality's performance management system and make recommendations in this regard to Council; and, In reviewing the performance management system, the committee focuses on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned; In this regard it is provided with the relevant Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plans (SDBIP).

#### Accountability

- (i) The Chairperson of the Audit and Performance Committee report to Council.
- (ii) The Chairperson of the Audit and Performance Committee prepares a statement, for inclusion in the annual report, commenting on performance management and performance evaluation.
- (iii) The Chairperson advise and makes recommendations of any material findings to the Executive Mayor via the Municipal Manager.

The Chairperson of the Audit and Performance Committee serves on the Assessment Panel for Section 57 Employees according to the performance regulations.

#### **RISK MANAGEMENT**

The Inxuba Yethemba Municipality developed and adopted Risk Management Policy which was adopted by Council in 2020. The progress on the implementation of risk management plans is monitored by the Risk Management Committee. Some of the duties of committee includes the following: Review the Risk Management Policy Fraud Prevention Plan; Review the Risk Appetite and Tolerance and recommend for approval by Council. Review the Institution Risk Identification and Assessment Methodologies to obtain reasonable assurance of the completeness and accuracy of the Risk Register. Committee also provides Oversight and ensuring that mechanisms are in place to monitor Fraud Risk and ensure that Fraud Risk is controlled within the acceptable and approved Risk Tolerance and Risk appetite of the municipality.

#### **ANTI-CORRUPTION AND FRAUD**

The municipality approved a Fraud and anti-corruption plan in the 2019/2020 financial year. The Municipality have not yet developed the anti-corruption and fraud policy.

#### **INTEGOVERNMENTAL RELATIONS**

The Institution undertook to establish its Intergovernmental Relations function in October 2020. The IGR Policy was developed and presented to relevant stakeholders and was approved by the Council. With the assistance from COGTA, the IGR Core Team with Terms of Reference was successfully established.

The municipality as well participates in a number of inter-governmental structures such as the following:

- SALGA Working Groups
- DIMARFO
- MuniMec

### Consolidated Ward Needs

Ward 1	Ward Development Priorities
Lingelihle	<p><b>Paving:</b></p> <ol style="list-style-type: none"> <li>1.Mpangele Street</li> <li>2.Ntlakohlaza Street</li> <li>3.Sisulu Street</li> <li>4.Sonwabile Street</li> <li>5.Sonwabile Street</li> <li>6.Ncanda Street</li> <li>7.Gala Street phase 2(so it can be completed)</li> <li>8.Kahle Street</li> <li>9. Mazosiwe Street</li> <li>10. Nkonjane Street</li> </ol> <p><b>Installation/Construction</b></p> <ol style="list-style-type: none"> <li>1.Multi Purpose Centre for youth</li> <li>2.Mobile Clinic in Atlanta Area</li> <li>3.Mobile Police Station in Atlanta Area</li> <li>4.RDP Houses</li> <li>5.New system for Sewerage in Gala Street</li> </ol>

Ward 2	Ward Development Priorities
Lingelihle	<p>Surfacing Maintanance of ff streets:</p> <ol style="list-style-type: none"> <li>1. Hlekani</li> <li>2. Zambodla</li> <li>3. Qhina</li> <li>4. Nyanda</li> <li>5. Mhlawuli</li> <li>6. Chris Hani</li> <li>7. Ndlovini</li> <li>8. Zwelitsha</li> </ol> <p>Flood Lights  Mobile Police Station  Clinic  Recreational Facilities  Community Empowerment in Projects  FET College  Job Creation  Rectification of Houses  Library and Park  Halls and Sportsfield  Night School Facilities  Firebrigade</p>



<b>Ward 3</b>	<b>Ward Development Priorities</b>
<b>Lingelihle</b>	Paving: 1.Thembeni Street 2.Luse Street 3.Mali Street

<b>Ward 4</b>	<b>Ward Development Priorities</b>
<b>Michausdal</b>	New Priorities raised by the Community: <ol style="list-style-type: none"> <li>1. Paving of Steenbok and Takbok Street and Drainage</li> <li>2. Storm water drainage systems throughout the ward</li> <li>3. Streetlights in the following streets:                Alfreda street                 Shannon Street                 Blesbok street                 Gemsbok street                 Alpha street                 Amandel street                 Hope street                 New street                 Short street                 Sion Street                 Viola street             </li> <li>4. Parks and Gardens (Veg gardens)</li> <li>5. Upgrade of old Sport complex &amp; Swimming Pool</li> <li>6. Upgrade of Michausdal Complex and Hall</li> </ol>

<b>Ward 5</b>	<b>Ward Development Priorities</b>
<b>Cradock CBD</b>	New Priorities raised by the Community: <ol style="list-style-type: none"> <li>1. Roads</li> <li>2. Power stations</li> <li>3. Water &amp; Sanitation</li> </ol>

<b>Ward 6</b>	<b>Ward Development Priorities</b>
<b>IYM Cradock Farm Areas</b>	New priorities raised by the Farmers association: <ol style="list-style-type: none"> <li>1. District roads maintenance</li> <li>2. Water Infrastructure</li> </ol>

	<ol style="list-style-type: none"> <li>3. Municipal Roads Maintenance</li> <li>4. Dumping and litter to be controlled</li> </ol>
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<b>Ward 7</b>	<b>Ward Development Priorities</b>
<b>IYM Middleburg Farm Areas</b>	<p>New Priorities raised by Community:</p> <ol style="list-style-type: none"> <li>1. Housing</li> <li>2. Parks</li> <li>3. Esau Weg</li> <li>4. Water and Drainage</li> </ol>

<b>Ward 8</b>	<b>Ward Development Priorities</b>
<b>Lusaka</b>	<p>New Priorities raised by the Community:</p> <ol style="list-style-type: none"> <li>1. Housing</li> <li>2. Construction of Primary School for Lusaka</li> <li>3. Electricity Vendor</li> <li>4. High mast lights</li> <li>5. Lusaka Street naming</li> <li>6. Paving in 2 Rooms (Ward 8) in Kwa- Nonzame</li> <li>7. The rectification of old houses</li> <li>8. The old toilets in Lusaka (Posing health risk)</li> <li>9. The street lights both ward 7 and ward 8</li> <li>10. The correcting of the streets belonging in ward 8 but put in ward 7</li> <li>11. The issue of foreigners owning too many shops in Middleburg</li> <li>12. Hallside Avenue</li> <li>13. Michel Weg</li> <li>14. Kraamsweg</li> <li>15. Paving of streets</li> </ol>

<b>Ward 9</b>	<b>Ward Development Priorities</b>
<b>Middleburg CBD</b>	<p>1 Maintenance of Roads in Middleburg Town:</p> <ol style="list-style-type: none"> <li>1.1 Smit Street – very urgent</li> <li>1.2 Van Der Walt Street</li> <li>1.3 Van Reenen Street</li> </ol> <p>2. Sinking Houses in Joko Street (Need Sival Engineering Experience)</p> <p>3. Circle at Cross Of entrance to town- Kwanonzame and Lusaka with Speed Humps before and after the bridge in Mentjies street (The same speed bumps as the new ones erected in Richmond Road)</p> <p>4. Construction of Indoor Youth Centre in KwaNonzame (Human Settlement)</p>

	<p>5.Middleburg pound with Pound Master and Gazette Bylaws to Pound animals in Ward 8 and 9</p> <p>6.Privitize the Caravan Park in town</p> <p>PUBLIC ASSIST FOR THE FF ONGOING INTERNAL PROJECTS IN WARD</p> <p>1.Renew STOP Signs, Painting Street Lines (Whole Town)</p> <p>2.Roads in Ward 9</p> <p>2.1 Victoria Street – at schools</p> <p>2.2 Rosmead Road</p> <p>2.3Coetzee Street</p> <p>2.4The Whole Naude Street</p> <p>2.5 The whole Joubert Street</p> <p>2.6Ephuleni Street</p> <p>2.7Bennie Street</p> <p>2.8Nood Street</p> <p>2.9 Enslin Street</p> <p>2.10Mark Street</p> <p>2.11 Stockenstroom Street, Murray Street</p> <p>3.Recycling Plant (Privitize)</p> <p>4.Cleaning of the River from the beginning of Du Plessis to Coetzee Street</p> <p>5.Cleaning of Storm Water from the beginning of Du Plessis to Coetzee Street</p> <p>6.Budget for Yellow Plant Grader and TLB Truck for Middleburg Unit</p> <p>7.Fencing around City Hall and Municipal Offices in town</p>
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## CHAPTER 3 – SPATIAL DEVELOPMENT FRAMEWORK

### 2.6 SPATIAL ANALYSIS AND RATIONALE

#### *SDF Status Quo*

- IYM is a member of the Chris Hani District Planning Tribunal
- IYM has a stand-alone Appeal Authority that consists of the Executive Mayor, The IPED Portfolio Head and Municipal Manager
- The Council appointed the Municipal Manager as the Authorised Official
- Municipality adopted and gazetted Spluma by-laws in February 2015
- The Municipality has a Land Audit project that was conducted and completed in 2017.
- The Municipality has an outdated SDF that was developed in 2015, however is currently under review.
- The Municipality has a fully-fledged GIS however there is no body/qualified personnel

#### *IDP VISION AND SPATIAL VISION ALIGNMENT*

<b>IDP Vision:</b> A coherent developmental municipality putting people first and providing a better life for all its citizens		
<b>IDP Mission:</b>  Inxuba Yethemba Municipality commits itself to unity, putting people first and providing a better life by:	<b>Spatial Vision:</b>  Inxuba Yethemba a municipality where the growing tourism and agricultural sectors, supported by agri-processing industries utilise the available natural and human resources sustainably to provide economic opportunities to well informed residents and where the urban centres of Cradock and Middleburg provide efficient, affordable and equitable access to social and economic opportunities	
	<b>Spatial Vision Statements</b>	<b>Spatial Principles</b>
<b>Promoting social and economic development</b>	<b>Growing tourism and agricultural sectors, supported by agri-processing industries</b> <ul style="list-style-type: none"> <li>• Socially equitable access for all residents.</li> <li>• No informal settlements and no housing backlog</li> <li>• Social facilities within walking distance</li> </ul>	<b>Balanced and Sustainable urban and rural development.</b>  <b>Promote the Integration of residential areas and</b>

	<ul style="list-style-type: none"> <li>• Appropriate Social Facilities provided in the right locations and at the right time.</li> <li>• Well managed and sufficiently sized commonage land where stock farming and</li> <li>• cultivation occurs</li> <li>• A growing tourism and agricultural sector</li> <li>• Integration – functional and spatial integration</li> </ul>	<p><b>existing and potential employment Areas.</b></p> <p><b>Redress the spatial legacy of apartheid Integration</b></p> <ul style="list-style-type: none"> <li>• Functional</li> <li>• Socio-Economic</li> </ul>
<b>Ensuring effective community participation</b>	<p><b>Well informed residents</b></p> <ul style="list-style-type: none"> <li>• Good and effective governance and public participation</li> <li>• Informed citizens who are willing and able to participate effectively in decision making and discussion.</li> <li>• Ease of communication (Travel, telecommunication, information dissemination)</li> <li>• People centred land use management and decision-making</li> </ul>	<p><b>Good and Effective Land Use Management and Governance</b></p> <p><b>Redress the spatial legacy of apartheid</b></p>
<b>Providing and maintaining affordable services</b>	<p><b>Urban centres of Cradock and Middleburg provide efficient, affordable and equitable access to social and economic opportunities.</b></p> <ul style="list-style-type: none"> <li>• There are compact urban areas (Not dispersed)</li> <li>• There has been investment in areas of opportunity and competitive advantage.</li> <li>• There are operational renewable energy (Solar and Wind) projects.</li> <li>• Alternative technologies are utilised at a household level as alternative sources of</li> <li>• heating, lighting, cooking energy, while recycling and waste separation minimise</li> <li>• the demand on the solid waste sites.</li> </ul>	<p><b>Spatial Concentration</b></p> <p><b>Renewable and alternative energy Usage</b></p>

	<ul style="list-style-type: none"> <li>• Effective use of available infill land within the urban edge</li> <li>• Higher densities are applied and middle and rental housings play an important</li> <li>• role in the housing market.</li> </ul>	
<b>Effectively and efficiently utilising all available resources</b>	<b>Utilise the available natural and human resources sustainably</b> <ul style="list-style-type: none"> <li>• Environmentally sustainable use of the available resources plays a significant role</li> <li>• in the local economy, especially in relation to tourism, food security.</li> <li>• Sensitive biodiversity areas are protected and conserved together with prime</li> <li>• agricultural land.</li> <li>• There is effective management and development of the heritage resources,</li> <li>• Climate change adaption has eliminated the potential negative social and</li> <li>• economic impacts.</li> </ul>	<b>Sustainability (Both Protection and Usage)</b>

### **KEY SPATIAL ISSUES AND RELATED OBJECTIVES & STRATEGIES**

The CHD SDF identified the following key spatial issues and corresponding objectives and strategies:

<b>Key Issue</b>	<b>Objective</b>	<b>Strategies</b>
Balancing the Focus between Meeting Basic Needs and Achieving Productive Investment	<ul style="list-style-type: none"> <li>• Ensure availability of minimum acceptable level of infrastructure and services throughout DM.</li> <li>• Target strategic investment in areas with demonstrated development potential.</li> </ul>	<p>ID &amp; Prioritise areas of greatest need for SOCIAL TRANSFERS</p> <ul style="list-style-type: none"> <li>• Special Development Areas</li> </ul> <p>ID areas with enhanced development potential</p> <ul style="list-style-type: none"> <li>• Settlements of greater significance</li> <li>• Corridors</li> <li>• Special Development Areas</li> </ul>

Spatial Fragmentation and the Management of Land <ul style="list-style-type: none"> <li>• Development</li> </ul>	<ul style="list-style-type: none"> <li>• A more efficient and integrated settlement pattern in the towns and settlement areas of the Chris Hani District</li> <li>• A coherent and accepted Land Use Management System addressing the needs of urban and rural environments</li> </ul>	<ul style="list-style-type: none"> <li>• Promote densification and consolidation of urban and rural settlements wherever possible</li> <li>• Develop an Interim Land Use Management System based on local “Social Compacts” (that is, locally negotiated agreements on processes to be followed to achieve land use management</li> </ul>
Ensuring Ease of Access to Opportunities	<ul style="list-style-type: none"> <li>• A well-structured road network system allowing for ease of movement.</li> </ul>	<ul style="list-style-type: none"> <li>• ID centres and products (e.g. agric. produce) that require linkage</li> <li>• ID and prioritise areas where need for improved access is greatest</li> <li>• Prioritise maintenance &amp; upgrade of strategic link routes</li> </ul>

Given the above strategies the CHD SDF makes specific proposals with regard to:

- The district-scale Settlement Hierarchy
- Development Corridors
- Special Development Areas
- Environmental Management Areas

#### ***DISTRICT-SCALE SETTLEMENT HIERARCHY***

The SDF Review has identified an amended hierarchy of settlements in order to guide the DM and LMs in the allocation of appropriate levels of investment in infrastructure and services and to be better able to implement appropriate land use management strategies. It must be noted that the Hierarchy is defined from a district perspective and relates primarily to a consideration of both current status and function of a centre as well as its prospective future status. In terms of this hierarchy the settlements in Inxuba Yethemba are classified as follows:

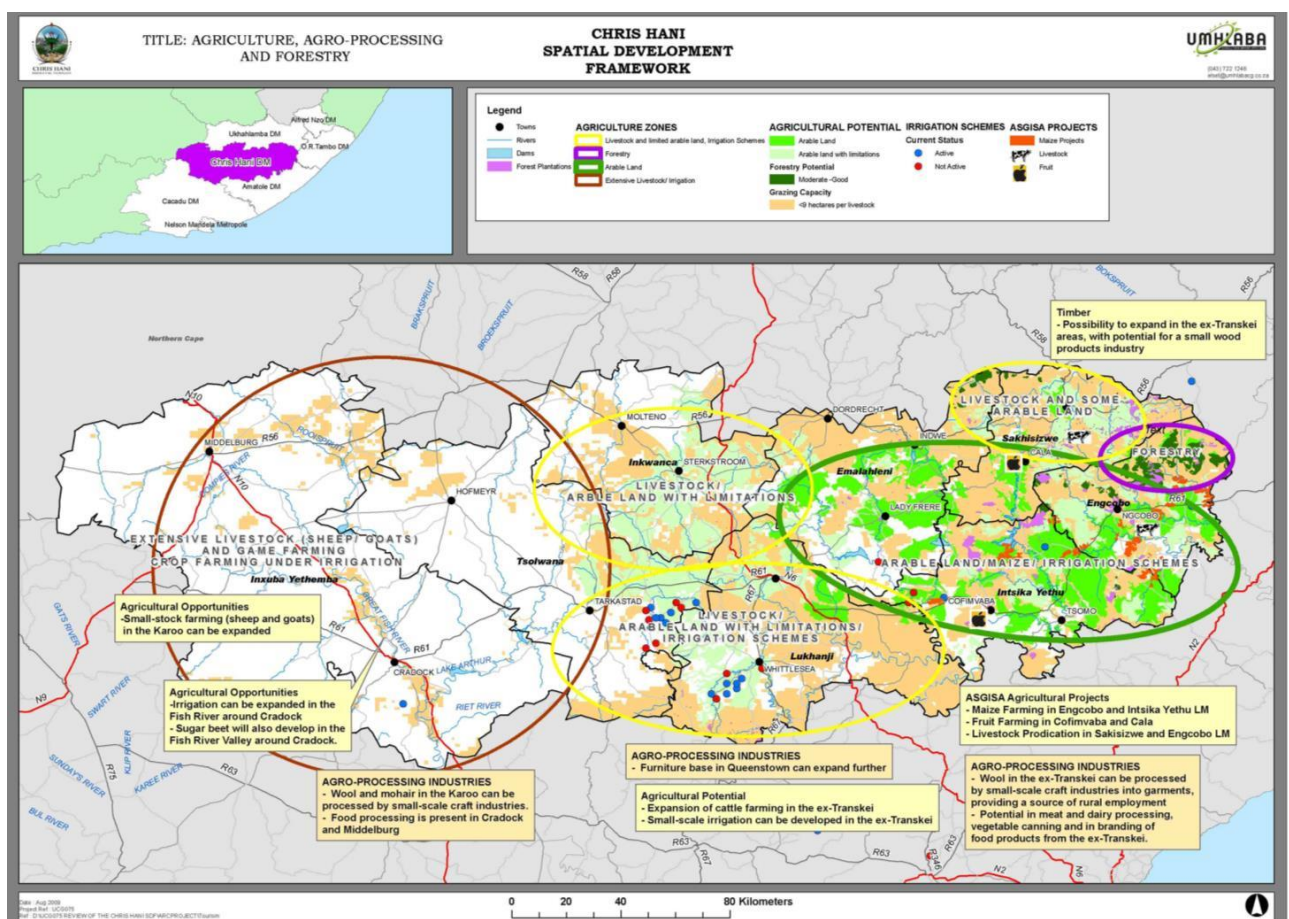
Type	Location	Function of Settlement and associated typical land uses	Spatial Development Priorities
Sub-district Centers	Cradock (Inxuba Yethemba LM)	<ul style="list-style-type: none"> <li>• Municipal-scale Administrative Centre</li> <li>• Municipal-scale service centre for commercial and social goods and services.</li> <li>• Residential development covering limited range of economic bands (Middle-income – Low-income)</li> <li>• Potential for value-adding agro-industrial processes</li> <li>• Potential for event-related tourism events</li> </ul>	<ul style="list-style-type: none"> <li>• Land Management &amp; Administration. CBD Revitalisation and associated planning.</li> </ul> <p>Sustainable Human Settlement Programme:</p> <ul style="list-style-type: none"> <li>• Public-funded Housing Development</li> <li>• Urban level of service infrastructure &amp; Social Facilities upgrade</li> <li>• Maintenance and upgrade of existing infrastructure</li> </ul>
Local Centers	Middelburg (Inxuba Yethemba LM)	<ul style="list-style-type: none"> <li>• Municipal-scale Administrative Centre</li> <li>• Local-scale Service Centre for commercial and social goods and services</li> <li>• Residential development covering limited range of economic bands</li> </ul>	<ul style="list-style-type: none"> <li>• Limit urbanization (sustainability)</li> <li>• Urban aesthetics and land use</li> <li>• management (to support local tourism)</li> <li>• Maintenance and upgrade of urban level of</li> </ul>



		(Middle-income – Low-income)	service infrastructure
		<ul style="list-style-type: none"> <li>Potential for value-adding agro-industrial processes</li> </ul>	<ul style="list-style-type: none"> <li>Environmental management (to support local tourism)</li> </ul>

## SMALL TOWN DEVELOPMENT INITIATIVES

The Chris Hani Regional Economic Development Strategy highlighted the need to identify and prioritise small towns along the economic corridors that have the potential to participate actively in the value chain of the differentiated sector and implement small town development initiatives. Cradock and Middelburg have been identified as towns within the development corridor.



## LAND REFORM AND SETTLEMENT AREAS

The land reform and Settlement plan has identified the following zones within Inxuba Yethemba for focused reform and settlement action.

Greenfields Settlement Zone (No. 1: Cradock)		
Locality and Description	Rationale	Key Proposals
The existing municipal commonage lands of Cradock and the existing built environment (residential townships etc.).	Cradock is the main urban centre of the Municipal area, both in terms of population size and economic activity. It serves as the centre of urbanization for rural populations and as such the municipality is under significant pressure to provide new housing. The majority of the households moving to Cradock are poor and without adequate income opportunities	Based on assessed need: Plan and develop urban-type settlement areas to accommodate need for urban settlement and housing. Such projects are to be located within the urban environs of Cradock and related township areas, on suitable land as determined in terms of the LM Spatial Development Framework. Commonage is to be planned and developed in accordance with a Commonage Management Plan. The livelihood potential of the commonage should be maximized through development of commonage facilities for the urban poor. However for the development to achieve any impact, effective commonage management needs to be put into place. Commonage land with smallholder potential to be sub-divided and made available for emerging farmers on a purchase or lease basis. Any commonage land that the LM wishes to dispose of to emerging farmers to be sold subject to approval by the Premier.
Greenfields Settlement Zone (No. 2: Middelburg)		
Locality and Description	Rationale	Key Proposals
The existing municipal commonage lands of Middelburg and the existing built environment	Middelburg is an important urban centre in the Local Municipal area. It serves as the centre of urbanization for surrounding rural	Plan and develop urban - type settlement areas to accommodate need for urban settlement and housing.

(residential townships etc.).	populations and as such the municipality is under significant pressure to provide new housing. The majority of the households moving to Middleburg are poor and without adequate income opportunities	Such settlements are to be located within the urban environs of Middleburg and related township areas, on suitable land as determined in terms of the LM Spatial Development Framework. Commonage needs to be planned and developed in accordance with Commonage Management Plan. The livelihood potential of the commonage should be maximized through development of commonage facilities for the urban poor. However for the development to achieve any impact, effective commonage management needs to be put into place.
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#### **Development Support Zone (No. 3: Mortimer)**

<b>Locality and Description</b>	<b>Rationale</b>	<b>Key Proposals</b>
Located at the Mortimer settlement area, approximately 20kilometres south of Cradock. The Local Municipality has indicated that a Cooperative owns the land. The land is not, however, utilized any longer for productive purposes by the Cooperative.	Mortimer is an isolated node of informal settlement. However the land offers an opportunity for smallholder irrigation farm development. As such the future economic development of the land is in conflict with the urban development envisaged there. This situation needs to be resolved with a clear direction given to future developments. The formalization of an isolated urban node is in contradiction to the Land Reform and Settlement Plan's Strategic Development Framework (as well as the General Principles for Land Development contained in the DFA)	Carry out planning and facilitation to identify suitable land for intensive cultivation (irrigation). Identify suitable beneficiaries for LRAD subsidies and subdivide land appropriately to dispose of to beneficiaries. Non-farming households to be accommodated in urban-type settlement in Cradock Greenfields Settlement Zone.

#### **Special Project (No. 4: Rosmead)**

<b>Locality and Description</b>	<b>Rationale</b>	<b>Key Proposals</b>
Located at the Rosmead siding/settlement area	This area has not formally been planned and registered as an	The desirability and sustainability of extending a peripheral

<p>approximately 10kilometres to the east of Middleburg. The Local Municipality has indicated that Transnet owns this land.</p>	<p>urban township and consists of a number of houses constructed to accommodate people working at the siding. The Inxuba Yethemba IDP identifies this area for housing and services upgrade and extension. Whilst the principle of upgrading the existing structures to meet the needs of people working in the immediate vicinity or at the siding itself is accepted, the establishment of an extended urban node so close to the town of Middleburg is in contradiction to the Strategic Development Framework of the LR&amp;SP (and other policy/legislative frameworks such as the DFA). Therefore, it is proposed that the Municipality needs to consider carefully the long-term social, economic, and servicing implications of extending Rosmead.</p>	<p>settlement located some 10 km's from Middelburg is questioned. Therefore, it is proposed that the Municipality carry out a Feasibility Study on extended settlement development at Rosmead, specifically to investigate if current residents who no longer have an economic rationale to remain in the area could not be accommodated better within the Greenfields Settlement Zone in Middelburg.</p>
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#### **CHAPTER 4 – STRATEGIC OBJECTIVES, KPIs AND TARGETS**

The Council and Administration of Inxuba Yethemba Municipality participated in a Strategic Planning Session on.....February/March 2021. The aim was for the institution to plan and recommit themselves to providing better service delivery to its community at large.



Priority Area	Programme Objective	Indicator Code/IDP Ref No	Key Performance Indicator	Baseline 2020/2021	Allocated Budget	Annual Target 2021/2022	Custodian
<b>KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>							
<b>Waste Management</b>	<b>To ensure a clean and safe environment for IYM Communities</b>		Collection of waste in the 8 areas of Inxuba Yethemba (Cradock town, Lingelihle, Michausdal, Midros, Lusaka, KwaNonzame, Middelburg town, Rosmead)	15958 households		Collection of waste in the 8 areas of Inxuba Yethemba (Cradock town, Lingelihle, Michausdal, Midros, Lusaka, KwaNonzame, Middelburg town, Rosmead) by 30 June 2022	Community Services
			Number of landfill Sites fenced	Non-fenced landfill sites		2 landfill Sites fenced (1 Cradock, 1 Middleburg)	
			Number waste management machinery purchased			2 waste management machinery purchased by 30 June 2022	

			Number of skip bins and skip trailers purchased			9 skip bins and 2 skip trailers by 30 June 2022	
	<b>To ensure a clean environment</b>		Number of community environmental awareness campaigns conducted			4 community environmental awareness campaigns conducted	
			Number of awareness and educational programmes for ECD, primary and high school scholars conducted			4 awareness and educational programmes for ECD, primary and high school scholars conducted	
			Middelburg town library roof repaired	<b>Dilapidated Roof</b>		Middelburg town library roof repaired	
<b>Disaster Management</b>			Number of fire awareness campaigns conducted			fire awareness campaigns conducted	



Law Enforcement			Upgrading of Middelburg yard test K53 fence			Upgrading of Middelburg yard test K53 fence	
			Number of Law Enforcement fines issued			20 Law Enforcement fines issued	
			Number of public facilities maintained			5 public facilities maintained	
			Number of Halls to be constructed		R3 740 000,00	1	
			Number of sportsfields to be rehabilitated		R4 500 000.00	1	
			Number of km/m of streets to be paved				
			Number of commonage infrastructures upgraded				

Electrification Programme			Number of Highmast Lights erected				
			Electrical Infrastructure Upgrade facilitated (Cradock; Middelburg; Rosmead)				
			Number of km/m of internal streets paved				
			Number of km/m of streets rehabilitated				
	To provide project management and administration services		Percentage expenditure on MIG Funds			100%	
			Percentage Expenditure on INEP Funds			100%	

	To provide and maintain municipal roads and storm water infrastructure		Number of km of storm water pipes and channels cleaned			2,5km	
			Number of catchpits to be unblocked			80 catchpits	
Priority Area	Strategic Objective	Indicator Code/IDP Ref No	Key Performance Indicator	Baseline 2020/2021	Allocated Budget	Annual Target 2021/2022	
KPA: LOCAL ECONOMIC DEVELOPMENT							
			EggRock Township Establishment Feasibility Study Conducted	N/A		EggRock Township Establishment Feasibility Study Conducted	
			Acquisition of R56 Land from Public Works facilitated	N/A		Acquisition of R56 Land from Public Works facilitated	
			Development of 220 housing units in Rosemead facilitated	Approved Building Plans		Development of 220 housing units in Rosemead facilitated	

			<i>Title Deeds Registration Process of 98 Facilitated</i>	<i>48 in 2018/2019</i>		
			<i>Donation of Land for Military Housing Development facilitated</i>			
			<i>Planning and Surveying of Residential Sites for Middle-Income Housing conducted</i>			<i>Planning and Surveying of Residential Sites for Middle-Income Housing conducted</i>
			<i>number of meters of fencing commonages of IYM</i>			<i>2000 meters of fencing commonages of IYM</i>
<b>AGRICULTURE</b>			<i>number of custom feeding centers to be built</i>			
<b>SMME</b>			<i>Number of SMME Capacitation Training Workshops &amp; Seminars</i>			<i>6</i>
			<i>Number of SMME Ecosystem Developed</i>			<i>1</i>

			<i>Number of Business Licenses issued</i>			<i>100</i>
<b>TOURISM</b>			<i>number of heritage sites to be maintained</i>			<i>3</i>
			<i>Number of Tourism awareness campaigns focusing on tourism calendar</i>			<i>1</i>
			<i>Middleburg Wall of Remembrance Constructed</i>			<i>Middleburg Wall of Remembrance Constructed</i>
			<i>EPWP Target</i>			
			<i>CWP Target</i>			
			<i>Free basic Services provision???</i>			
<b>Priority Area</b>	<b>Programme Objective</b>	<b>Indicator Code/IDP Ref No</b>	<b>Key Performance Indicator</b>	<b>Baseline 2020/2021</b>	<b>Allocated Budget</b>	<b>Annual Target 2021/2022</b>
<b>KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>						

<b>Internal Audit</b>	Effective audit support		number of internal audit programmes executed by financial year end	<b>12</b>		<b>12</b>
			number of quarterly reports that address the auditor generals audit and management reports as well as internal audit reports	<b>4</b>		<b>4</b>
			number of Anti-Fraud and Corruption prevention initiatives undertaken	<b>2</b>		<b>2</b>
			<i>Number of policies, strategies, bylaws developed and/reviewed</i>			<i>5 policies, strategies, bylaws developed and/reviewed</i>
<b>Public Participation and</b>			number of public participation, communication and customer care strategies implemented	<b>1</b>		<b>1</b>

Priority Area	Programme Objective	Indicator Code/IDP Ref No	Key Performance Indicator	Baseline 2020/2021	Allocated Budget	Annual Target 2021/22
<b>KPA : MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b>						
			<i>number of staff that have undergone a skills audit (including competency profiles) within the current 5 year term (cogta)</i>	<b>1</b>		<b>1</b>
			<i>Number of officials and councillors trained as per the approved workplace skills plan</i>	<b>30</b>		<b>30</b>
			<i>Number employees that are trained as peer educators for HIV/AIDS counselling</i>	<b>8</b>		<b>8</b>
			<i>number of critical weekly data backups conducted</i>	<b>52</b>		<b>52</b> critical weekly data backups conducted

			Number of ICT Systems with uptime of 95 percent	<b>20</b>		<b>20</b> ICT Systems with uptime of 95 percent
			<i>number of employees receiving psychosocial support from the eap</i>	<b>30</b>		<b>30</b> employees receiving psychosocial support from the eap
			<i>number of occupational health and safety inspections to be conducted</i>	<b>2</b>		<b>2</b>
<i>To ensure proper implementation, monitoring and evaluation of the Performance Management Framework</i>			<i>Number of Institutional Performance Reports developed and submitted to Council for noting</i>	<b>6</b>	<b>R0</b>	<b>6 Institutional Performance Reports developed and submitted to Council for noting</b>
			<i>Number of Formal Performance Evaluations for Section 56/57 conducted</i>	<b>2</b>		<b>2 Formal Performance Evaluations for Section 56/57 conducted</b>



			<i>Number of Institutional Strategic Documents developed and submitted to Council for approval Service</i>			<i>2 ( 1 IDP and 1 SDBIP) by 30 June 2021</i>
<i>Public Participation and</i>			<i>number of public participation and communication strategies implemented</i>	<i>1</i>		<i>1</i>
<b>Priority Area</b>	<b>Programme Objective</b>	<b>Indicator Code/IDP Ref No</b>	<b>Key Performance Indicator</b>	<b>Baseline 2020/2021</b>	<b>Allocated Budget</b>	<b>Annual Target 2021/22</b>
<b>KPA: FINANCIAL VIABILITY AND MANAGEMENT</b>						
			<i>number of creditors paid within 30 days</i>	<i>115</i>		<i>115</i>
			<i>total municipal own revenue (as a percentage of the total actual budget – of 80%) cogta</i>			

			<i>number of reports on the implementation of Supply Chain Management Policy submitted to Council for Noting/approval</i>	<b>4</b>		<b>4</b>
			<i>number of compliant s71 Reports to be submitted to Council Noting</i>	<b>12</b>		<b>12</b>
			<i>Percentage of submission of information requested by AG for 2020.2021 audit</i>			100% submission of information requested by AG for 2020.2021 audit
			<i>GRAP compliant fixed asset register for 2021/2022 compiled and maintained</i>	<b>2020.2021 Grap Compliant Fixed Asset Register</b>		GRAP compliant fixed asset register for 2021/2022 compiled and maintained

**NARRATIVE****SECTOR DEPARTMENT PROJECTS (2021/2022)****e.g DRDAR**

SECTOR DEPARTMENT	PROJECT/PROGRAMME

**CHAPTER 5 - SECTOR PLAN**

The relevant sector plans and status quo thereof is reflected in the table below:

IYM SECTOR PLANS	YEAR ADOPTED	STATUS	KEY ISSUE
Local Economic Development Strategy	2009		
SMME Development Strategy	2020		
Agricultural Development Plan	2020		
Integrated Transport Plan			
Tourism Integrated Plan			
Environmental Management Plan {EMP}			
Climate Change Strategy			
Human Settlement SECTOR Plan			

Integrated Waste Management Plan			
Disaster Management Policy Framework			
HIV/AIDS STI & TB Workplace plan			
Air Quality Management Plan			
Spatial Development Framework			
Employment Equity Plan			
Workplace Skill Development Plan			
Asset Management Policy			
Virement Policy			
Fraud Prevention Plan			
GIS Policy			
Risk Management Plan			
Performance Management Framework			
<b><u>LIST OF SECTOR PLANS TO BE DEVELOPED/APPROVED</u></b>			
Public Participation Strategy			
Communication Strategy			
Special Programmes Policy			

Sector plan	Status	SDF Implications
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Water Services Development Plan	Water Services Manager of Chris Hani, Appointed Royal Haskoning DHD to prepare Water Resource Master Plans and Water Sector Plans	For the purpose of the SDF, the census 2011 data was used to indicate the level of water and sanitation services. The recommendations of the WSDP/Sector Plan will be incorporated in SDF if available at the time of the final report
Integrated Transport Plan	No ITP	The ITP provides a summary of roads and transport projects taking place at LM level provincial level (DRPW) and national level (SANRAL). Spatial implications will be incorporated where available
Electricity Master Plan	No Electricity Plan available	To be determined
Integrated Waste Management Plan	Draft IWMP requested from Luleka at Chris Hani DM Environmental Health Department	The integrated Waste Management Assessment Indicate the status quo of existing waste disposal sites and reflects spatially where priority intervention is required
Disaster Management Plan	To be confirmed with Mr Memane	The need to spatially reflect climate change implication in the disaster management plan was identified including flood areas, flood lines and possible drought areas.
Human Settlement Sector Plan	HSSP obtained in 2009 (Has been reviewed 2018-2022)	Needs to be reviewed
EC Biodiversity Conservation Plan, EMP and Climate Change	EC Biodiversity Conservation Plan 2007 guidelines and data to be used in SDF	The EC Biodiversity Conservation Plan 2007 was incorporated in the SDF maps. The need for the preparation of an EMP was identified. Climate change implications to be addressed in th DMP
Institutional Plans including: Workplace skills plan, Human Resources Strategy and the Employment Equity Plan	N.A	Institutional plans have limited spatial implications and are not reflected spatially in the SDF.

LED Sector Plan	LED Strategy Regional Economic Strategy	Spatial implications in LED plan to be incorporated into SDF
Tourism Master Plan	Tourism Plan	The spatial implications of the Tourism Routes and Tourism Focus Areas to be included in the SDF where available
Heritage Strategy	Draft Heritage strategy	The listed heritage resources accommodated in the SDF. The legal compliance with the Heritage Resources Act has however not been addressed

## **CHAPTER 6 – FINANCIAL PLAN**

Section 16 of the Municipal Finance Management Act, 2003 (MFMA) requires that the Council of a Municipality must for each financial year approve an annual budget for the institution before the start of the financial year.

Section 68 of the MFMA assigns the Accounting Officer the responsibility of assisting the Mayor in performing the budgetary functions assigned to the latter in terms of Chapters 4 and 7. In terms of the MFMA, section 16(2), the Mayor of a municipality must table an annual budget at a Council meeting at least 90 days before the start of the budget year.

Section 17(1) of the MFMA further states that an annual budget must be a schedule in a prescribed format and further outlines the contents that should be included in such annual budget. The prescribed format is outlined in regulation 9 of the MBRR, which states that “the annual budget and supporting documentation of a municipality must be in a format specified in Schedule A and include all the required tables, charts and explanatory information”.

**TABLE 1: FINAL BUDGET SUMMARY 2020/21 TO 2022/2023 MTREF:**

## **CHAPTER 7 – PERFORMANCE MANAGEMENT SYSTEMS**

### **PERFORMANCE MANAGEMENT SYSTEM**

#### **Introduction**

Section 152 of the Constitution of the Republic of South Africa, Act 108 of 1996 (the Constitution) defines the objects of local government and further, in terms of Section 153, imposes upon municipalities specific developmental duties that each municipality should strive to realise. With respect to the former, the Constitution suggests that a municipality must:

- a) Provide democratic and accountable government for communities;
- b) Ensure the provision of services to communities in a sustainable manner;
- c) Promote social and economic development;
- d) Promote a safe and healthy environment; and
- e) Encourage the involvement of communities and community organisations in the matters of local government.

The Constitution prescribes that municipalities must strive within their financial and administrative capacity to achieve such objects. In relation to the duties of municipalities, the Constitution prescribes that a municipality must:

- a) Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- b) Participate in National and Provincial development programmes.

To ensure that Inxuba Yethemba Municipality complies with these pieces of legislation and that it delivers on the needs of its communities in an effective, efficient and economical manner, the IYM has formulated strategic plans, allocated resources for the implementation of those plans and through this policy, seeks to develop a mechanism to monitor and measure the performance of the institution, inclusive of all its administrative units, against the set plans.

As the key to the success of the municipality in all its endeavors, performance management equips leaders, managers, workers and stakeholders with a set of tools and techniques for regularly planning, continuously monitoring and periodically measuring and reviewing the performance of IYM in terms of the indicators and targets for effectiveness.



## 1.2 Purpose and Objectives

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The primary purpose of this policy is to give effect to the performance management system as prescribed in various pieces of legislation. Through the translation of the municipality's vision, mission and objectives into measurable performance outcomes, the policy aims to provide a guide in terms which the performance of the institution and its administrative units can be measured, improved and/or maintained in order to improve service delivery.




To this end, the policy seeks to:

- a) Create a frame of reference which clearly guides political office bearers and municipal officials in the interpretation and application of performance management mechanisms in the IYM;
- b) Clarify the roles and responsibilities of all stakeholders during the various performance management processes;
- c) Establish a universal performance management language thus promoting consistency and commonality in the application of concepts;
- d) Promote a culture of accountability, responsibility and performance excellence;
- e) Enhance the development of human capital; and
- f) Ensure recognition and reward for performance excellence.

Apart from the legislative adherence that this policy seeks to ensure, it further seeks to create a frame within which the municipality can plan, monitor, review and improve the implementation of Council's Integrated Development Plan. In doing so, it will fulfil the following functions:

### 1. **Facilitate increased accountability**

The performance management system will provide a mechanism for ensuring increased accountability between:

-  The residents of the IYM and Council,
-  The political and administrative components of Council,
-  Each department and the executive office

### 2. **Facilitate learning and improvement**

While ensuring that accountability is maximized, the performance management system must also provide a mechanism for learning and improvement. It should allow for the municipality to know which approaches are having the desired impact, and enable the municipality to improve delivery. It should form the basis for monitoring, evaluating and improving the Integrated Development Plan.

3. **Provide early warning signals**

The performance management system should provide Managers, the Municipal Manager, Committees of Council and the Mayoral Committee with early warning of non-performance of the full implementation of the Integrated Development Plan. It is important that the system ensures decision-makers are timeously informed of possible non-performance, so that they can facilitate intervention, if necessary.

4. **Facilitate decision-making**

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

### **1.3 Policy Scope and Key Principles**

The Policy applies to all Councillors, the Municipal Manager including those managers appointed in terms of Section 56 of the Local Government: Municipal Systems Act, 32 of 2000, (Directors) as well as categories of IYM officials as determined by Council.

The application of the PMS Policy will be based on the following principles:

- a) **Simplicity:** The system must be a simple user-friendly system that enables Council and its external stakeholders to operate it within the existing resource capacity;
- b) **Politically Driven:** Legislation clearly tasks Council as the owner of the performance management system. The Municipal Manager will need to drive both the implementation and improvement of the system and may delegate responsibilities in this regard;
- c) **Incremental Implementation:** It is important that while a holistic performance management system is the ultimate objective, Council could adopt a phased approach to implementation, dependent on the capacity and resources of the municipality. The performance management system will need to be constantly improved based on its workability;
- d) **Transparency and Accountability:** The process of managing performance should be inclusive, open and transparent. Citizens should know how departments are run, how resources are spent, and who is in charge of particular services. Similarly, all information on the performance of departments should be accessible to other managers, employees, the public and specific interest groups;
- e) **Integration:** The performance management system should be integrated into other management processes of Council, such that it becomes a tool for more efficient and effective management rather than an additional reporting burden. It should be seen as a central tool for ongoing management functions;

- f) **Objectivity:** Performance management must be founded on objectivity and should be democratic in pursuance of its objectives. Both the processes of managing performance and the information on which it relies need to be objective and credible. It should promote mutual respect, trust and ensure high levels of co-operation and discipline in the dealings of municipal people among one another; and
- g) **Clear and Accountable:** The intentions of Council's performance management system must be made clear and acceptable especially to its officials, councillors and customers. Concerns and fears about the system must be heard and addressed appropriately to minimise suspicions and maximise the understanding and acceptance of change.

#### 1.4 Legislative Context

Performance management in local government is a legislated business process with various statutes regulating the application thereof within municipalities. This Policy must thus be applied consistently with the regulatory framework as summarized below:

<b>The Constitution, Act 108 of 1996</b>
<ul style="list-style-type: none"> <li>• The Constitution provides that municipalities in South Africa must:</li> <li>• Provide democratic and accountable government for local communities;</li> <li>• Ensure the provision of services to communities in sustainable manner;</li> <li>• Promote social and economic development;</li> <li>• Promote a safe and healthy environment;</li> <li>• Encourage the involvement of communities and community organisations in the matters of local government.</li> </ul> <p>The performance of municipalities must be monitored and managed to ensure the achievement of these constitutional provisions.</p>

<b>White Paper on Service Delivery (Batho Pele) 1998</b>
<p>The performance management system must be based on and should give effect to the eight Batho Pele principles of improved service delivery as outlined in and required by the White Paper on Service Delivery. The principles are as follows:</p> <ul style="list-style-type: none"> <li>• Consultation;</li> <li>• Service Standards;</li> <li>• Access;</li> </ul>

- Courtesy;
- Information;
- Openness/ Transparency;
- Redress; and
- Value for Money.

#### **The Local Government: Municipal Structures Act, 117 of 1998**

Section 19 (1) of the Act specifies that a municipal council must strive within its capacity to achieve the objectives set out in section 152 of the Constitution and annually review its overall performance in achieving those objectives.

Section 44 (3) states the executive committee, in performing its duties, must :

- (a)** Identify and develop criteria in terms of which progress in the implementation of the strategies, programmes and services rendered to communities can be evaluated, including key performance indicators which are specific to the municipality and common to local government in general;
- (b)** Evaluate progress against the key performance indicators;
- (c)** Review the performance of the municipality in order to improve –
  - i. The economy, efficiency and effectiveness of the municipality;
  - ii. The efficiency of credit control and revenue and debt collection services; and
  - iii. The implementation of the municipality's by-laws

#### **The Local Government: Municipal Systems Act, 32 of 2000 (MSA)**

- The MSA sets out the legal framework for performance management as a means to measure, evaluate and report on the implementation of the Integrated Development Plan (IDP):
- Chapter 6 of the MSA provides for the establishment, monitoring and review of the performance management system as well as reporting on the organisational performance achievements against the IDP indicators and targets.
- Section 57 of the MSA requires the Municipal Manager and the managers directly accountable to the Municipal Manager (Section 57 employees) to sign annual performance agreements and plans, with a set of performance measures to assess individual

achievement against the plans. The performance plans must be aligned to the SDBIP that are based on the IDP.

- According to section 67 of the MSA, a municipality must implement systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including the monitoring, measuring and evaluating of staff performance
- The MSA, in section 81(b), states that the municipality must monitor and assess the performance of a service provider (or municipal entity) in implementing the service delivery agreement (where applicable).
- Section 26 of the *Local Government: Municipal Systems Amendment Act, 44 Of 2003* provides that a parent municipality which has sole control of a municipal entity or effective control in the case of a municipal entity which is a private company:
  - (a) Must ensure that annual performance objectives and indicators for the' municipal entity are established by agreement with the municipal entity and included in the municipal entity's multi-year business plan n accordance with section 87(5)(d) of the Municipal Finance Management Act; and
  - (b) Must monitor and annually review as part of the municipal entity's annual budget process as set out in section 87 of the Municipal Finance Management Act, the performance of the municipal entity against the agreed performance objectives and indicators.

#### **The Local Government: Municipal Finance Management Act, 56 of 2003 (MFMA)**

The MFMA contains various provisions relating to municipal performance management. It requires municipalities, in annual budget approval, to adopt an SDBIP with service delivery targets and performance indicators and compile an annual report, which must include a performance report compiled in terms of the MSA.

- Pertinent provisions include:
- Section 16(2) requires that the municipality's annual budget to be accompanied by measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP.
- Section 53(1)(c) provides for the Mayor to ensure that performance agreements of Section 57 employees comply with the requirements of the MSA to promote sound financial

management and are linked to the measurable performance objectives approved with the budget and included in the SDBIP.

- In terms of section 72 (1) (a) (iv), the accounting officer of a municipality must, by 25 January of each year, assess the performance of the municipality during the first half of the financial year, taking into account the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports from any such entities.
- The MFMA, section 165 (2) (b), requires each municipality and municipal entity to have an internal audit unit to advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to, inter alia, performance management.
- In turn, section 166 requires each municipality and municipal entity to have an audit committee to advise the municipal council, accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to inter alia, performance management and performance evaluation.

#### **The Local Government: Municipal Performance Management Regulations, 2001**

In 2001 the Minister responsible for local government published the Local Government: Municipal Planning and Performance Management Regulations, in terms of section 49 of the MSA. The Regulations provide for municipalities to ensure that the PMS complies with the requirements of the MSA, demonstrate the operation and management of the PMS, clarify roles and responsibilities, as well as ensure alignment with employee performance management and the IDP processes.

#### **Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006**

In 2006, a set of regulations was promulgated for Municipal Managers and Managers directly accountable to the Municipal Manager, setting out how their performance is to be planned, reviewed, improved and rewarded. The regulations provide for the conclusion of performance agreements and plans for these managers.

## 1.5 Internal Capacity and Stakeholder Roles and Responsibilities

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The MSA places responsibility on Council to adopt the performance management system, while holding the Executive Mayor responsible for the development of the system. The Executive Mayor through the systems of delegation assigns these responsibilities to the municipal manager, but remains accountable for the development of the performance management system. The municipal manager may further delegate the responsibility to another senior manager. Therefore it is important that the Council, within its policy framework on delegation, assigns responsibilities accordingly. This must be done in writing. In the assignment letter, the Council should stipulate quite clearly what needs to be done, by whom and when

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- **MUNICIPAL MANAGER/MANAGER PMS**

The Municipal Manager as the ultimate administrative accounting officer has the responsibility, as delegated by the Executive Mayor, of introducing the performance management system and implementing it. The Municipal Manager also has the responsibility of preparing the institution for change. This in effect means ensuring that those to participate in the performance system, including the various internal and external stakeholders, have a common understanding of why performance management is needed and what it will do for the organisation.

This also involves an interpretation of the principles that will govern its development and use. Of importance in this process is the ability of the institution to reach consensus on the manner in which the system will be administered. However, given the intensive nature of the process of implementing the performance management system, this against the many responsibilities attached to the Municipal Manager, it may become necessary that this function is sub-delegated to a manager that is responsible for the introduction and implementation of the performance management system. This manager will report to the Municipal Manager.

### **PERFORMANCE MANAGEMENT STRUCTURES: INTERNAL AUDIT AND PERFORMANCE AUDIT COMMITTEE**

Section 45 of the MSA has a specific prescription that the results of the measurements of performance (this includes quarterly assessments) must be audited as part of the municipality's internal audit processes and, on an annual basis, be audited by the auditor general. Furthermore, as part of the institutions audit plan, performance measurements must be presented to the performance audit

committee to evaluate both the level of performance of the institution as well as the usefulness of the system

#### **PERFORMANCE MANAGEMENT STRUCTURES: COUNCIL, MAYORAL COMMITTEE AND PORTFOLIO/STANDING COMMITTEES**

Council has the ultimate responsibility of reviewing the performance of the Municipal Council, its Committees and the Administration. Through the presentation of the quarterly organisational/strategic scorecard/Institutional Service Delivery and Budget Implementation Plan (SDBIP), Mid-year Performance assessment and Annual Report, the Municipal Council is able to make an assessment of the level of performance of the municipality. Critically, even though the task of developing and approving the SDBIP resides with the Executive Mayor, any amendments to the SDBIP can only be effected by a resolution of Council. As legislative requirements, Council must approve the Annual and Mid-year performance reports of the municipality.

The Mayoral Committee on the other hand should play the most significant role in reviewing the performance of the administration, as the performance management system should be designed to allow this committee to strategically drive and manage performance in the organisation. Reviews at this level should remain strategic so that councillors are not restrained by operational discussions. In order for this review to be strategic the committee must review performance quarterly, with the final quarterly review taking the form of an annual review. The content of the review should be confined to agreed / confirmed priority areas and objectives. The municipal manager should remain accountable for reporting on performance at this level, even if he or she delegates this responsibility to other officials.

Portfolio/Standing Committees need to manage the performance of sectors and functions respective to their portfolios. While it is important that they at least review performance of organisational priorities that lie within their portfolio, it is desirable that they review additional sectoral priorities determined by them. In order to build the role played by standing or portfolio committees, while ensuring that their role remains strategic and not operational, these committees must review performance as often as monthly.



○ **PERFORMANCE MANAGEMENT STRUCTURES: EXTERNAL STAKEHOLDERS**

On a quarterly basis, municipalities must report on performance to communities and other relevant stakeholders. This can be done in a number of ways:

1. Publication of quarterly reports on all accessible media;
2. Presentation of the performance information at IDP forum
3. Conducting public hearings on performance.

Of importance in this regard is to invite all stakeholders to make representations on the information that is published by the municipality. This is to allow these stakeholders to assess/review the performance of the municipality so as to establish whether the public expectations are being met.

Tabulated hereon below are the various responsibilities attached to each stakeholder:

STAKEHOLDER	ROLE IN PLANNING	ROLE IN IMPLEMENTATION
Community Structures and IDP Forum	<ul style="list-style-type: none"> <li>• To be consulted and actively participate in the identification and prioritisation of area needs</li> <li>• Participate in the development of long-term vision for the area</li> <li>• Participate in the setting of indicators and targets</li> </ul>	<ul style="list-style-type: none"> <li>• Must be given the opportunity to review the performance of the municipality and provide feedback in terms of the progress made in realising municipal targets</li> </ul>
Council	<ul style="list-style-type: none"> <li>• Must facilitate the development of a long-term vision for the area</li> <li>• identify priorities of Council for the period</li> <li>• Must facilitate the development of indicators and targets, and adopt agreed upon targets and indicators</li> <li>• Must facilitate the development of strategies for the realisation of the vision and targets set</li> </ul>	<ul style="list-style-type: none"> <li>• Must approve the IDP and Budget as Municipal strategic and planning documents (approval of targets and indicators)</li> <li>• Must consider the municipality's SDBIP and performance plans of S57 Managers including the Municipal Manager</li> <li>• Must review the performance of the municipality and approve recommendations and amendments where applicable and performance information submitted to other stakeholders</li> </ul>

Standing (s79) Committees	<ul style="list-style-type: none"> <li>• Provide an objective view in terms of the content of the departmental scorecards</li> <li>• Ensure the inclusion of department specific community needs (indicators and targets) in the scorecard</li> </ul>	<ul style="list-style-type: none"> <li>• Consider monthly and quarterly reports on departmental performance as submitted by the departmental director</li> <li>• Approve performance information submitted to other structures (internal and external)</li> <li>• Propose corrective actions to be taken where necessary</li> <li>• Make recommendations to Mayco/Council in terms of the performance of the department</li> </ul>
Mayoral Committee (Mayco)	<ul style="list-style-type: none"> <li>• Oversees the development of the IDP, Budget and Service Delivery and Budget Implementation Plan</li> <li>• Provide strategic direction in terms of the implementation of municipal strategies</li> <li>• Engage relevant stakeholders on the strategies of the municipality</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct reviews of municipal performance (Monthly, quarterly and annually)</li> <li>• Approve performance information submitted to Council and other structures</li> <li>• Propose corrective actions and make recommendations to Council on municipal performance</li> </ul>
Top Management	<ul style="list-style-type: none"> <li>• Manage the development of the IDP, Budget and SDBIP (propose targets and indicators to be included)</li> <li>• Assist Mayco and Council in providing strategic direction of the municipality</li> <li>• Communicate municipal strategies with relevant stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor, measure, review and report on performance (monthly, quarterly and annually)</li> <li>• Advise political leadership on performance related issues and provide early warnings</li> <li>• Develop responses to problem areas identified</li> </ul>
Sections Head	<ul style="list-style-type: none"> <li>• Develop performance plans which are aligned to the municipal strategic documents (IDP, Budget, SDBIP)</li> </ul>	<ul style="list-style-type: none"> <li>• Measure and report on performance in terms of agreed performance plans</li> <li>• Compile evidence in support of performance</li> <li>• Implement municipal strategies and intervention plans that may be developed</li> <li>• Provide early warnings</li> </ul>
Internal Audit	<ul style="list-style-type: none"> <li>• Assist in ensuring the relevance and measurability of performance indicators and targets</li> </ul>	<ul style="list-style-type: none"> <li>• Assesses the functionality of the performance management system and the credibility of the performance information submitted</li> <li>• Assist in preparing for external performance auditing</li> <li>• Submit performance audit reports to the Municipal Manger and Performance Audit Committee</li> </ul>

Performance Audit Committee	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Review the performance reports as submitted by internal audit</li> <li>• Review the performance management system of the municipality and make recommendations to Council, Mayco, Municipal Manager, and Auditors (internal and external)</li> <li>•</li> </ul>
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